

## MINISTRY CREDIT CARD POLICIES AND PROCEDURES

### OBJECTIVES

1. To allow ministry personnel access to efficient and alternative means of payment for approved expenses, especially expenses related to business travel and ministry supplies.
2. To improve managerial reporting related to credit card purchases.
3. To improve efficiency and reduce costs of payables processing.

### POLICIES

1. Ministry credit cards will be issued to pastors, ministers and directors only upon approval by the prospective cardholder's department leader or direct supervisor, whomever is higher, and the Chief Financial Officer (CFO). Other staff and key volunteers may receive certain credit cards upon approval by staff including the CFO.
2. Credit cards will only be used for business purposes. Personal purchases of any type are not allowed, in addition to the following:
  - Alcoholic beverages/tobacco products
  - Capital equipment and upgrades > \$5000 unless approved by Finance Manager
  - Purchases (individual items) > \$400 without a Purchase Order number (see purchasing policy)
  - Items or services on term contracts without approval from Finance Manager
  - Construction, renovation/installation
  - Unbudgeted purchases
  - Controlled substances
  - Personal items or loans
  - Purchases involving trade-in of ministry property
  - Cell phones, related equipment or services
  - Ultra-hazardous materials and/or products
  - Any other items deemed inconsistent with the values of the ministry
3. Cash advances on credit cards are not allowed.
4. Donations to charities such as rounding up to the nearest dollar to benefit charity XYZ is not allowed.
5. Cardholders are responsible for all purchases on their TPCC issued credit cards. In no case should a cardholder give out their cards to another individual, including other staff members or volunteers.
6. Cardholders will be required to sign a credit card agreement indicating their acceptance of these terms. Individuals that do not adhere to these policies and procedures will be subject to disciplinary action and credit card privileges will be revoked immediately.

### PROCEDURES

1. Credit cards may be requested for prospective cardholders by request to Finance Manager. Approval is obtained after a credit card agreement has been completed.
2. Detailed receipts must be retained and digitally submitted to the accounting department. Each transaction must include the date, time, names of all persons involved in the purchase, a description of the business purpose of the purchase, (in accordance with Internal Revenue Service regulations), and the account number to be charged for the purchase. It is the responsibility of the cardholder to obtain any missing receipts.

*In the event a receipt cannot be obtained for any transaction on the cardholder's statement, a Missing Receipt Disclosure (MRD) should be completed, signed by a supervisor and submitted in its place. MRD forms may be obtained from the Finance Department.*

3. Monthly, each cardholder will be responsible for uploading digital receipts, completing detailed information for each transaction, and notifying finance department when complete. The finance department will notify each cardholder when their monthly statement is available for review and will provide deadlines for completion of transaction reports. It is the responsibility of the cardholder to submit an updated transaction report before the specified due date. Submitting receipts in a timely manner is an important part of this process so that financial records remain accurate and up to date. To ensure timeliness, the Finance Department will adhere to the following schedule:

- a) If cardholder does not submit the transaction report, receipt, or MRD within 3 days of the transaction report due date, the Finance Department will issue a delinquency notice. This notice will be sent to the cardholder and cardholder's supervisor.
- b) If cardholder does not submit the transaction report, receipt, or MRD within 24 hours of the delinquency notice, The Finance Department will schedule a meeting with the cardholder, the cardholder's supervisor, CFO and/or Finance Assistant.

*Three Strike Rule: In the event that a cardholder receives a delinquency notice on three (3) separate occasions, the cardholder's credit card privileges will be revoked.*

4. Monthly transactions will be matched and sub-totaled to the statement by the finance department and submitted to the CFO for approval and payment, with the exception of reports for:
  - a) staff which report to Executive Pastor submitted to the Executive Pastor
  - b) Executive Pastor submitted to Lead Pastor
  - c) Lead Pastor submitted to Elder Chair
5. All transactions that don't follow this policy will result in cardholder reimbursement if it is determined that the purchase is unsubstantiated or if cardholder cannot prove its significance for a business purpose.
6. Cardholders should make every effort to ensure that purchases do not include sales tax. Under Indiana law, the ministry is not required to pay gross retail tax (sales tax) on acquisitions of "tangible personal property" and "services" (I.C. 6-2.5-5-25). Tangible personal property is property that can be touched and retained in one's possession (excludes food, entertainment and other consumables). Services are works or activities performed by another for a fee (includes normal services such as personal services performed by professionals and/or non-professionals, but excludes lodging). Sales taxes may be paid for minimal expenditures from one-time vendors who refuse the exemption, but sales taxes should not be paid where the purchases are for more substantial expenditures or are repetitively incurred.

*If sales taxes are incurred, it is the responsibility of the cardholder to request credit of taxes paid. If sales taxes are incurred repeatedly due to the negligence of cardholder, the cardholder will be subject to disciplinary action and credit card privileges may be revoked immediately.*

Tax-exempt certificates are available through via TPCC's Workroom resources ([rock.tpcc.org](http://rock.tpcc.org)).

7. If cardholder is placed under disciplinary action or upon an employee's resignation, credit cards must be turned in to Finance Office to suspend purchasing.