



An Rialálaí
Carthanas

Charities
Regulator

Guidance Document – Credit Card Controls for Charities



Credit Card Controls for Charities

One of the functions of the Charities Regulator is to promote compliance by charity trustees with their duties in the control and management of charities, and one issue that arises on a regular basis in our interaction with charities is oversight of the use of credit cards.

Charities should have a written credit card policy that sets out the reasons why the charity needs a credit card in the first place, and also sets out the controls and procedures in place to manage the use of a credit card. This will protect the charity's finances and reputation, and ensure that public trust and confidence is maintained in the charity.






We have set out below some of the key controls for credit card use that should be included in a credit card policy:

- The reasons why a credit card is needed by the charity should be recorded.
- The spending limit as approved by the charity trustees.
- A schedule of all credit cards held by the charity to include the name on the credit card, the credit card number and security details, the spending limit on the credit card, the expiry date, and the address where credit card statements are sent.
- The process of authorisation for obtaining a new credit card or renewing a credit card, and the process for cancelling a credit card that is no longer needed.
- A list of the authorised users for the credit card.
- Spending limits for each credit card user. Each credit card user should have a limit that is appropriate for their typical expenditure levels.
- The location where the credit card should be securely stored when not in use.
- The process for getting approval for a credit card payment.
- Details of the type of payments that are permitted, and the type of expenditure that is not permitted (see below).
- Security measures to be taken when using the credit card for online or telephone payments.
- The process for recording each credit card payment and the documentation required to back up each payment.
- The process for reviewing and signing off credit card statements - it is particularly important that the person reviewing credit card statements is not the same person who uses the credit card. For example, employees' credit card expenses should be approved by their manager or the CEO; senior management's credit card statements and supporting receipts should be reviewed by a member of the Finance Committee or Board of Trustees on a periodic basis.

- The process for reporting on credit card expenditure to the charity trustees as part of their regular review of the finances of the charity.
- The circumstances when a credit card should be cancelled for example when it is no longer required, or when one of the signatories is no longer with the charity.
- The consequences for the improper use of the credit card.

The charity's credit card policy should be communicated to all charity trustees and staff who use the credit card. It is important to enforce the credit card policy for all card users, regardless of their position within the charity.

Examples of the type of credit card expenditure that should be prohibited include, but are not limited to:

-  Cash advances/withdrawals;
-  Items or services for personal use;
-  Expenses incurred by a spouse, family member, or other connected person;
-  Alcoholic beverages;
-  Fuel for privately owned vehicles; etc.

This document should be read in conjunction with the Charities Regulator's '**Internal Financial Controls Guidelines for Charities**' which provides guidance for charity trustees on developing and implementing internal financial controls within their charity.



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