

ASPEN ACADEMY

Adopted: 12-12-2017

Revised:

705 Credit Card Policy

I. PURPOSE

The purpose of this policy is to establish procedures for the use and payment of the school's credit card(s) and prepaid cards.

II. GENERAL STATEMENT OF POLICY

It is the policy of Aspen to allow approved personnel to charge school expenses on Board approved accounts. Credit cards and prepaid cards are issued to employees who meet the appropriate requirements and can only be used by the individual named on the card or their designee. Aspen Academy is liable to the financial institution which issues the credit cards or prepaid cards, and pays the monthly statement directly.

Credit card and prepaid card transactions bring greater efficiency to the purchasing process and enable the cardholder to respond expeditiously to daily business transaction needs.

This Program is NOT intended to bypass other established and appropriate purchasing and payment procedures, such as policies related to the requirement of a purchase order; rather, the program is designed to complement these existing processes. Cardholders are responsible for adhering to all Aspen's policies when using their credit card or prepaid card.

III. POLICY PURPOSE

The purpose of this policy is to establish the responsibilities, controls and authorizations for the application, issuance and processing of Aspen's credit card (including prepaid card) activity:

- To ensure all credit card purchases are for appropriate and acceptable business expenses.

- To ensure consistent and complete operation of the reconciliation and approval process.
- To comply with Internal Revenue Service laws.
- To ensure that non-compliance will be subject to disciplinary guidelines up to and including termination.

III. CARDHOLDER REQUIREMENTS

The cardholder is the individual whose name is on the face of the credit card or prepaid card and to whom Aspen Academy has issued the credit card. Board approved Individuals designated as a cardholder are required to:

- Obtain required receipts for all card transactions
- Ensure all transactions are legitimate purchases made on behalf of Aspen.
- Properly substantiate and record the business purpose of each transaction.
- Submit required documentation to the Office Manager by specified monthly deadline.

IV. COMPLIANCE/NON-COMPLIANCE

Compliance

The cardholder must reconcile and submit all records (cardholder statement, receipts, preapproval forms and any other applicable or required business documentation) to the Office Manager by designated deadlines.

Non-Compliance

A cardholder that does not comply with the requirements of this or related policies and procedures will be subject to actions including: reimbursing Aspen Academy, suspension or termination of card privileges, and other disciplinary actions deemed appropriate.

V. PROCESS AND PROCEDURES

The Board will work with the administration as needed to ensure proper processes and procedures are in place and followed. Non-compliance with determined procedures may result in the cancelation of Aspen Academy credit and prepaid cards.

Suggested Procedures

Lost, Stolen or Compromised Card

The cardholder is responsible for the security of the issued card and any purchases made to the account.

If there is any reason to believe the credit or prepaid card may have been lost or stolen, the card holder must immediately report this information to the issuing bank and then

inform the Office Manager. It is extremely important to act promptly in the event of a lost or stolen card to avoid liability for fraudulent transactions.

Once the bank has been notified, the card account will be closed and a new card issued.

Replacement Card

Damaged Card – a damaged card needs to be reported to the Office Manager who will order a replacement card.

Expiring Card – the bank will automatically issue a new card for upcoming expiration dates. These cards are sent to the Office Manager who will notify the cardholder and issue the new card.

Card Suspension or Termination

Credit and prepaid cards are the property of Aspen Academy, and as such, can be terminated at any time. Credit and prepaid cards may be suspended or deactivated for the reasons following, but not limited to:

Employment Change – When a cardholder leaves the employment of Aspen Academy, the credit or prepaid card will be deactivated and must be turned over to the Office Manager. Online access for any user of the credit or prepaid card program will be canceled upon their separation with Aspen Academy.

Administrative Violations – Non adherence to administrative requirements may lead to disciplinary action.

Examples of administrative violations include, but are not limited to:

- Failure to obtain and submit supporting documentation
- Lack of timely or proper reconciliation of expenses.
- Approval of transactions that violate Aspen Academy policies.
- Failure to appropriately address and resolve instances of misuse or administrative violations.

Misuse – Misuse of the credit or prepaid card or non-compliance to applicable policies will result in disciplinary action.

Examples of misuse include, but are not limited to:

- Purchase of items for personal use.
- Purchase of unauthorized supplies or services.
- Use of card or account information by anyone other than the authorized cardholder and/or their designee.

If a credit or prepaid card program participant violates this policy or other applicable policies, they may be subject to sanctions including suspension of card privileges, card

cancellation, and other disciplinary action deemed appropriate by Aspen Academy. If a personal item is inadvertently charged to the Aspen credit or prepaid card, reimbursement for the item must be made to the Office Manager within 3 business days of the purchase.

Credit Limit

Each credit and prepaid card is assigned a credit limit based on the anticipated usage. This credit limit is replenished on a traditional credit card at the beginning of each month or when the statement is paid in full. Increases in the credit limit should be requested from the school Director.

Sales Tax Exemption

The cardholder must inform merchants of applicable sales tax exempt status prior to the purchase. Cardholders should keep a copy of the sales tax exempt certificate with them to present at the time of purchase. Personal use of these certificates is strictly prohibited.

Card Usage

The credit or prepaid card can be used at any approved merchant that accepts it, except as prohibited by policy. It may be used for in-store purchases, as well as phone, fax, and mail orders and at secured internet sites.

For phone, fax and mail orders, the cardholder is responsible for instructing the merchant to send a detailed receipt that lists items purchased, the corresponding price, any shipping and/or handling charges, and a total for the order. Note: Packing lists, statements, quotes, agreements, general credit card receipts, and estimates are NOT valid receipts, as they often do not provide prices or necessary detail.

Returns and Credits

Purchase returns and credits must be credited back to the credit or prepaid card not in the form of cash back or merchant credit. Any acceptance of credit in the form of cash will be considered fraudulent activity.

Use of Accrued Points or Rewards

Points or reward dollars will be used as a statement credit toward approved purchases. It is recommended that the points or reward dollars do not accrue beyond the value of \$5000 in order to provide the school with savings and needed resources.

Authorized Purchases and Payments

Cardholders are allowed to use their credit or prepaid card for allowed expenses that cannot be obtained through a purchase order. The need for the submission of expense reimbursements for out-of-pocket purchases should be limited to noncredit or prepaid card merchants.

Unauthorized and Restricted Card Usage

Credit and prepaid cards are restricted from making cash withdrawals.

Unauthorized Purchases – Some purchases may not be made using the credit or prepaid card because they require additional oversight and control in advance of the purchase.

Unauthorized purchases include, but are not limited to:

- Items and services requiring a purchase order
- Personal items
- Vendors typically invoicing Accounts Payable directly

Failure to comply with the above guidelines for unauthorized purchases may result in the cancellation of credit or prepaid card privileges and disciplinary action, up to and including termination of employment.

Receipt Management

Original itemized receipts are required for all expenses. Receipts need to be provided for all credit and prepaid card purchases. All receipts need to be sent to the attention of “Office Manager” within 3 business days of purchase.

If a cardholder loses or does not obtain a required receipt from the merchant, they must complete a No Receipt Form. This form requires details of the expense and an explanation of what happened to the receipt. The use of this form is not a substitute for original receipts. Repeated use of this form will lead to credit or prepaid card suspension and monetary reimbursement due by the cardholder to Aspen Academy.

Disputed or Fraudulent Charges

If there is an inaccuracy on a statement, the cardholder must work with the Office Manager to address the issue immediately.

If a cardholder believes the merchant has charged the account incorrectly or there is an outstanding quality of service issue, the cardholder must first contact the merchant and try to resolve the error or problem.

If the cardholder is unable to resolve the matter directly with the merchant or if contacting the merchant is not possible, then it is the responsibility of the cardholder to work with the Office Manager to submit an online Dispute Form for the related charge(s) and to make sure the credit posts to their account.

The bank must receive any charge disputes within 60 days of the transaction date. While pending resolution, the bank may credit Aspen Academy’s account for the amount of the disputed transaction. Although the bank acts as the arbitrator in any dispute, the cardholder should never assume that a dispute would be resolved in Aspen’s favor. If the dispute is not resolved, please notify the Office Manager. An Affidavit of Commercial Card Fraud form must be completed and faxed to our financial institution and the

original sent to the Office Manager. Prompt reporting of any such charges will help to prevent Aspen Academy being held responsible.

Fraudulent employee use of a credit or prepaid card will result in immediate revocation of the card, and may result in disciplinary action. Aspen Academy will seek restitution for any inappropriate charges.

In the event that policies adopted by the School are in conflict with then applicable Minnesota law, the provisions of the law will apply.