

**ADMINISTRATIVE
DIRECTIVE**

Administrative Directive Title: Credit Card Purchases	AD Number: 2.801.1	Adopted: November 2024
Policy References: Board Policy 2.801 – Credit Cards and Credit Lines	Revised:	

1 Prior to applying for a credit card account, the principal or supervisor must seek written
 2 authorization from the Finance Director. No other employees are authorized to apply for a credit
 3 card in the name of the school or district. Credit cards should only be used for transactions in which
 4 the use of a standard purchase order is either impossible or would result in a delay of the delivery
 5 of goods or services during a time of emergency. Each authorized user must sign an agreement
 6 prior to being allowed use of a credit card.

7 An inventory of each credit card issued to a school or to the school district shall be maintained by
 8 the Finance Department. The inventory shall include:

- 9 1. The department or school to which the credit card was issued;
- 10 2. Issue date;
- 11 3. Expiration date;
- 12 4. Authorized users;
- 13 5. Individual transaction and daily dollar limits for each card.

14 Credit cards that are not being used must be stored in a centralized, locked location at the school
 15 or central office. The following procedures will apply to the use of credit cards:

- 16 1. A card usage log will be maintained in each department/school and will include the
 17 following information:
 - 18 a. The signature of the authorized employee using the card;
 - 19 b. The purpose for which the card is to be used;
 - 20 c. The date the employee takes possession of the credit card; and
 - 21 d. The date the employee returns the credit card.
- 22 2. Purchases with the credit card are only to be made by the employee noted on the card usage
 23 log.
- 24 3. When returning the credit card, actual/original invoices or receipts that support each credit
 25 card purchase should be submitted. Each individual receipt must have the following
 26 information written on or accompanying it:
 - 27 a. Description of the purpose of the purchase;
 - 28 b. Nature and description of the items purchased if not clearly apparent from the
 29 invoice/receipt;
 - 30 c. The name of the person who made the purchase.

31 Card users may only use the credit card for permitted transactions. A card holder may not use a
32 credit card to purchase any of the following:

- 33 1. Personal purchases
- 34 2. Cash advances/disbursements from financial institutions
- 35 3. GIFT CARDS from any establishment for any reason
- 36 4. Maintenance agreements
- 37 5. Salary or money awards
- 38 6. Purchases from sources in which the user has a financial interest
- 39 7. Entertainment and alcoholic beverages at any type of establishment
- 40 8. Vehicle expenses for personal vehicles
- 41 9. Cell phone plans and/or in-app purchases

42 Each credit card user is responsible for the following:

- 43 1. Obtaining itemized receipts for credit card transactions;
- 44 2. Ensuring all transactions are allowable under Board policy and this procedure;
- 45 3. Properly substantiating and recording the purpose of each transaction;
- 46 4. Immediately reporting a lost or stolen card to the Finance Department Office Manager;
- 47 5. Immediately reporting any fraudulent use or misapplication of the credit card to the user's
48 immediate supervisor.

49 Timely reconciliations of monthly credit card statement will be performed by the school's
50 bookkeeper or the department's supervisor. Reconciliations must be approved by someone other
51 than the preparer of the reconciliation. When the reconciliation is performed, the bookkeeper shall
52 review individual purchases to determine that:

- 53 1. The dollar amount reported on the supporting documentation agrees with the corresponding
54 amount on the monthly statements;
- 55 2. The date of the supporting documentation is reasonable to the date of the purchase; and
- 56 3. The supporting documentation represents items purchased for legitimate school purposes.

57 Some credit card agreements offer premium or bonus incentives based upon purchases made with
58 their credit card. Premiums that consist of noncash items should be handled in accordance with
59 applicable Board policies. Premiums that consist of cash should be deposited into the general fund.

60 Purchase returns and credits for purchases originally made with a credit card must be credited back
61 to the original credit card. Card users are prohibited from accepting cash back for returns and
62 credits. Even exchanges of items purchased with the credit card are permitted.

Legal References
Tennessee Internal School Funds Manual, Section 4-8