



709

CREDIT & DEBIT CARDS

APPROVED: 05/2023

UPDATED:

I. PURPOSE

The purpose of this policy is to control and ensure the proper usage of credit and debit cards.

II. GENERAL STATEMENT OF POLICY

Credit card usage shall be consistent with state law and follow recommendations made by the district's auditors and the Minnesota Office of the State Auditor.

III. CREDIT CARD USAGE

- A. The School Board shall authorize the superintendent or designee to identify the employees who are authorized to make purchases on behalf of the district. Credit cards shall only be used by those employees authorized to make purchases.
- B. Purchases made with a credit card must be consistent with state law and guidance from the Minnesota Office of the State Auditor.
- C. The authority to use credit cards does not authorize the creation of a new form of debt for the district; credit cards are to be considered another form of authorized payment. Credit card balances shall be paid off on a monthly basis by the employees authorized to use the cards.
- D. Purchases shall be limited to purchases that are made in the regular course of business and for business travel expenses incurred by authorized credit card users. Travel expenses shall include meals, lodging, conference registration, transportation and parking.
- E. Credit card charges shall be limited to \$25,000 per transaction. Any authorized employee who desires to use a credit card to make a purchase greater than this amount must seek prior approval from the superintendent or the district's chief financial officer.



- F. All receipts and other supporting documents must be submitted to the district's finance office in a timely manner for review and approval. Itemized receipts are required for substantiation of credit card usage. If the school district does not authorize a credit card purchase, the employee who made the purchase will be personally liable for the amount of purchase.
- G. Given that listing only the credit card company on a claims list would merely identify the method of payment, a claims list must identify the vendors providing the goods or services. Invoices and receipts must be retained and submitted to support the items charged in the bill from the credit card company.
- H. The purchase of non-business related and/or personal items and services is prohibited. Credit cards shall not be used for cash advances. The purchase of alcoholic beverages and tobacco is prohibited.
- I. If a credit card is lost or stolen, the authorized user shall notify the district's finance office immediately.
- J. The district shall not issue debit cards because debit cards allow funds to be immediately withdrawn from the district's financial account, provide fewer protections than credit cards and circumvent statutory claims approval safeguards.
- K. All authorized users are required to provide a signed, written acknowledgement of the district's credit card policy prior to the use of a district issued credit card.

LEGAL REFERENCES:

Minn. Stat. § 123B.02, Subd. 23 - General Powers of Independent School Districts; Credit Cards