



# Kalamazoo Public Library

## Operational Policy: Credit Card Transactions Policy

Credit Card Transactions, Act 266 of 1995 (MCL 129.241-129.247), regulates and authorizes credit card transactions involving local unites of government. This policy is intended to establish the criteria for all Kalamazoo Public Library credit card transactions.

### **Credit Limit**

The total combined credit limits of all credit cards issued to Kalamazoo Public Library staff may not exceed 5% of operational budget expenditures. Individual credit card limitations should be set at an amount that does not materially exceed the projected need and procurement authority delegated to the staff member.

### **Allowable Use and Documentation**

Credit cards issued to staff by Kalamazoo Public Library may only be used by staff member to whom the card was originally issued for the purchase of goods or services for the official business of the library. Individual credit cards will be further limited, as appropriate, to restrict their use for only those purchases of goods and services that the staff member has been delegated procurement authority.

For all credit card purchases made, the staff member should submit documentation in the form of receipts or an annotated monthly statement detailing the goods or services purchased, the cost of those goods or services, the date of purchase, and the line item budget authorizing the expenditure. Each staff member issued a Kalamazoo Public Library credit card will be held individually responsible for the correct use and prompt documentation of all credit card transactions.

The staff member issued a credit card is responsible for its protection and custody and shall immediately notify the Library Finance and Budget Office if the credit card is lost, stolen, or used by unauthorized persons. Written documentation of the event should follow the report as soon as possible detailing the date and circumstances of the theft or loss under the guidelines established by the credit card company agreement.

All credit cards issued to staff shall be returned immediately upon request or termination of employment to the Library Finance and Budget Office. Any misuse of a Kalamazoo Public Library credit card shall result in no less than the credit card in question being revoked. Any disciplinary measures for misuse of Library credit will be at the discretion of the Library Director as appropriate.

### **Internal Control and Oversight**

The Head of Finance and Budget shall be responsible for the issuance, accounting, monitoring, and retrieval of all Library issued credit cards. Review of all Kalamazoo Public Library issued credit card transactions shall be the responsibility of the Finance and Budget Office and the Head of Finance and Budget to ensure that all credit card transactions are for goods and services authorized under an operating budget adopted and authorized by the Kalamazoo Public Library Board of Trustees. Any misuse or unauthorized use of library issued credit cards or failure to comply with credit card policy will be immediately reported to the Library Director and the Treasurer.

Individual transactions must be approved and authorized by the Department Head to whom procurement and line-item budget authority has been delegated. All documentation of approved credit card transactions must be forwarded to the Finance and Budget Office within two weeks of receipt of the individual credit card statement and matched to the consolidated statement invoice. The balance due of all credit card transactions of Kalamazoo Public Library shall be paid within 25 days of the statement date unless written documentation has been received and transmitted to the credit card company detailing the formal rejection and protest of a credit card transaction.

A review of all transactions made during the year will be made available to the Library Director and Finance and Budget Committee for review on an

annual basis. Each staff member issued a credit card, and their credit card purchases during the year will be detailed by category type of purchase.

Adopted: March 22, 2004.

**Effective: March 22, 2004.**