Policy 5.7: Credit Card Use

Adopted by Resolution of the Iosco-Arenac District Library Board of Trustees on December 11, 2025.

Purpose

The purpose of the Credit Card Use Policy ("Policy") of the Iosco-Arenac District Library ("Library") is to facilitate the Library's purchase of goods, materials, and services, while maintaining accountability. The Policy provides a system of internal controls to ensure that the Library complies with all applicable laws, including Michigan Public Act 266 of 1995 (Credit Card transactions).

A. *Credit Card Regulations*
   a. The authorized credit limit of each credit card shall not exceed $5,000. The Iosco-Arenac District Library Board ("Library Board") shall determine the maximum authorized limit on any credit card issued to the Library. All credit cards shall be issued in the name of the Library.
   b. The Library Board may include in its budget and pay the balance due on any credit card, including the annual fee and interest.
   c. The Library Director may delegate authority to use a credit card to a Library employee. However, all purchases over $400.00 must be approved by the Director. All purchases over $3,500 must be approved by the Library Board.
   d. For purchases under $100.00, each employee shall be permitted to make up to three (3) purchases each month without prior approval of the Library Director as long as the Library Board has budgeted for the purchase. After the three (3) monthly purchases, any additional purchases must be approved by the Library Director.
   e. All general-purpose credit cards shall be held in the Administrative Assistant/Bookkeepers files Any authorized employee may request the use of a credit card from the Business Office. All credit cards shall be returned to the Business Office.

B. *Responsibility of District Director or Designee*
   a. The District Director will be responsible for the issuance, accounting, monitoring, and retrieval and generally for overseeing compliance with this Policy.
   b. The credit card may be used by the District Director and employees delegated the authority by the District Director. Credit cards shall be used only for Library supplies, materials, services, and staff continuing education/conferences to be used for the official business of the Library. Further, the District Director or his/her designee may not use any credit card for a purchase that that person does not have authority to make.
   c. The District Director and any employee in possession or using the credit card is responsible for the protection of the credit card. Employees shall notify the District Director if a card is lost or stolen. Then, the District Director shall immediately notify the Library Board and financial institution issuing the card if the card is lost or stolen.

d. The District Director or any Director's designee employees must immediately surrender the credit card upon leaving the employ of the Library.

C. *Unauthorized Use*

The Library will use disciplinary measures consistent with current law for unauthorized use of the credit card.

D. *Payment*

a. The balance including interest due on the credit card shall be paid within 60 days of the initial statement date.
b. The District Director or his/her designee, within one (1) week after a purchase, shall submit a copy of the vendor's credit card slip detailing the goods or services purchased, the cost of the goods or services, the date of purchase, and the official business for which it was purchased to the Business Office. If no credit card slip was obtained that described the transaction, the District Director shall submit a signed voucher that shows the name of the vendor or entity from which goods or services were purchased, the date and the amount of the transaction, and the official business that required the transaction. Vouchers shall also include a statement why a credit card slip was not obtained. All credit card receipts or vouchers will be retained for attachment to the monthly credit card statement, prior to approval for payment.
c. The Employee to whom the procurement and line item budget authority has been delegated must review the credit card statements with respect to those line items.
d. The District Director shall review each credit card statement as soon as possible to ensure that transactions comply with this Policy. Any transactions that appear on the statements that are not documented with a credit card slip or a signed voucher shall be immediately investigated. Transactions that do not appear to comply with this Policy shall be reported to the Library Board.
e. The Library shall not approve a payment to the entity issuing the credit card until all transactions have been verified, including the approval of all transaction invoices if issued. If the Library Board holds a regular meeting before the credit card invoice must be paid so that no late fees or interest will accrue, the credit card invoices shall be verified and approved by the Library Board. If a regular meeting does not occur before the invoice must be paid, the Library Board Chairperson shall have the authority to verify the transactions and approve payment. However, the Library Board shall be given a copy of the verified and authorized invoice at the next regular Board meeting.

E. *Benefits*

Any benefits derived from the use of the credit card shall be the property of the Iosco-Arenac District Library.