

**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: January 2026	

1 All credit card applications shall be prepared and submitted by the Finance Department and must
 2 be authorized in writing by the Finance Director. Schools and departments are not permitted to
 3 independently apply for credit card accounts. The principal is the only school-based employee who
 4 may request that a credit card be issued for a school; however, the application itself must be
 5 processed through the Finance Department. No other employees are authorized to apply for or
 6 obtain a credit card in the name of the school or district. Each authorized user must read and sign
 7 an acknowledgement confirming awareness of, and agreement to comply with, all applicable credit
 8 card procedures prior to being allowed use of a credit card. No credit card shall be issued until the
 9 principal and bookkeeper have completed Finance-approved training.

10 **PERMITTED USE**

11 Credit cards are a limited-use procurement tool and are not intended for convenience, routine, or
 12 day-to-day purchases. Credit cards may be used only when the use of a standard purchase order is
 13 impractical or impossible, or when it would cause an unreasonable delay in obtaining goods or
 14 services necessary to address an emergent or time-sensitive need.

- 15 1. Credit cards shall not be used for discretionary, convenience, or informal purchases (e.g.,
 16 food, refreshments, incentives, or similar items) that could reasonably be obtained through
 17 normal purchasing processes.
- 18 2. Credit cards may be used to facilitate out-of-town travel by employees or school groups on
 19 official school business or school-sponsored trips only with the prior written approval of
 20 the Finance Director and when required by the vendor or travel circumstances.
- 21 3. No single credit card transaction may exceed one hundred dollars (\$100.00), and no daily
 22 transactions may exceed two hundred and fifty dollars (\$250.00), unless the Finance
 23 Director or designee provides prior written approval in the form of electronic
 24 communication. Attempts to divide a purchase into multiple transactions to avoid this limit
 25 are strictly prohibited.

26 **PROHIBITED USES**

27 Authorized users may only use the credit card for permitted transactions. The following uses are
 28 strictly prohibited and constitute unauthorized purchases, regardless of intent to reimburse the
 29 school:

- 30 1. Personal purchases of any kind

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

39 **CARD INVENTORY**

40 An inventory of each credit card issued to a school or to the school district shall be maintained by
41 the individual school, department, or Finance Department. The inventory shall include:

- 42 1. The department or school to which the credit card was issued;
- 43 2. Issue date;
- 44 3. Expiration date;
- 45 4. Authorized users;
- 46 5. Individual transaction, requisition, purchase order number, dollar amount.

47 Credit cards that are not being used must be stored in a centralized, locked location at the school
48 or District central office.

49 If an authorized debit or credit card user separates from employment with the District for any
50 reason, the school or department must immediately notify the Finance Department in writing.
51 Upon notification, the Finance Department shall update the card inventory to remove the
52 individual as an authorized user and shall notify the credit card company, as required, to revoke
53 access and prevent further use.

54 **CREDIT CARD LOGS**

55 The following procedures will apply to the use of credit cards:

- 56 1. A card usage log will be maintained in each department/school and will include the
57 following information:
 - 58 a. The signature of the authorized employee using the card;
 - 59 b. The signature of a witness verifying transfer and return of the card;
 - 60 c. The purpose for which the card is to be used;
 - 61 d. The date and time the employee takes possession of the credit card;
 - 62 e. The date and time the employee returns the credit card; and,
 - 63 f. The vendor and purchase order number.
- 64 2. Purchases with the credit card are only to be made by the employee noted on the card usage
65 log.
- 66 3. When returning the credit card, actual/original invoices or receipts that support each credit
67 card purchase should be submitted. Each individual receipt must have the following
68 information written on or accompanying it:
 - 69 a. Description of the purpose of the purchase or the purchase order number;

- 70 b. Nature and description of the items purchased if not clearly apparent from the
- 71 invoice/receipt;
- 72 c. The name of the person who made the purchase;
- 73 d. The coordinating number associated with the card usage log.

74 **AUTHORIZED USER RESPONSIBILITIES**

75 Each credit card user is responsible for the following:

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

82 Employees are personally responsible for reimbursing the school or district for any unauthorized
83 purchases. Additionally, employees who violate Board policy or procedures relative to credit card
84 use may be subject to disciplinary action, up to and including termination, consistent with
85 applicable Board policies and procedures.

86 **RECONCILIATION**

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

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

95 Any irregularities, discrepancies, suspected misuse, unauthorized purchases, missing
96 documentation, or other concerns identified during the reconciliation process must be reported
97 immediately to the Finance Department. An accidental or clerical error that is promptly reported
98 and corrected is not considered misuse. Misuse includes repeated noncompliance, bypassing
99 controls, unauthorized purchases, or failure to follow required procedures.

100 The Finance Department shall be notified promptly of any issues requiring corrective action,
101 further review, or escalation, including potential disciplinary or recovery actions. Credit card
102 activity must be monitored for multiple transactions on the same day made to circumvent
103 established dollar limits, individual purchases over established limits, unauthorized purchases.

104 Upon evidence of misuse, noncompliance, or repeated irregularities, the Finance Director may
105 recommend to the Director of Schools that a school or department's credit card privileges be
106 suspended or cancelled.

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

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

113 **LOST OR STOLEN CARDS**

114 The principal or department supervisor must be notified immediately of any lost or stolen debit or
115 credit card. The Finance Department must also be notified immediately upon discovery of a lost
116 or stolen card. Upon notification, appropriate steps shall be taken promptly to cancel the card,
117 suspend account access, and prevent unauthorized use. Any suspected fraudulent activity shall be
118 reported without delay, and the employee responsible for the card shall fully cooperate with the
119 Finance Department in reviewing transactions, documenting the incident, and implementing any
120 corrective actions required.

Legal References

Tennessee Internal School Funds Manual, Section 4-10