

Marine Village School Policy 7.7

Adopted:

Revised: March 21, 2024

CREDIT CARDS

I. PURPOSE

The purpose of this policy is to establish procedures for the use and payment of Marine Village School's (MVS) credit card(s).

II. GENERAL STATEMENT OF POLICY

It is the policy of MVS to allow approved personnel to charge school expenses on Board approved accounts. 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. MVS 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. The use of the MVS Credit Card should be viewed as temporary payment method and not used for reoccurring charges UNLESS approved by the school board treasure & AP Accountant. Cardholders are responsible for adhering to all MVS policies when using their credit card.

III. RESPONSIBILITIES, CONTROLS, AND AUTHORIZATIONS

This policy establishes the responsibilities, controls and authorizations for the application, issuance, and processing of MVS credit card activity:

- 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 law
- To ensure that non-compliance will be subject to disciplinary guidelines up to and including termination

IV. CARDHOLDER REQUIREMENTS

The cardholder is the individual whose name is on the face of the credit card and to whom MVS has issued the credit card. Board approved individuals designated as a cardholder are required to:

- Obtain required receipts for all card transactions
- Ensure all transactions are legitimate purchases made on behalf of MVS
- Properly substantiate and record the business purpose of each transaction
- Submit required documentation to the School Board Treasurer & the AP accountant at the end of each week. The documentation required is called the "Credit Card Expense Report".

V. 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 school board Treasurer & the AP accountant by Friday on a weekly basis or within 3 business days of purchase.

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 MVS, suspension or termination of card privileges, and other disciplinary actions deemed appropriate.

VI. PROCESS AND PROCEDURES

The Board will work with the administration as needed to ensure proper processes and procedures are in place and followed. Non-compliance with determined procedures may result in the cancelation of MVS credit cards.

Lost, Stolen or Compromised Card:

The cardholder is responsible for the security of the issued 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 card holder must immediately report this information to the issuing bank and then inform the school director. It is extremely important to act promptly in the event of a lost or stolen card to avoid liability for fraudulent transactions. Once the bank has been notified, the card account will be closed and a new card issued.

Replacement Card or Damaged Card:

A damaged card needs to be reported to the school director 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 school director who will notify the cardholder and issue the new card.

Card Suspension or Termination:

Credit cards are the property of MVS, and as such, can be terminated at any time. Credit cards may be suspended or deactivated for the reasons following, but not limited to:

replace

- Employment Change – When a cardholder leaves the employment of MVS, the credit card will be deactivated and must be turned over to the school director. Online access for any user of the credit card will be canceled upon their separation with MVS.

- Administrative Violations – Nonadherence 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 MVS 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
 - Use of card or account information by anyone other than the authorized cardholder and/or their designee

If a credit card user violates this policy or other applicable policies, they may be subject to sanctions including suspension of card privileges, card cancellation, and other disciplinary action deemed appropriate by MVS. If a personal item is inadvertently charged to the MVS credit card, reimbursement for the item must be made to the school director within 3 business days of the purchase.

Credit Limit:

Each credit card is assigned a credit limit based on the anticipated usage. Increases in the credit limit should be requested from the school director only.

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 approved merchant that accepts it, 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 purchased, 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 and 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 allowed to use their credit card for allowed expenses that cannot be obtained through a purchase order.

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 provided for all credit card purchases. All receipts need to be sent to the attention of the school board treasurer & the AP accountant on a weekly basis or within 3 business days of purchase. 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 MVS.

Disputed or Fraudulent Charges:

If there is an inaccuracy on a statement, the cardholder must work with the school director to 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 work with the school director and the bank to dispute the charge.

Although the bank acts as the arbitrator in any dispute, the cardholder should never assume that a dispute would be resolved in MVS's favor. Prompt reporting of any such charges will help to prevent MVS being held responsible. Fraudulent employee use of a credit card will result in immediate revocation of the card and may result in disciplinary action. MVS will seek restitution for any inappropriate charges. If policies adopted by the school conflict with then applicable Minnesota law, the provisions of the law will apply.