**Sauk Valley Community College**

**November 23, 2015**

**Action Item 4.4**

**Topic: Board Policy 305.02 Credit Card Use Policy – Second Reading**

**Strategic Direction: Goal 4, Objective 2 – Maintain and improve communication with key stakeholders**

**Presented by: Dr. David Hellmich and Melissa Dye**

**Presentation:**

Based on the recommendations from Wipfli. LLP, the College’s auditing firm, the College has developed a Credit Card use Policy.

This policy was developed to help ensure that credit cards are used appropriately and proper approval and documentation accompany all College credit card purchases.

The recommended policy is on the following pages.

**Recommendation:**

The administration recommends the Board approve Board Policy 305.02 Credit Card Use Policy as presented for second reading**.**

305.02 Credit Card Use Policy

College Credit Cards shall only be issued to College employees or Board of Trustee members as may be designated by the Dean of Business Services from time to time. The Dean of Business Services shall also establish, from time to time, the credit limit for each College Credit Card.

General Purpose

It is the purpose of this policy to authorize the use of College Credit Cards to ease the purchasing process with online or non-charge account vendors, to speed up delivery, to provide accommodations, and to otherwise facilitate the official business of the College. At the same time, procedures and protocols must be in place to ensure that College Credit Cards are being used solely for the official business of the College and not for personal or other improper uses.

Cardholder Responsibilities

Cardholders issued a College Credit Card shall be responsible for the following:

1. Only authorized College employees or Board of Trustee members who have obtained an approved Purchase Order may use a College Credit Card.
2. A College Credit Card may only be used for the purchase of goods or services for official business of the College. All required procurement policies and procedures must be followed.
3. The College Credit Card may not be used for cash advances, personal use or any other type of prohibited purchase.
4. The Cardholder or designated custodian is responsible for the card’s protection and custody and will be required to sign a Credit Cardholder agreement every time a new card is issued. Cardholder shall immediately notify Accounts Payable if the card is lost, stolen or otherwise believed to be compromised.
5. Cardholder or designated custodian must immediately surrender the College Credit Card upon termination of employment or Board membership.
6. Cardholder or designated custodian shall not be permitted to alter the credit limit on the College Credit Card established by the Dean of Business Services.
7. Cardholder or designated custodian must reconcile the monthly statement charges to documentation received from each Card User as detailed in the internal control section of this policy.

Card User Responsibilities

Card Users of the College Credit Card shall be responsible for the following:

1. Only authorized College employees or Board of Trustee members who have obtained an approved Purchase Order may use a College Credit Card.
2. A College Credit Card may only be used for the purchase of goods or services for official business of the College. All required procurement policies and procedures must be followed.
3. The College Credit Card may not be used for cash advances, personal use or any other type of prohibited purchase.
4. The Card User is responsible for the card’s protection and custody while in their possession. Card User shall immediately notify the Cardholder or designated custodian and Accounts Payable if the card is lost, stolen or otherwise believed to be compromised.
5. Card User must sign and submit supporting documentation (*original (if possible) itemized* receipts, email confirmations, and packing slips) to the Cardholder or designated custodian for every card transaction.

Internal Control Procedures

Use of Card and Reconciliation of Monthly Statement

1. A Card User must submit a Purchase Order request via FAST (Faculty and Staff Tools) before a credit card transaction can be initiated.
2. After the purchase order is approved, the Card User must present a printed copy of the approved Purchase Order to the Cardholder or designated custodian in order to obtain and use the College Credit Card.
3. All supporting documentation (*original (if possible) itemized* receipts, email confirmations, and packing slips) must be signed by the Card User and submitted to the Cardholder or designated custodian. Cardholder or designated custodian will attach the supporting documentation to the back of the approved Purchase Order.
4. Accounts Payable will send each Cardholder or designated custodian a monthly credit card statement by the 10th of the every month via interoffice mail. Cardholder or designated custodian must review the monthly statement activity. Each item must be reconciled to an approved Purchase Order with supporting documentation to verify charges & returns are properly listed.
5. Once all activity has been reconciled, the reconciler must sign the bottom of the monthly statement confirming all items have been reconciled to the documentation. If the Cardholder is not the reconciler, then the Cardholder must also review and sign the monthly statement.
6. Cardholder must return the signed statement along with the approved Purchase Orders and supporting documentation to Accounts Payable within 10 days of receipt of the statement. Cardholder or designated custodian will be notified by email if this due date is modified for a specific month due to holidays or other factors.

Payment and Administration of College Credit Cards

1. No monthly statement for a College Credit Card will be paid until the Cardholder has signed the statement and submitted all required supporting documentation.
2. The Dean of Business Services is the administrator of this Credit Card Use Policy and shall be responsible for the issuance and retrieval of College Credit Cards assigned to Cardholders and for overseeing compliance with this policy.
3. The Dean of Business Services shall be responsible for:
   1. Assisting and maintaining record of issuance and retrieval of College Credit Cards and overseeing compliance with this policy.
   2. Accounting and payment of expenses. All required documentation and approvals must accompany the reconciled monthly statement before payment is made.
   3. The balance on the credit card shall be paid by the statement due date.

Penalty

Any Cardholder, designated custodian, or Card User found guilty of illegal or unauthorized use of a College Credit Card may be subject to penalties allowed by law, including possible referral for criminal prosecution, and disciplinary action(s) under the College’s Personnel Policies, up to and including termination.