

## Appendix 4:

### Credit card policy and procedures

#### CREDIT CARD POLICY AND PROCEDURES

##### 1. Introduction

- 1.1 The Academy credit card is issued to enable key staff to make purchases relating to academy business only without having to use their own funds or personal cards, or where it is not possible for invoices to be paid centrally by the finance office. Cards will therefore **usually be used for small or urgent items, and for online or telephone purchases**. Use for cash withdrawals is prohibited.
- 1.2 Credit cards are the property of The Active Learning Trust. The Academy reserves the right to withdraw use of the card at any time. The card must be surrendered when the holder ceases employment with the Academy.
- 1.3 The card bears the name of both the cardholder and the Academy. The Academy is ultimately responsible for all payments, so use of the card is conditional on the holder complying with the policies and procedures set out in this document.
- 1.4 Credit cards are to be used solely for the purpose of conducting Academy business. The card must not be used for private expenditure. Any breach of this condition will be treated as a serious matter.

##### 2. Cardholders and credit limits

- 2.1 The Trust has approved the issue of an Academy credit card (Corporate Barclaycard) to certain senior staff as detailed on the Site Specific Sheet.
- 2.2 The cardholder is required to provide certain personal information, including home address (to which replacement cards will be sent) and contact details. Hard copy monthly statements will be sent direct to the cardholder or school. The card issuer and the Academy finance team must be informed immediately if any of these details change.
- 2.3 The cardholder is required to complete and sign agreements with both the card issuer and the Academy which set out the terms and conditions for the use of the card. The Academy conditions include a list of prohibited items – see Section 5, below. Breach of the conditions could result in disciplinary action.
- 2.4 Card limits will be set per school based on a maximum of £5,000 per Secondary School and £4,000 per Primary School – the allocation of the individual limits will be agreed between the school and the Trust Director of Finance and Operations, but it is expected that staff who process most online orders will require the higher limits with other staff having limits that reflect their anticipated usage.
- 2.5 The card holder is required to sign the credit card immediately upon receipt.
- 2.6 A copy of the Academy agreement is attached at Annex A. Credit cards will not be issued to or used until the recipient has read this policy and agreement and signed the agreement.

### **3. Card security**

- 3.1 The cardholder is responsible for keeping the card secure at all times. It should be kept in a secure location when not in use. The cardholder is issued with a PIN which must be kept secret at all times and never disclosed.
- 3.2 The card number must not appear in emails. If a secure web site is not available the supplier should be contacted by telephone and the card number provided orally.
- 3.3 If the card is lost or stolen, or the cardholder believes the secrecy of the PIN has been compromised, the cardholder must immediately inform both the card issuer and the Academy finance team/Lead Finance Officer so that the card can be cancelled and any further transactions halted. In the event of theft the cardholder must immediately inform the Police and obtain an incident report number.

### **4. Purchases**

- 4.1 Credit cards are intended for small or emergency purchases where payment by cheque or electronic bank transfer is not reasonably possible. They can also be used for online and telephone purchases where this can be done securely and offers best value for money.
- 4.2 Items must be purchased in line with the Academy's purchasing and procurement rules. The Academy's approved suppliers must be used where these are available, for guidance prior to their completion please refer to the Trust's Procurement Manager. The card credit limits mean that purchases should not reach the thresholds for written quotations (£5,000) or for tenders (£20,000 Primary & Special Schools and (£30,000 Secondary Schools). However, value shopping such as comparing catalogues or using price comparison web sites should always be used to demonstrate that best value has been obtained.
- 4.3 The credit card must be used for Academy purposes only. Any incentives generated from the use of the card must be for the Academy's benefit only.

### **5. Prohibited purchases**

- 5.1 The Trust has agreed the following schedule of items for which the Academy's credit cards must not be used. The items on the schedule may be amended from time to time:
  - Personal transactions.
  - Cash advances.
  - Fuel, except Academy minibuses, site vehicles or minibuses/ cars on hire. The cost of business travel by car is reimbursed through an expenses claim at the approved mileage rate.
  - Regular or recurring expenditure unless the supplier cannot arrange collection of payment via standing order or direct debit.
  - On-line auctions, e.g. eBay or similar.
  - Purchases from unsecured web sites. Secure web pages have either "https" in the web address or the closed padlock symbol. Suppliers should also have a UK postal contact address and a telephone number for queries.

- Staffing, e.g. agency staff, temporary staff, contractors.
- Alcohol.
- Tips/gratuities.
- Premium rate telephone calls.
- Transactions for which it is not possible to provide evidence of payment such as a receipt, voucher or VAT invoice.
- Expenditure where the cost has been broken down into smaller transactions in order to avoid breaching the cardholder's credit limit.
- The purchase of gifts, flowers, food and related items in relation to non-business activities. HMRC treats these items as personal expenditure which, if charged to the credit card, could lead to a tax liability for the individual or the Academy.
- Expenditure which, if publicised, might cause reputational damage to the Academy.

## 6. Receipts and reclaiming VAT

- 6.1 All transactions must be supported by a receipt, voucher or other evidence of payment. The Academy reserves the right to charge the cardholder for items without sufficient evidence of payment or where the payment falls outside the schedule of permitted expenditure.
- 6.2 Where a purchase is subject to VAT and the supplier is VAT registered, a VAT invoice is required so that the Academy can reclaim the tax paid. For on-line purchases a print-out of the invoice, receipt or payment confirmation page is acceptable provided it shows the necessary details.

## 7. Monthly log and submission of statements for payment

- 7.1 Cardholders must maintain a log of all transactions in the approved format. The log includes details of the cost centre/ budget code to be charged. Where the cardholder is not also the budget holder, the budget holder's authorisation is also recorded on the log.
- 7.2 The budget holder must be satisfied that there are sufficient funds available before authorising the payment. The cardholder must not spend another budget holder's funds without the budget holder's knowledge and permission.
- 7.3 Cardholders will reconcile the transaction log to their monthly statement from the card issuer and to the relevant receipts, vouchers or VAT invoices. The finance team stands ready to advise, but it is the cardholder's responsibility to investigate and resolve items that do not reconcile.
- 7.4 The cardholder submits a monthly package to the Finance Manager, Headteacher or delegated officer within seven working days of receiving the statement from the card issuer/ school. The package comprises:
- the transaction log with a budget code and **budget holder's signature** for each item and where relevant independent confirmation that the goods are in school and for school use or the service has been provided for school use;

- the card issuer's monthly statement with each item ticked to confirm that it reconciles to the transaction log and that the relevant evidence of payment is attached;
- the relevant receipts, vouchers or VAT invoices. It is helpful if these are numbered in the same sequence as the transaction log.

7.5 Receipt of the package enables the Lead Finance Officer or Headteacher (Finance Manager in Secondary Schools) to authorise payment of the card balance and to post / arrange posting of the transactions into the accounting system against the correct budget code. The Business Manager / Lead Finance Manager or Headteacher (or Finance Manager in Secondary Schools) (but not if they are the cardholder) will countersign the posting.

7.6 All school's Credit Card balances outstanding will be charged back to the school's bank account on the first working day of the month, to reduce pressure on the credit limit.

## **8. Monitoring**

8.1 Usage of the Academy Credit Card may be subject to spot checks by the Headteacher.

8.2 Unauthorised use of the Academy Credit Card will be subject to investigation and may lead to disciplinary action being taken.

## **9. Departure of Academy Credit Card Holder**

9.1 The credit card must be surrendered when the holder ceases employment with the Academy.

9.2 The credit card must be cut in half through the smart chip card and returned to the Academy finance office prior to the departure of the card holder.

9.3 The credit card holder must ensure that the last monthly log is submitted to the Headteacher or delegated officer with associated supporting receipts prior to their departure.

9.4 The finance office will notify the ALT Central Team who will instruct Barclaycard to cancel the credit card.

**Academy credit card holder agreement**

I consent to be a cardholder on the following credit card account held by the Academy (the Academy) and not to exceed the approved credit limits

Credit Card Issuer: \_\_\_\_\_ Card Number: \_\_\_\_\_

Credit limits: Single transaction £\_\_\_\_\_ Monthly limit: \_\_\_\_\_

I confirm that I have read the Academy's credit card policy and that I will abide by its terms and conditions. I will also comply with the conditions supplied to me by the card issuer.

I understand that breach of these conditions could lead to disciplinary action.

In particular I acknowledge and agree that:

1. I will use the account only to purchase items/services on behalf of the Academy and not use the account for any personal expenditure.
2. I will incur expenditure only where budget provision exists and never without the budget holder's permission.
3. I will only purchase items/services in accordance with the policy. In particular, I understand that the policy includes:
  - a list of prohibited purchases;
  - a requirement to obtain evidence of payment for all purchases;
  - a requirement to obtain a HMRC compliant VAT invoice for purchases subject to VAT;
  - an administrative procedure to be followed each month to ensure that the statement balance is paid on time and that purchases are properly recorded in the Academy's accounts.
4. I will take care of the card whilst in my possession to avoid its loss or theft.
5. I will not disclose to any other person, or write down, the card's PIN.
6. I will only use the card's security number for online purchases where a security number is requested and only on a secure (indicated by "https" or the padlock symbol) Internet website.
7. I will not use the card to withdraw cash except in cases of extreme emergency.
8. I understand that upon discovery of loss or theft of the card, I must as soon as possible notify:
  - the issuing bank; and
  - the Academy finance team / Lead Finance Officer; and
  - the police (in the event of theft)
9. I understand that I am personally liable for all charges on the account which relate to transactions which have not been conducted in accordance with the policy.
10. I accept that I must reimburse the Academy promptly should I cause the account to incur any unauthorised charges. In the absence of prompt reimbursement, I authorise the Academy to recover all unauthorised charges by deduction from any amounts otherwise owing to me by the Academy, including but not limited to salary and expenses.

11. I agree that if I cease to be employed by the Academy, I will make no further purchases and promptly return the card cut in half through the smartchip card to the finance office.

<b>Agreed by</b>	<b>Authorised by</b>
<i>Cardholder:</i>	<i>Trust – Director of Finance:</i>
Date	Date
Signature	Signature

