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Policy 790-L
Orig: Local

790-L CREDIT CARD USE POLICY

I. PURPOSE

School Districts have the authority to make purchases using credit cards issued to the public entity. The statutes authorizing credit card use by public entities restrict the use of credit cards to purchases for the public entity.

II. GENERAL STATEMENT OF POLICY

Purchases made with the credit card must be consistent with other state law. Credit card purchases requires the retention of the original invoices and slips needed to support the items charged in the billing statement. No personal use of the credit card is permitted. The use of a credit card improves financial transaction efficiency for some expenses by reducing some time and processing costs. All Freshwater credit cards are the property of Freshwater and authorized users shall take all necessary precautions to ensure the safekeeping of the cards.

III. DEFINITIONS AND PROCEDURES

A. Credit Card obligations will be paid off on a monthly basis. The following credit, procurement, fuel, and grocery card management practices and internal controls will be followed:

1. No personal use of the Freshwater credit or procurement cards is allowed;
2. Only Freshwater directors, managers and assigned employees authorized may use a Freshwater credit or procurement card. Such authorized users may not allow the card to be used by any other person;
3. Freshwater credit or procurement cards shall only be used for business purposes such as preapproved conference registrations/lodging, and preapproved supplies or equipment;
4. Each program manager or program assistant will review all credit card purchases before forwarding to the payables clerk;
5. Supporting documentation is required to be filed with the voucher;
6. Freshwater owned vehicles will be assigned fuel (credit) cards per vehicle;
7. Freshwater may utilize no cost grocery (credit) cards with local merchants;
8. No credit card may be authorized to exceed \$5,000 of charges;
9. No cash advances on credit cards are allowed;
10. The purchase of alcohol is not permitted;
11. There will be no personal gain (i.e. frequent flyer miles, rebates, rewards, etc.);
12. Authorized Freshwater cardholders will be required to sign an agreement indicating they accept these terms;

13. Detailed receipts must be retained and attached to the credit card statements;
14. Statute Reference: A Board may authorize the use of a credit card by any officer or employee otherwise authorized to make a purchase on behalf of the district. If a district officer or employee makes or directs a purchase by credit card that is not approved by the school board, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or district policy applicable to school district purchases.

B. Procurement Card Obligations:

The Governing Board endorses the concept of centralized purchasing and directs the Executive Director to develop and maintain an efficient purchasing system for all supplies, equipment, and materials in accordance with state law and accepted purchasing practices. Purchasing transactions will be authorized on properly signed purchase orders or administered by purchasing cards thru the business office. Purchasing or the incurrence of obligations on behalf of the Freshwater District may only be made within the framework of the School Board adopted budgets. The Executive Director and Business Manager are authorized to contract for goods and services in accordance with the provisions of Minnesota statutes Section 123B.52 Subd. 2.

Note- Rebates may or may not be available on a procurement card agreement.

Legal References: Minn. Stat. § 123B.02, subd. 23 and 123B.52 subd. 2

9/26/12