

## **CREDIT CARD POLICY**

The Board of Education recognizes the efficiency and convenience afforded the day-to-day operation of the District by establishing a credit card account. A “credit card account” is any bank-issued credit card account, store-issued credit card account, financial institution-issued credit card account, financial depository-issued credit card account, affinity credit card account, or any other card account allowing the holder to purchase goods or services on credit or to transact with the account, and any debit or gift card account related to the receipt of moneys. A “credit card account” does not include a procurement card account, gasoline or telephone credit card account, or any other card account where merchant category codes are in place as a system of control for use of the card account.

A credit card account will be established in the name of the District and will be used for incidental purchases authorized by the Treasurer/CFO. All presentation instruments related to the credit card account shall bear the District’s name, including cards and checks. Credit cards shall not be used to circumvent the general purchasing procedures required by law and the policies of the Board. Purchases using the credit card shall be supported by documentation as required by the Treasurer/CFO. The Treasurer/CFO shall retain general possession and control of the credit card account and presentation instruments related to the account, including credit cards and checks. The credit card must be secured at all times in the Treasurer/CFO’s office and/or designated building/department staff person’s office, with request being made for use to the Treasurer/CFO and/or designated building/department staff.

### **Officers or Positions Authorized to Use Credit Card**

Only officers/employees of the Board who have received authorization from the Treasurer/CFO may authorize and approve credit card transactions. The Treasurer/CFO shall document the name and position title of any District officer/employee authorized to use the credit card.

### **Acquisition, Use and Management of Credit Card**

Before an officer/employee may use the credit card account, credit card, or any checks associated with such account, he/she must sign an acknowledgment that he/she has read and understands this Board policy.

### **Expenses for which the Credit Card Account May be Used**

The credit card may be used only for official business and for the benefit of the District. Credit card expenditures for the following are strictly prohibited: entertainment, alcoholic beverages, personal services, and cash advances. A District officer/employee who utilizes the credit card in violation of Board policy may be subject to prohibition from use of the District’s credit card, disciplinary action, including termination, and personal liability for unauthorized charges.

### **Cash Withdrawals and Maximum Credit Limit**

Cash withdrawals may not be made with the credit card.

No authorized user of the credit card may incur more than Fifty Thousand Dollars (\$50,000.00) in debt through use of the credit card for any individual transaction.

### **Submission of Itemized Receipts**

Receipts for any transaction involving the credit card must be obtained by the officer/employee using the card to incur the expense and submitted to the Treasurer/CFO and/or designated building/department staff at the time that the credit card is returned. If an officer/employee fails to submit a receipt to the Treasurer/CFO and/or designated building/department staff to document a transaction involving the credit card, the officer/employee shall be liable for the expense.

### **Guidelines**

Officers/employees are required to abide by the following guidelines when using a District credit card.

- A. All credit cards shall be issued to and in the name of the Mentor Board of Education.
- B. District officers/employees may use credit cards only in connection with Board-approved or school-related activities and in accordance with funds availability and the appropriation of a particular building or department budget or grant provision.
- C. Subject to the discretion of the Board and the approval of the Treasurer/CFO, credit cards may be used for eligible goods and services, including:
  1. Transportation reservations and expenses;
  2. Conference registrations;
  3. Hotel reservation guarantees and expenses;
  4. Purchases from vendors who do not accept purchase orders or vouchers, with prior approval from the Treasurer/CFO;
  5. Supplies and materials needed for District expenses;
  6. Other purchases approved by the Treasurer/CFO on a case-by-case basis.

- D. Credit cards shall not be used for personal purchases or expenditures not allowed under this guideline. In particular, credit cards shall not be used for expenses that are not incurred in connection with Board approved or school-related activities, are not for the benefit of the District, and do not serve a valid and proper public purpose. Use of credit cards in an unauthorized or illegal manner may result in revocation of credit card privileges, disciplinary action and/or where appropriate, may require the user to pay any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase. Knowing misuse of the District's credit card is a criminal offense under O.R.C. §2913.21.
- E. Officers/employees requiring the use of District credit cards shall request (in writing) the use of such cards from the Treasurer/CFO and/or designated building/department staff.
- F. The District is a nonprofit political subdivision of the State of Ohio. Tax exemption forms shall be utilized and are available at the Treasurer/CFO's Office.
- G. Upon receipt of a District credit card, officers/employees shall:
1. Inform merchants that the purchase is for "official School District business" and is not subject to State or local sales tax. The officer/employee shall present a tax exemption form.
  2. Maintain credit cards in a secure fashion and prevent unauthorized charges to the account.
  3. Maintain sufficient documentation of all purchases, including, but not limited to, charge receipts, original cash register slip or other detailed receipt, and invoices.
  4. Provide documentation of all purchases to the Treasurer/CFO's office in a timely manner to ensure prompt payment.
  5. Immediately notify his/her immediate supervisor and the Treasurer/CFO if the card is lost or stolen.
  6. Refrain from allowing anyone else to use the credit card or account number.
  7. Refrain from splitting the costs of an invoice or purchase in order to circumvent the credit card process and/or funds availability.
  8. When using the card for over-the-counter purchases:
    - a. Identify the purchase needed and determine funds availability.
    - b. In purchasing goods and/or services, officer/employee(s) shall provide merchant with the credit card and inform the merchant that the purchase is

for “official School District business” and is not subject to State or local sales tax.

- c. Retain receipts, including cash register receipts and credit card charge slips.
- d. Give receipts and supporting documentation to the Treasurer/CFO’s Office.

H. When using the card for telephone orders:

1. Identify the purchase needed and determine funds availability.
2. Contact the merchant and place the order.
3. In purchasing goods and/or services, officer/employee(s) shall provide merchant with the credit card and inform the merchant that the purchase is for “official School District business” and is not subject to State or local sales tax.
4. Provide merchant with card number and expiration date and any and all pertinent information, including the name of the Cardholder, shipping address, etc.
5. Upon arrival of merchandise, officer/employee shall inspect and verify order accuracy, quality, and price and retain shipping documents and receipts received with the merchandise.
6. Give all related documents to the Treasurer/CFO’s Office.

I. When using the card for Internet orders:

1. Identify the purchase needed and determine funds availability.
2. Locate the merchant’s website and place the order.
3. In purchasing goods and/or services, officer/employee(s) shall enter card number and expiration date. The officer/employee(s) shall indicate that the purchase is tax exempt if the website does not automatically recognize that the purchase is tax exempt. Note: The officer/employee(s) should verify whether the website s/he is accessing is secure before entering his/her credit card account number.
4. Provide all pertinent information to supplier, including the name of the Cardholder, shipping address, etc. Note: If downloading a purchased product from the Internet, officer/employee shall print out the electronic confirmation and include it with the transaction documentation.

5. Upon arrival of merchandise, officer/employee(s) shall inspect and verify order accuracy, quality, and price.
  6. Give all related documents to the Treasurer/CFO.
- J. After use, District credit cards are to be returned to the Treasurer/CFO and/or designated building/department staff, along with appropriate receipt copies of all charges, within seven (7) business days upon completion of any approved use.

Officers/employees must include an original cash register slip or other detailed receipt (i.e., a receipt from a restaurant itemizing all purchases made), in addition to the receipt copy of all charges. In addition, officers/employees shall include, shipping documents and receipts received with the merchandise.

- K. Failure to return District credit cards and/or receipts within the above-referenced time period may result in the suspension of credit card privileges, charges being deemed unrelated or unsubstantiated, and/or the implementation of discipline.
1. Officers/employees shall be responsible for any and all unrelated or unsubstantiated purchases and shall be required to make full reimbursement to the District within thirty (30) business days.
  2. If an officer/employee(s) reimburses the District for an unsupported purchase, it shall be documented in the monthly credit card reconciliation.
- L. The Treasurer/CFO and/or designated building/department staff will keep a record/activity log of all credit card uses and review and approve all purchases to verify that the expenses are incurred in connection with Board approved or school-related activities, are for the benefit of the District, and serve a valid and proper public purpose prior to disbursing public funds for payment of such expenses.
1. Any and all reviews and approvals must be evidenced by the Treasurer/CFO and/or designated building/department staff initials and/or signature.
  2. In addition to evidencing review and approval of the purchase, the Treasurer/CFO and/or designated building/department staff should immediately send all questionable items to the officer/employee purchasing the item for explanation. These explanations shall be approved by the officer/employee's immediate supervisor and the Treasurer/CFO and/or designated building/department staff prior to the payment of such expenses. If an officer/employee reimburses the District for a questionable purchase, it shall be documented in the monthly credit card reconciliation.

3. Upon review and approval, all appropriate documentation shall be forwarded to the Treasurer/CFO's Office.
- M. Upon receipt of the appropriate documentation, credit card expenditures will be paid through the Treasurer/CFO's Office.
- N. The Treasurer/CFO will monitor the credit card account(s) and reconcile all credit card accounts on a monthly basis.
- O. If the officer/employee is terminated or resigns, then s/he must return the credit card and remain responsible for any inappropriate use.
- P. Any reward compensation resulting through the use of the District credit card shall be deposited into the General Fund.
- Q. Only the District Treasurer is authorized to request the issuance, reissuance, or cancellation of a District credit card. If a credit card is lost or stolen, the officer/employee responsible for the credit card's use and possession shall immediately report that fact to the Treasurer. The Treasurer shall immediately report that the credit card has been lost or stolen to the company that issued the District the credit card, and shall take all action necessary to cancel that credit card so as to ensure that unauthorized purchases are not made with the card.
- R. The Treasurer shall annually file a report with the Board detailing all rewards received based on the use of the credit card account.
- S. The Assistant Treasurer-Operations will serve as the compliance officer for the District's credit card program.

LEGAL REF: O.R.C. §3313.311  
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