

OPP 3.5 – DEBIT CARD / CREDIT CARD POLICY

PURPOSE: Provide policy and guidance for the use, safeguarding and accounting of Debit and Credit Cards issued in the name of Round Rock Christian Church (RRCC).

POLICY: The RRCC Treasurer may establish Debit and/or Credit Card accounts as a payment method to facilitate the purchase of goods and services. In accordance with OPP 3.1 – Financial Administration, the Administrative Team oversees and monitors the Treasurer's actions and procedures regarding the establishment and use of Debit and/or Credit Card accounts in the name of RRCC.

As a general practice, business Debit and/or Credit cards secured under the RRCC name are issued to specific users with the name of the user embossed physically on the card. Debit and/or Credit Cards may be used for all authorized church purchases and payments. This includes online/internet purchases and payments so long as card holders are made aware of best security practices for making online/internet purchases and payments.

The Treasurer may authorize a Debit and/or Credit Card for shared use that bears only the RRCC name. Such a card must be secured and under the control of a central person that issues it to an employee or church member for specific purchases. The shared card's location shall be tracked and transactions logged at all times and to a sufficient degree to determine when and who has or had physical possession of the card and what purchases or transactions were made while the card was in their possession.

The Treasurer may authorize Debit and/or Credit Cards to be used for recurring payments (such as utility bills or any monthly recurring payment) to streamline payment activities.

Bonus point or reward program credits awarded or tied to RRCC Debit and/or Credit Card use are the property of the RRCC. Bonus or reward points redeemed are generally to be redeemed for cash and are expected to be used to fund financial operations of the church (bank charges, card fees, etc) before the credits or point are made available for other purposes.

RESPONSIBILITIES OF THE CARD HOLDER

Following are the responsibilities of Debit and/or Credit Card holders:

- Sign for and safeguard the card (both physical and electronic means such as a PIN or access code).
- Know the purchase procedures and purchase limits for using the card.
- Track purchases by securing the appropriate receipts or documentation at time of the purchase.
- Submission of expense vouchers to the Treasurer within a week of a purchase that records the purchase, expense account to be charged and ministry approval with receipts or other appropriate documentation attached.
- Familiarity with this OPP.

RESPONSIBILITIES OF THE TREASURER

Following are the responsibilities of the Treasurer in regard to Debit and/or Credit Card accounts:

- Establish Debit and/or Credit Card accounts with reputable financial institutions
- Monitor card purchases
- Establish and monitor procedures for reconciliation and accounting of transactions
- Ensure security of cards through fraud prevention procedures and practices
- Set preauthorization purchase limits
- Use available electronic systems to enforce limits where possible
- Reconciliation of Debit/Credit Card accounts at least monthly.

SPECIFIC RESTRICTIONS ON THE USE OF RRCC DEBIT/CREDIT CARDS

The following are specific restrictions and limitations for use of church Debit and/or Credit Cards:

- ***Use of Church Debit and/or Credit Cards for personal purchases is not authorized.*** Debit and/or Credit Cards issued under the church name are for purchases in support of the ministries and programs of RRCC only. Card holders having inadvertent personal usage on a church card are expected to reimburse the church in a timely fashion.
- ***Use of Debit Cards for withdrawal of cash from accounts requires prior notification of the Treasurer.*** Occasionally it may be necessary to use a Debit Card to withdraw cash to make purchases from vendors that only accept cash. Full documentation of purchases made by cash withdrawn in this manner is required by submission of an expense voucher that fully documents the cash withdrawal and the purchase on the same voucher. The voucher should also document the leftover or remaining cash from such purchase transactions and its re-deposit into church accounts through the Financial Secretary. A copy of the voucher explaining the withdrawal and need to re-deposit leftover cash should accompany the cash when it is turned in to the Financial Secretary for re-deposit.
- ***Use of Credit Cards for withdrawal of cash is highly discouraged.*** Use of Credit Cards in this manner typically results in interest charges effective immediately from the date of withdrawal instead of the usual waiver of interest charges on account balances paid by the monthly due date. Use of Credit Card in this manner should be a last resort and requires specific authorization by the Treasurer unless there is a true emergency.
- ***Purchase of prepaid cards (such as gift cards, gas cards, etc.) requires prior notification of the Treasurer.*** This is a security precaution since many prepaid card purchases look like cash withdrawals on credit card statements. Full documentation of gift card purchases is required with the submission of the expense voucher documenting the transaction.

DEFINITIONS

- ***Debit Card*** – A debit card (also known as a bank card or check card) is a plastic card that provides the cardholder electronic access to a bank account/s at a financial institution. Most cards relay a message to the cardholder's bank to withdraw funds from a designated deposit bank account such as a checking or savings account. The card can be used as an alternative payment method to cash when making purchases.

- *Credit Card* – A credit card is a plastic card issued to users as a system of payment. It allows its holder to buy goods and services based on the holder's promise to pay for these goods and services. The issuer of the card creates a revolving account and grants a line of credit to the user from which the user can “borrow” money for payment to a merchant or as a cash advance to the user. A credit card allows the consumer a continuing balance of debt, subject to interest being charged. A credit card differs from a debit card, which can be used like currency by the owner of the card.
- *Pre-Paid Debit/Credit Card* – A prepaid debit/credit card is not a true credit card but carries a credit card brand (such as Discover, Visa, MasterCard, American Express, or JCB etc.). The card-holder spends money which has been "stored" on the card via a prior deposit by the card-holder or someone else (such as a parent or employer). After purchasing the card, the cardholder loads the account with any amount of money, up to the predetermined card limit and then uses the card to make purchases the same way as a typical debit or credit card. Prepaid cards can be issued to minors (above 13) since there is no credit line involved.
- *Gift Card* – A gift card is a restricted monetary equivalent or scrip that is issued by retailers or banks to be used as an alternative to a non-monetary gift. Gift cards have become increasingly popular as they relieve the donor of selecting a specific gift or (depending on the card purchased) limit the user to the products offered by the specific store or business. A gift card may resemble a credit card or display a specific theme on a plastic card the size of a credit card. The card is identified by a specific number or code, not usually with an individual name, and thus could be used by anybody. They are backed by an on-line electronic system for authorization. Some gift cards can be reloaded by payment and can be used thus multiple times

REFERENCES

- *OPP 3.1 – Financial Administration*, Operating Policy and Procedures Manual, Round Rock Christian Church. RRCC website: <http://www.rrdisciples.org/OPPs.html>

- *OPP 3.2 – Receipts Procedures*, Operating Policy and Procedures Manual, Round Rock Christian Church. RRCC website: <http://www.rrdisciples.org/OPPs.html>

- *OPP 3.3 – Disbursement and Cash Management*, Operating Policy and Procedures Manual, Round Rock Christian Church. RRCC website: <http://www.rrdisciples.org/OPPs.html>

AUTHORITY: *Section IV, B, 5 and Section VI, A, 1 of the Bylaws of Round Rock Christian Church. The Administrative Team is entrusted with the financial resources of the church. The Treasurer is responsible for payment of all accounts of the congregation as authorized by budget or special action of the Guiding Board and providing accurate records of all expenditures.*

EFFECTIVE DATE

October 11, 2011

LAST REVIEW DATE

October 11, 2011