



Use of School Credit

Introduction

The purpose of this Policy is to promote the responsible use of Credit (both Credit Cards issued by Westlake Charter School (“WCS”) and Lines of Credit obtained by WCS) as an efficient method to pay for purchases in accordance with WCS policies. It is expected that the use of credit increases efficiency and accountability when a formal procurement process may not be necessary due to the low transaction value, vendor capacity, or pre-negotiated group rates.

Applicability

This Policy applies to all employees responsible for the use of credit in any role. This Policy shall be viewed in conjunction with BP 11-09, Purchasing/Signature Authority Policy.

The WCS Executive Director is authorized to augment purchasing procedures by opening and maintaining credit accounts for use by administration and the business/purchasing department.

The Executive Director or designee will maintain appropriate fiscal controls for all accounts to ensure that public monies are not disbursed in amounts in excess of the budgeted appropriations.

No changes to requirements listed herein may take place without approval of the Board of Directors (“Board”).

Definitions

1. Credit Card: A credit card is a card issued by a financial company, giving the holder an option to borrow funds. Credit cards charge interest and are primarily used for short-term financing. Interest usually begins one month after a purchase is made, and borrowing limits are pre-set according to the individual’s credit rating.
2. Line of Credit: A line of credit is an open-ended, revolving loan, in which the borrower may access money up to a certain limit, pay it back, and borrow it again.

Authorized Uses

1. Credit may be used to pay for authorized purchase transactions that are not subject to BP 11-09, and that are made through any legal means: over the counter, by telephone, or online.
2. In order to help ensure that price, value, and service are considered, credit should be used only as a last resort to pay for purchases that are typically made through purchase order or agreement.
3. Credit shall not be used to lease equipment or to purchase fixed assets. When justified by circumstances, exceptions may be approved in advance by the Executive Director at the request of the Chief Business Officer.
4. Credit must not be used to obtain cash, cash withdrawals or effect transfer of money.
5. Credit must not be used in a manner intended to circumvent the formal procurement process or other limits imposed on the card.
6. Authorized uses may be limited by the Executive Director or his/her designee to specific categories or merchant types, single-purchase dollar limit, and monthly spending limit.
7. Credit shall be used solely by the designated employees, for official WCS purposes, and only in accordance with the approved WCS budget.
8. Withdrawals from a Line of Credit shall be reported to the Finance Committee.
9. Credit shall be used when time or other practical constraints, including a cost savings to WCS, would prevent the payment of expenditures through standard WCS accounts-payable methods, as determined by BP 11-09 and the Executive Director or designee.
10. Credit accounts shall be balanced monthly with original receipts to account for all credit card purchases. The credit reconciliation form shall be prepared and submitted for approval to the credit-holder's supervisor, Executive Director, or designee.
11. Credit shall not be used for personal purposes or for the purchase of alcohol.



12. Lost or stolen credit cards, checks, or similar must be reported immediately to the Chief Business Officer.

Eligibility for Credit Card Issuance and Expenditure Limits by Position:

1. Executive Director, Chief Business Officer, Principal, Director, Dean, Manager, Coordinator, Accountant Specialist, Facilities Manager and Facilities Lead are the only school employees who may have a credit card issued in their name on behalf of WCS.
2. The Board has set the following limits on credit for each card:

Credit Card Limit	Single-Purchase Limit	Employee
\$25,000.00	\$25,000.00	Executive Director Chief Business Officer
\$3,000.00	\$3,000.00	Principal Director Dean Manager Coordinator Account Specialist*
\$1,250.00	\$1,250.00	Facilities Manager Facilities Lead

** Credit card purchases must be pre-approved by the Executive Director and/or Chief Business Officer*

3. Only the Executive Director and Chief Business Officer may use any established Lines of Credit. They shall have a Single Purchase Limit of \$25,000.00 without additional Board approval.

Credit Card Issuance

Each card issued will be in the name of the individual on behalf of WCS and each card will have a different code number for ease of identification.

Each member of staff who has a card issued to them is to be made aware of the limits of their individual card. They shall sign an agreement which states that they understand the conditions of issue. The signed agreement shall be maintained in the employee’s file. The form for the agreement shall be described below.

Any staff member who has been issued a card and subsequently terminates their employment with WCS must return their card, which will be destroyed upon receipt.

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Credit Repayments

The Chief Business Officer shall be responsible for monthly payment of the charges incurred on school credit utilizing WCS general funds.

All statements issued by the credit provider shall be reconciled with receipts and signed off as stated in this Policy.

Any discrepancy in the account will be investigated by the Chief Business Officer. The results of any investigation shall be shared with the Finance Committee for appropriate action and/or direction.

Copies of signed statements should be retained with financial records in a secure location for at least three years, or as long as required by applicable law, whichever is longer.

Emergency Use

In view of the potential use of the purchase card during emergency conditions, the Executive Director or designee may authorize higher limits, additional cards, and wider purchasing scope for certain key staff who may be called on during emergencies. WCS purchasing and payment policies and procedures must be followed to the extent that they do not threaten public health or safety.

Failure to plan for normal operations does not constitute an emergency use. Failure to plan refers to circumstances in which personnel, in the normal course of their activities, have reasonable knowledge of a need but did not take the proper action to procure for the needs. This does not refer to unforeseen circumstances that are clearly beyond their control or knowledge.

Misuse and Fraud

Any employee who is found to be misusing the credit in any way will have the card, check, or similar removed immediately and appropriate action taken as determined by the Executive Director or designee. The School reserves the right to reclaim inappropriate expenditures from any employee found to be misusing school credit.

Employees misusing their purchase card or committing fraud in violation of Board Policy and any other related WCS policies or procedures may be subject to disciplinary action, up to and including, termination, civil penalties, and/or criminal penalties.

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Employee Agreement Form

“I, _____, have been issued a Westlake Charter School (“School”) credit card.

I understand and agree to the following conditions related to the use of the School credit card:

- 1) My card credit limit is \$_____ and my single purchase limit is \$_____.
- 2) Only I can use the School credit card that I have been issued.
- 3) The card may only be used for official School purposes, and only in accordance with the approved School budget.
- 4) The card shall only be used when time or other practical constraints, including a cost savings to the School, would prevent the payment of expenditures through standard School accounts-payable methods, as determined by the Executive Director or designee.
- 5) Receipts for purchases and a completed credit-card-reconciliation form must be provided on a monthly basis to the Chief Business Officer.
- 6) No cash withdrawals are allowed from the credit card.
- 7) No personal purchases are to be made on the card.
- 8) Lost or stolen cards must be reported immediately to the Chief Business Officer.
- 9) Should a non-receipted purchase appear on the statement, or should the School find misuse of the credit card has occurred, the school reserves the right to retake the credit card and reclaim this expense from the cardholder and take any other action as allowable by law.

I acknowledge receipt of the Westlake Charter School credit card issued in my name and will adhere to the terms and conditions agreed upon herein and as described in Westlake Charter School Board Policy #08-05.

.....Signed

.....Dated