

Officer Use Of Credit And Debit Cards



Officers may use personal credit and debit cards to conduct Council business, provided that they do so in accordance with Council by-laws and any other procedures established by the Council for the expenditure of funds.^[1] Councils should understand, however, that while debit and credit cards offer convenience, they also present serious and substantial risks. In order to mitigate those risks and to ensure a full and transparent accounting of all funds, the Supreme Council strongly urges Councils to follow the “best practices” set forth below. Failure to follow these best practices will disqualify a Council from recovering losses from fraud or embezzlement under the Supreme Council bonding program.

1. **Written Policies:** Councils should establish clear and specific written policies regarding the use of debit and credit cards, including the purposes for which the card may be used, who may hold use a card for Council business, who is liable for misuse of the card, and who is responsible for payment of bills. The written policy should state that debit and credit cards may be used only for expenses that have been duly authorized in accordance with the Council by-laws and procedures relating to the expenditure of funds. In addition, the written policy should set forth a transparent and accountable procedure for reimbursement.
2. **Application for Cards:** Councils should NOT apply for credit or debit cards. To the extent that a Council concludes that its officers need a credit or debit card to conduct Council business, the Council should specifically designate which officers may use a debit or credit card. These officers should apply for the cards in their own names and NOT in the name of the Council.
3. **Guarantee:** Councils should NOT guarantee credit cards.
4. **Separate Accounts:** Credit and Debit cards should NOT be connected to the Council’s operating accounts.
5. **Expense Receipts:** The Council should reimburse an officer only after he has submitted a detailed voucher, including original invoices and receipts. The details should be reviewed and approved by the Council Treasurer. If the Treasurer holds a card, the voucher should be reviewed and approved by the Council Secretary.
6. **Acceptable Expenses & Reimbursement:** Councils should identify permissible expenses (e.g., travel, supplies, convention costs) and impermissible expenses (e.g., payment of council dues). If a credit card is used exclusively by an officer for Council business, it is reasonable for the Council to reimburse the officer for the annual credit card fee; it is not reasonable to reimburse late payment penalties or interest.

[1] For purposes of this entry, "Council" refers to all state and local councils, assemblies, and chapters.

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