 Office of Credit Unions Policies and Procedures	POLICY NUMBER
	10230
ACCOUNTING	EFFECTIVE DATE
	11/01/2018
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I. PURPOSE


A written policy must be developed to guide the use of the credit union's corporate credit card. All aspects of the program should align and adhere to the policy. Internal controls and procedures must be established to govern the use of the credit union's corporate credit card. Proper documentation should be maintained to support corporate credit card expenses.

II. PRIMARY REFERENCES / RELATED REGULATIONS

1. [Michigan Credit Union Act Section 342](#)
2. [Michigan Credit Union Act Section 383](#)

III. MINIMUM PROCEDURES

1. Review the credit union's corporate credit card policy. Separate policies may exist for employees and directors. An acceptable corporate credit card policy should:
 - a. Address which individuals or positions have authority to use corporate credit cards.
 - b. Describe the process and procedures for reviewing corporate credit card transactions, paying the bill, and ensuring all required documentation is gathered and maintained.
 - c. Identify documentation required to validate transactions.
 - d. Document procedures to approve expenses where receipts or other documentation is not present. If applicable, identify a materiality threshold.
 - e. Outline appropriate types of expenses for which the corporate credit card may be used and those which are not allowed.
 - f. Document the consequences of personal use of the corporate credit card.
2. Determine the adequacy of internal controls and procedures relating to the corporate credit card with the following steps:
 - a. Determine whether only authorized card users have access to corporate credit cards. If so, management should be able to provide signed agreements.
 - b. Determine who reviews the credit card statements, verifies supporting documentation, and pays the corporate credit card. Ensure this person does not have authority to use the corporate credit card, has appropriate authority to deny transactions, and is free from potential conflicting influence.
 - c. Review the procedures for addressing inappropriate credit card use.

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3. Obtain corporate credit card statements and all supporting documentation. Review the transactions to ensure:
 - a. All expenses are acceptable and appropriate per guidance established in the policy.
 - b. Any inappropriate transactions have been identified and remedied (i.e. reimbursement by the cardholder, if applicable).
 - c. Supporting documentation has been maintained for each transaction.
 - d. Dollar amounts and dates for each transaction match between the statement and provided documentation.
 - e. Bills are paid in a timely manner and employers or directors are not regularly approaching their established credit limits.
4. Discuss any applicable findings with management. Obtain an explanation for any questionable transactions. Offer recommendations for improving current procedures which exhibit weakness or potential risk.