

CEIST CLG Credit Card Policy for Schools

As a credit card is a form of debt, prior approval for the application of a school credit card is required.

The Board of Management of a voluntary secondary school 'must not incur overdrafts or other borrowing (including lease purchase, hire purchase or other similar financing arrangements) except with the "prior written approval of the Trustees/Patron".

(See Guidelines for Financial Management in Voluntary Secondary Schools, page 31 and Appendix 1 – Articles of Management for Catholic Voluntary Secondary Schools, Art. 27 and 28)

From time to time the school may be offered an opportunity to purchase goods or arrange for services for the school from companies that shall not invoice but shall only accept a direct payment. In order to make use of these *Best Value* offers the school may hold a credit card. The Principal will ensure that there is budgetary provision for all purchases and that there are sufficient balances available in the bank to cover the expenditure.

The primary method of payment remains invoicing and this shall generally be used in preference to card purchases where such is offered by the supplier. The card must only be used for bona fide school purposes where the expenditure requirement cannot be met through the school's existing financial systems and services.

- Approval must first be obtained from the Board of Management (BoM) or the use of a credit card by the school. This approval should be included in the minutes of the Board meeting.
- Approval must be obtained from CEIST for the use of a credit card by the school. The application form attached in Appendix A should be completed and submitted to CEIST. An application to a bank for a school credit card should not be made until approval from CEIST has been granted.
- A credit card policy should be developed and adopted by the Board of Management. The policy should set out the limit, principles, terms and conditions and procedures governing the issue, use, administration and retention of the school credit card.
- The cardholder is responsible at all times for the proper use of the credit card in line with the policy.
- The Principal is the only person that should have a school credit card.
- The cardholder is responsible for the safe custody of the card and the security of the card information. The PIN number for the card shall be known only by the Principal and not disclosed to anyone else or written down.
- In the event of loss of the pin number the bank will be able to provide the cardholder only with the information.
- Should the card be lost or stolen the loss shall be reported by the cardholder to the issuing bank, and the BoM immediately.
- Should fraud or misuse be suspected, the bank should be informed immediately so that the appropriate action can be taken.

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- A credit card payment is subject to the same rules as a cheque payment or electronic payment, i.e. there must be two approvers. This is achieved by implementing the following process:
 - Once the monthly credit card statement is received, the supporting invoices/receipts should be attached to the statement. The Principal and the Chairperson of the Board of Management should sign the monthly credit card statement before the payment date.
 - The credit card balance shall be settled in full automatically each month by direct debit thereby avoiding credit card interest charges.
- The credit card transaction should be entered in the accounts as soon as possible with the credit card authorisation number/backup documentation, to ensure the completeness of the accounting records and ready to be reconciled when the bank statement reaches the school. A copy of the credit card statement is to be provided to the Finance Sub Committee.
- The credit card statement must be supported with proper receipts for all expenditure, copies of credit card receipts alone are insufficient.
- The cards shall not be used for personal expenditure under any circumstances.
- A credit card must not be used to withdraw cash or for personal use.
- **Debit cards** should not be used by schools as a payment method under any circumstances.