

CREDIT CARD POLICY & PROCEDURES

PURPOSE

The purpose of the Credit Card Policy and Procedure is to safeguard diocesan assets and ensure stewardship of resources.

OVERVIEW

As the economy has shifted to internet purchases, it is more necessary to use credit cards to make expenditures during the course of providing ministry. While the diocese prefers the controls accompanying traditional checks and requisitioning when possible, it is increasingly challenging to establish relationships with vendors that rely on these forms of payment. When possible, employees should establish payment methods with vendors that use checks for payment. When that is not possible, this policy will apply to the use of diocesan credit cards.

Oversight

The Chief Financial Officer/Treasurer will be responsible to:

- Determine employee eligibility for issuance of a Diocesan Credit Card.
- Set limits on individual Credit Card authority.
- Restrict or terminate individual Credit Card usage.
- Monitor use to ensure that Credit Card charges are in keeping with Diocesan Policy.
- Collect receipts for charges according to Diocesan Policy.
- Reconcile the charges to the statement and make payment according to accounts payable and travel policies and procedures.
- Promptly report any irregularities to the Chief of Staff/Canon to the Ordinary and/or the Bishop.
- Ensure that adequate control is exercised to minimize the risk that Credit Cards are used for fraudulent or corrupt purposes.

Eligibility

To be eligible for a Diocesan Credit Card, an employee must meet one or more of the following criteria:

- Travel frequently in the course of his/her duties.
- Purchase significant volumes of minor goods and services for use by the Diocese not otherwise available through established Diocesan accounts.
- Incur other frequent Diocesan expenses of a normal nature and not otherwise available through established Diocesan accounts.

Permitted Uses

- Valid Diocesan business expenses.
- Charges for the normal course of business.
- Charges to be paid by the main Operating Account of the Diocese. (Exceptions to be made by pre-approval of the CFO/Treasurer only.)

Prohibited Uses

- Continued payments to established vendors where an account could easily be established for billing with payment by check.
- Cash advances, bank checks, traveler's checks, electronic cash transfers or personal expenses.
- Charges not for valid Diocesan business expenses.
- Charges for personal use.
- Charges resulting in a personal gift or benefit from the supplier or vendor.
- Charges of \$500 or over not pre-approved by proper authority.

Cardholder responsibilities

Cardholders are responsible for the following security measures for the use of their Credit Card:

- Cardholders must retain transactional evidence to support all charges. An acceptable receipt for reimbursements of claimable business expenses on the Credit Card is an original receipt for a permitted expense or other documentation that supports the proper use of the expense. The receipt must show the cost, date, place, and business purpose of each expense. The more information, the better. All charges for meals or entertainment must identify the parties involved at the event.
- Card purchases without receipts are ultimately the responsibility of the user. A failure to provide receipts or written credible explanation for the unsupported expenditure could result in a personal liability to the cardholder.
- Receipts must be submitted with an accounting/reconciliation of the cardholder's statement and submitted within 30 days of the statement date.
- Receipts should be submitted to Accounting prior to the cardholder leaving for vacation, extended leave, or off-site business of more than 4 days.
- Reimbursement for return of goods and/or services must be credited directly to the Card account. The Cardholder in such transactions should receive no cash.
- Valid permitted charges under \$100 must be accompanied by the original receipt or other adequate documentation of the charge.
- Valid permitted charges of over \$100 must be accompanied by the original receipt or other adequate documentation of the charge and a Credit Card Authorization Form with the Cardholder's signature and countersigned by an authorized approver (usually the cardholder's supervisor).
- Valid permitted charges of \$500 or more must be accompanied by the original receipt and a pre-approved Credit Card Authorization Form with the Cardholder's signature and countersigned by an authorized approver (usually the cardholder's supervisor). The bishop does not require pre-authorization for credit card charges of any amount up to her/his credit limit.
- The use of the Credit Card Authorization Form should show the purpose of the expense and the Budget line or an indication thereof.
- The Cardholder must retain control and possession of the Credit Card and the credit card numbers at all times. The card should not be given to another person to use. If you wish to assist another employee, sexton, volunteer, or other Diocesan associate in making a purchase you allow the vendor call you to obtain the credit card information. (The CFO/Treasurer's credit card is in safe keeping for special situations.)



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- Lost or stolen Cards must be reported immediately to the card issuer and the CFO/Treasurer.
- Disputed transactions must be reported to the CFO/Treasurer immediately but be resolved with the supplier or vendor by the Cardholder.
- Employees issued with a Diocesan Credit Card are in a position of trust in regard to use of donated funds. Improper or unauthorized use of the Card may result in the Cardholder being held liable for expenditures, legal/disciplinary action being brought against the Cardholder, termination of Card-use and/or termination of employment.

Misuse Consequences

- Cancellation and forfeiture of credit card and privileges.
- The employee may have personal liability for unauthorized or prohibited uses. In such cases the Diocese will have the right to deduct improper amounts from employee's paychecks and the right to recoup improper amounts by legal means.
- Disciplinary action.
- Possible termination of employment.

Termination of Employment

- Upon notice of termination or intent to terminate by either party, The Diocesan Credit Card must be returned, and privileges will be revoked.
- The Bishop or, in his/her absence, the Standing Committee may be permitted to adjust continued use until termination is final.
- The departing employee must ensure that his/her account is settled prior to departure.

Reconciliation

- All cardholders will submit their receipts to facilitate the reconciliation when asked.
- The cardholder will reconcile the account within 30 days after the statement arrives, providing an account/classification of each line item and accompanying receipt.
- The reconciliation is to be reviewed by the CFO/Treasurer or his/her designee.