

**School Name: Crosslake Community School**  
**Board Policy**  
**Credit Cards**

**Authorization for a Credit Card:**

The Director and Staff Development/Curriculum Coordinator are approved to receive credit cards in Crosslake Community School's name. Also, at their discretion only, a vendor credit card account may be established when necessary for purchasing with vendors.

**Credit Card Limit:**

The Director and Curriculum Coordinator credit cards shall have the dollar expenditure limit of no more than \$2,000 each and no cash advance option.

All Credit Card expenditures must be within the approved budget.

Personal use is strictly prohibited. Personal use includes, but is not limited to, alcoholic beverages, gifts and entertainment.

**General Statement of Policy:**

Credit card statements are to be paid monthly. The credit card payments may be made electronically or automatic withdrawal through the school back account, but must be for full payment of the statement each month or the Board Treasurer shall be notified of the circumstance for minimum payment.

All credit cards must be stored in a secured area by the business manager and/ or administrative assistant.

The credit card shall be used to facilitate on-line, phone, pre-approved purchases, emergency purchases and travel expenses for staff authorized travel (hotel). The school's normal approval, limits, and purchasing policies and procedures will apply for all expenditures.

It is the purchaser's responsibility to obtain an original detailed receipt or invoice for all purchases and turn them into the accounting department. Failure to provide an original detailed receipt to accounting will make the purchaser responsible for the expenditure incurred. Those expenditures are to be reimbursed to the school no later than 10 working days following notification of improper documentation or use of the school credit card. In certain circumstances, a claim may be allowed without a proper receipt. A purchase through this process must still complete the regular protocol for a requisition/purchase order.

Statements shall be reviewed monthly by the business manager and/ or administrative assistant for purchases to match receipts and then she/he will notify the board president if inappropriate spending has occurred or if documentation of the purchase has not been submitted. The board president will notify the board.

It is the responsibility of the Board to determine through the audit and approval process whether the school credit card has been used for appropriate school business. Unauthorized use of the school credit card subjects the purchaser to discipline up to and including termination.

# CREDIT CARD POLICY

**Date Approved: August 2011**

**Revised: September 2015**

**Approved by: Board of Directors**

**Section:**

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## **Credit Card Policy**

LJA uses a centrally managed credit card system for situations where it is not possible to be invoiced for a purchase. This consolidated credit card account allows authorized teachers and staff to have access to their own unique credit cards while maintaining a central management and tracking system. All classroom teachers, administrators, and office staff have a \$500 credit line. The Executive Director holds a credit card, managed on the same system, with a credit line of up to the max combined amount of \$10,000.

All purchases must be within each person's designated budget or pre-approved by the Executive Director.

Internal controls for use of the credit card include budget approval by Executive Director, and each person has a unique credit card # that is linked to their social security number and personal information.

All credit card purchases made must follow these guidelines:

- After an authorized purchase has been made, the receipt must be turned into the Administrative Assistant or Executive Director within 24 hours. If the receipt is not turned in, the credit card must be returned to the Executive Director. The staff may use the card on a case by case basis with pre-approval for each subsequent purchase.
- Purchases must be for legitimate purposes as per the specific budget. If a purchase is made that is not approved and within budget, the employee forfeits their right to use the LJA credit card and must reimburse the school for any unauthorized purchases.
- Credit cards may never be used for non-LJA purposes and doing so will forfeit their right to use the card.
- LJA tax exempt # and form is made available in the staff room. Any purchase charged tax must be reimbursed to the school either by the vendor or the staff who made the purchase.

Staff who do not have access to an LJA credit card or who have lost privileges to have their own card may make purchases and submit a receipt for expense reimbursement.

## Credit Card Policy

Board Approved: March 21, 2013  
Board Amended: January 23, 2014

Policy Number: 805

### POLICY OVERVIEW

Spectrum High School is setting up a credit card program that will allow authorized personnel to charge school expenses. Credit cards are issued to employees who meet the appropriate requirements and can only be used by the individual named on the card or their designee. Spectrum High School is liable to the financial institution which issues the credit cards, and pays the monthly statement directly.

Credit card transactions bring greater efficiency to the purchasing process and enable the cardholder to respond expeditiously to daily business transaction needs.

This Program is NOT intended to bypass other established and appropriate purchasing and payment procedures, such as policies related to the requirement of a purchase order; rather, the program is designed to complement these existing processes. Cardholders are responsible for adhering to all Spectrums' policies when using their credit card.

### POLICY PURPOSE

The purpose of this policy is to establish the responsibilities, controls and authorizations for the application, issuance and processing of Spectrum's credit card program:

- To ensure all credit card purchases are for appropriate and acceptable business expenses.
- To ensure consistent and complete operation of the reconciliation and approval process.
- To comply with Internal Revenue Service laws.
- To ensure that non-compliance will be subject to disciplinary guidelines up to an including termination.

**Cardholder** – This individual's name is on the face of the credit card and to whom Spectrum High School has issued the credit card. Individuals designated as a cardholder are required to:

- Obtain required receipts for credit card transactions
- Ensure all transactions are legitimate purchases made on behalf of Spectrum.
- Properly substantiate and record the business purpose of each transaction.
- Tape receipts to 8.5 x 11 sheet of paper and attach to printed copy of statement.
- Submit required documentation to the Office Manager by specified monthly deadline.

### COMPLIANCE/NON-COMPLIANCE

### Compliance

The cardholder must reconcile and submit all records (cardholder statement, receipts, preapproval forms and any other applicable or required business documentation) to the Office Manager by designated deadlines.

### Non-Compliance

A cardholder that does not comply with the requirements of this or related policies and procedures will be subject to actions including: reimbursing Spectrum High School, suspension or termination of credit card privileges, and other disciplinary actions deemed appropriate. .

## PROCESS AND PROCEDURES

### Lost, Stolen or Compromised Card

The cardholder is responsible for the security of the issued credit card and any purchases made to the account. If there is any reason to believe the credit card may have been lost or stolen, the credit card holder must immediately report this information to the Bank Customer Service at 1-866-552-8855 and then inform the Office Manager. It is extremely important to act promptly in the event of a lost or stolen card to avoid Organization liability for fraudulent transactions. .

Once the bank has been notified, the card account will be closed and a new card issued.

### Replacement Card

**Damaged Card** – a damaged card needs to be reported to the Office Manager who will order a replacement card.

**Expiring Card** – the bank will automatically issue a new card for upcoming expiration dates. These cards are sent to the Office Manager who will notify the cardholder and route the new card.

### Card Suspension or Termination

Credit cards are the property of Spectrum High School, and as such, can be terminated at any time. Credit cards may be suspended or deactivated for the following reasons:

**Employment Change** – When a cardholder leaves the employment of Spectrum High School, the credit card will be deactivated and must be turned over to the Office Manager. Online access for any user of the credit card program will be canceled upon their separation with Spectrum High School.

**Administrative Violations** – Non adherence to administrative requirements may lead to disciplinary action. Examples of administrative violations include, but are not limited to:

- Failure to obtain and submit supporting documentation
- Lack of timely or proper reconciliation of expenses.
- Approval of transactions that violate Spectrum High School policies.
- Failure to appropriately address and resolve instances of misuse or administrative violations.

**Misuse** – Misuse of the credit card or non-compliance to applicable policies will result in disciplinary action. Examples of misuse include, but are not limited to:

- Purchase of items for personal use.
- Purchase of unauthorized supplies or services.
- Purchases requiring a purchase order.
- Use of card or account information by anyone other than the authorized cardholder and/or their designee.

If a credit card program participant violates this credit card policy or other applicable policies, they may be subject to sanctions including suspension of the program privileges, card cancellation, and other disciplinary action deemed appropriate by Spectrum High School. If a personal item is inadvertently charged to the Spectrum credit card, reimbursement for the item must be made to the Office Manager within 3 business days.

### **Credit Limit**

Each credit card is assigned a credit limit based on the anticipated usage. This credit limit is replenished at the beginning of each month when the online statement is issued. Increases in the credit limit should be requested from the school Director.

### **Sales Tax Exemption**

The cardholder must inform merchants of applicable sales tax exempt status prior to the purchase. Cardholders should keep a copy of the sales tax exempt certificate with them to present at the time of purchase. Personal use of these certificates is strictly prohibited.

### **Card Usage**

The credit card can be used at any merchant that accepts Visa, except as prohibited by policy. It may be used for in-store purchases, as well as phone, fax, and mail orders and at secured internet sites.

For phone, fax and mail orders, the cardholder is responsible for instructing the merchant to send a detailed receipt that lists items purchases, the corresponding price, any shipping and/or handling charges, and a total for the order. Note: Packing lists, statements, quotes, agreements, general credit card receipts, and estimates are NOT valid receipts, as they often do not provide prices or necessary detail.

### **Returns and Credits**

Purchase returns and credits must be credited back to the credit card not in the form of cash back or merchant credit. Any acceptance of credit in the form of cash will be considered fraudulent activity.

### **Authorized Purchases and Payments**

***Cardholders are expected to use their credit card for all allowed expenses.*** The need for the submission of expense reimbursements for out-of-pocket purchases should be limited to noncredit card merchants.

### **Unauthorized and Restricted Card Usage**

Credit cards are restricted from making cash withdrawals.

**Unauthorized Purchases** – Some purchases may not be made using the credit card because they require additional oversight and control in advance of the purchase. Unauthorized purchases include, but are not limited to:

- Items and services requiring a purchase order
- Personal items
- Vendors typically invoicing Accounts Payable directly

**Failure to comply with the above guidelines for unauthorized purchases may result in the cancellation of credit card privileges and disciplinary action, up to and including termination of employment.**

### **Receipt Management**

Original itemized receipts are required for all expenses. Receipts need to be taped to an 8.5 x 11 sheet of paper and attached to a copy of the related statement. All receipts need to be sent to the attention of "Office Manager" by the 1<sup>st</sup> of each month for the previous month's statement (i.e., statement for April receipts to be sent by May 1<sup>st</sup>, etc.)

If a cardholder loses or does not obtain a required receipt from the merchant, they must complete a No Receipt Form. This form requires details of the expense and an explanation of what happened to the receipt. The use of this form is not a substitute for original receipts. Repeated use of this form will lead to credit card suspension and monetary reimbursement due by the cardholder to Spectrum High School.

### **Disputed or Fraudulent Charges**

If there is an inaccuracy on a statement, the cardholder must address the issue immediately.

If a cardholder believes the merchant has charged the account incorrectly or there is an outstanding quality of service issue, the cardholder must first contact the merchant and try to resolve the error or problem.

If the cardholder is unable to resolve the matter directly with the merchant or if contacting the merchant is not possible, then it is the responsibility of the cardholder to submit an online Dispute Form for the related charge(s) and to make sure the credit posts to their account.

The bank must receive any charge disputes within 60 days of the transaction date. While pending resolution, the bank will credit Spectrum High School's account for the amount of the disputed transaction. Although the bank acts as the arbitrator in any dispute, the cardholder should never assume that a dispute would be resolved in Spectrum High School's favor. If the dispute is not resolved, please notify the Office Manager. An Affidavit of Commercial Card Fraud form must be completed and faxed to our financial institution and the original sent to the Office Manager. Prompt reporting of any such charges will help to prevent Spectrum High School being held responsible.

**Fraudulent employee use of a credit card will result in immediate revocation of the card, and may result in disciplinary action. Spectrum High School will seek restitution for any inappropriate charges.**

In the event that policies adopted by the School are in conflict with then applicable Minnesota law, the provisions of the law will apply