PG-5.220: CORPORATE CREDIT ACCOUNTS

Sec. 1. PURPOSE OF POLICY.

Through this policy, the Board of Directors (hereafter, the "Board") of Tejano Center for Community Concerns doing business as Raul Yzaguirre Schools for Success (hereafter, the "School") shall address the legal requirements, as applicable, promulgated at:

(a) Texas Constitution, Article 3, Sec. 50, 51, 52 and 53;
(b) Texas Business Organizations Code ("Tex. Bus. Org. Code") Sections 3.101, 22.201, 22.221 and 22.235;
(c) Texas Education Code ("Tex. Ed. Code"), Sections 12.107, 12.1052, 12.115(a)(2), 12.121, 12.128 and 45.105(c);
(d) Texas Administrative Code, Title 19 ("19 TAC"), Sections 100.1022, 100.1032, 100.1033, 100.1043, 100.1047, 100.1063, 100.1101, and 100.1203;
(e) Code of Federal Regulations, Title 2, Part 200 ("2 CFR 200"); and
(f) Financial Accountability System Resource Guide.

Additionally, through this policy, the Board shall address best practices adopted by public schools.

Sec. 2. AUTHORITY OVER FISCAL MATTERS.

Sec. 2.1. In accordance with state law, the Board has primary and ultimate authority over fiscal matters. If a matter or decision-making process is not addressed in this or other duly adopted policies of the Board, authority rests with the Board. In the event of a conflict between this policy and any other Board policy, such conflict shall be brought to the Board for resolution. Refer to the Board's Policy relating to its Authority Over Fiscal Matters (the "Controlling Policy") for requirements applicable to this policy.

Sec. 2.2. The Delegate, as defined in Sec. 3.2 of the Controlling Policy, shall report to the Board any business arrangement or transaction with an individual that is an officer, as defined in Sec. 5 of the Controlling Policy, and any conflicted,[1] interested[2] or related[3] party, as defined in other Board policy or applicable law. The School and its officers may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

[1] Tex. Ed. Code §12.1054; 19 TAC §§ 100.1131 through 100.1135
[2] 19 TAC §100.1047(f)
[3] Tex. Ed. Code §12.1166

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.

Sec. 2.3. As established in Sec. 4 of the Controlling Policy, where the Delegate is authorized to confer authority to a designee (as denoted by the phrase "or designee"), the Delegate may confer such authority to a single designee.

Sec. 3. BOARD AUTHORIZATION.

Sec. 3.1. Subject to Sec. 2 of this policy, the Board authorizes the Delegate to establish a corporate credit account(s) for the purpose of procuring goods and/or services for School activities, functions, programs and services and to facilitate business travel. In furtherance of this purpose, the Delegate may authorize certain School employees to use the corporate credit account(s).

Sec. 3.2. In authorizing the establishment of a corporate credit account(s), the Board is not authorizing the Delegate to pay the corporate credit account issuer(s) directly. Instead, the Delegate shall require each employee authorized to use the corporate credit account(s) to assume personal liability for all charges, request reimbursement of charges conforming to this policy, and paying the issuer directly for the expenses charged to the corporate credit account(s) assigned to the employee.

Sec. 4. COMPLIANCE WITH POLICY.

In establishing a corporate credit account(s), the Delegate shall ensure compliance with the requirements set forth in this policy and other Board policy. In accepting the Delegate's authorization to use the corporate credit account(s), School employees shall adhere to the requirements set forth in this policy and other Board policy.

Sec. 5. EMPLOYEE ELIGIBILITY.

Sec. 5.1. Employment Status. School personnel shall be employed on a full-time status to be eligible to use the corporate credit account(s). School personnel employed on a less than full-time status, independent contractors, and volunteers are not eligible to use the corporate credit account(s).

Sec. 5.2. Eligible Employees. School personnel listed in Sec. 5 of the Controlling Policy are eligible to use the corporate credit account(s). Additionally, the Delegate may authorize a School employee not listed in said policy to use the corporate credit account(s) if, on a monthly basis, the employee purchases goods and/or services or travels in furtherance of the School's business activities and incurs $500 or more related expenses on a monthly basis.

Sec. 5.3. Credit Worthiness. The Delegate may not approve any School employee that is not credit worthy as determined by the credit account issuer after conducting an authorized credit history check.

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.

Sec. 5.4. Participation Optional. School employees are not required to use the School's corporate card account(s) to purchase goods and/or services or to conduct business travel. Instead, employees may submit an expense reimbursement request.

Sec. 6. REQUIREMENTS FOR APPROVAL AND USE.

Sec. 6.1. Application Required. To be granted authorization to use the School's corporate credit account(s), a School employee must submit a written application in the form specified by the Delegate.

Sec. 6.2. Credit Review Required. School employees that submit a corporate credit account application shall authorize the corporate credit account issuer to conduct a review of the employee's credit history.

Sec. 6.3. Agreement Required. Prior to using the School's corporate credit account(s), the employee shall sign a standard written agreement in the form specified by the Delegate. In the standard written agreement, the Delegate shall include terms and conditions that effectively implement this policy and best practices that safeguard the use of the corporate credit account(s).

Sec. 6.4. Form. An employee authorized to use the School's corporate credit account(s) shall do so through a corporate credit account card(s).

Sec. 6.5. Financial Responsibility. Prior to using the School's corporate credit account(s), the employee shall accept financial responsibility for any expenses charged to their assigned corporate credit account and card that fails to conform to the requirements of this policy and applicable law.

Sec. 7. DELEGATE'S RESPONSIBILITIES.

The Delegate or designee shall:

(a) Oversee the administration of the School's corporate credit account(s).

(b) Process all requests to use the corporate credit account(s), including any modifications to said use.

(c) Restrict the use of corporate credit account(s) to specific Merchant Category Codes to mitigate the use of the account(s) at unapproved merchant types.

(d) Review each cardholder's expenses, approve or disapprove each cardholder's charges, and authorize the payment of all eligible expenses charged to the corporate credit account(s).

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.

(e) If an expense is disapproved, inform the cardholder in writing of the amount(s) that were disallowed and the basis for the disallowance.

(f) Provide monthly statements to each employee authorized to use the corporate credit account(s).

(g) Require each employee to affirm, in writing, that the expenses disclosed on each monthly statement were incurred for official School business and conform to applicable legal requirements and Board policy.

(h) Monitor and enforce compliance with this policy, any other related Board policies, and any administrative procedures.

(i) Investigate any irregularities or alleged misconduct and report findings to the Board.

(j) Take control and possession of an employee's access to the corporate credit account(s) upon the employee's separation from employment with the School or other relevant change in employment status.

(k) Disclose, in writing, any violation of this policy by any employee to the Board.

Sec. 8. AUTHORIZED EMPLOYEE DUTIES.

Sec. 8.1. Abuse and Waste Prohibited. Consistent with Sec. 8 of the Controlling Policy, cardholders shall not use the corporate credit account(s) to abuse or waste the School's financial resources and established lines of credits.

Sec. 8.2. Appropriate Use. Cardholders shall agree to the appropriate use of the corporate credit account(s) and card(s) assigned to them thereby restricting the use of said account(s) and card(s) to the purchase of goods and/or services for official School business.

Sec. 8.3. Billing Errors and Unrecognized Transactions. Cardholders shall identify and satisfactorily resolve any billing errors and unrecognized expenses.

Sec. 8.4. Credits and Returns. Cardholders shall return items for credit and not for cash refunds. Cardholders shall ensure that any returned items are credited to the corporate credit account(s).

Sec. 8.5. Disclosure of Conflicted, Interested, or Related-Party Transactions. Cardholders shall disclose to the Delegate or designee any business arrangement or transaction with any conflicted, interested, or related party, as defined in other Board policy or applicable law. Cardholders may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.
SLHA Schulman, Lopez, Hoffer & Adelstein, LLP

Sec. 8.6. Fraudulent Charges. Cardholders shall report fraudulent charges to the corporate credit account issuer and the Delegate or designee immediately after they become aware of the fraudulent charges.

Sec. 8.7. Fraudulent Use Prohibited. Cardholders shall not use their corporate credit account(s) and card(s) to commit fraud or other criminal act. Cardholders shall be liable for any fraudulent or other charges of a criminal nature.

Sec. 8.8. Liability for Charges. Cardholders shall agree to be liable for the expenses charged to the corporate credit account(s) and card(s) assigned to them and to pay the credit account and card issuer for the expenses incurred. Notwithstanding, personal use of the corporate credit account(s) and card(s) is strictly prohibited and any abuse may lead to loss of card privileged, as well as adverse employment action up to and including termination.

Sec. 8.9. Lost or Stolen Card(s). Cardholders shall report lost or stolen corporate credit cards to the issuer and the Delegate or designee immediately after they become aware of the loss.

Sec. 8.10. Method of Procurement. Cardholders are required to and shall be responsible for procuring goods and services pursuant to the procurement methods identified in the Board's Policy relating to Purchasing and Contracting.

Sec. 8.11. Personal Use Prohibited. Cardholders shall only use their corporate credit account(s) and card(s) for official School business only and shall not use the account(s) and card(s) for their personal benefit. Cardholders shall agree to be liable for any charges of a personal nature and may face personnel action, up to and including termination.

Sec. 8.12. Prudent Person Rule. An authorized employee, or cardholder, shall limit the use of the corporate credit account(s) to costs that adhere to the Prudent Person Rule set forth in Sec. 7 of the Controlling Policy.

Sec. 8.13. Reconciliation Required. Cardholders shall reconcile any and all charges disclosed on the monthly statement pertaining to their assigned corporate credit account(s) to original, itemized receipts. Cardholders shall subsequently submit the receipts to the Delegate or designee and identify any expenses for which a receipt is missing, or which was not authorized by the cardholder.

Sec. 8.14. Reimbursement Request. Cardholders shall agree to submit requests for reimbursement for legitimate business expenses.

Sec. 8.15. Safeguarding Account. Cardholders shall appropriately safeguard their assigned corporate credit account(s) and card(s), including the account number, the security code, expiration date and associated mailing zip code to protect against any unauthorized access of the corporate credit account.

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.
SLHA Schulman, Lopez, Hoffer & Adelstein, LLP

Sec. 8.16. Sales Taxes. Since the School is tax-exempt, cardholders shall ensure that sales taxes are not charged on any purchase.

Sec. 9. AUTHORIZED USER.

Only the cardholder shall use their assigned corporate account(s) and card(s) to purchase goods and/or services, including business travel. A cardholder may not authorize anyone, including a School employee, to use their assigned corporate account(s) and card(s) for any purpose.

Sec. 10. PROHIBITED USE.

Sec. 10.1. Cardholders shall not use their assigned corporate credit account(s) and card(s) in excess of the specified credit limit.

Sec. 10.2. Although not all inclusive, cardholders shall not use their assigned corporate credit account(s) and card(s) for the following types of activities and expenses.

(a) Alcoholic beverages.
(b) Cash advances.
(c) Donations.
(d) Food and beverages not associated with travel for official School business.
(e) Gift cards.
(f) Gratuities or tips.
(g) Information technology hardware or software.
(h) Loans.
(i) Medical services, prescription and nonprescription drugs, or supplements.
(j) Non-business related charges, including any expense resulting in a personal benefit.
(k) Political contributions or lobbying activities.
(l) Purchases subject to Sec. 2.2 of this policy.

Sec. 10.3. Cardholders may not use their assigned corporate credit account(s) and card(s) for component, separate, or sequential purchases to avoid or bypass the School's purchasing and payment policies and procedures.

Sec. 11. TERMINATION OF CARDHOLDER PARTICIPATION.

A cardholder's corporate credit account(s) and card(s) may be cancelled for the following reasons:

(a) Cardholder is no longer employed by the School.

(b) Cardholder changes position and their new position does not meet the requirement for eligibility set forth in Sec. 5 of this policy.

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.
SLHA Schulman, Lopez, Hoffer & Adelstein, LLP

(c) In using their assigned corporate card(s), cardholder materially violated this policy or other related Board policy and any pertinent administrative procedures.

(d) Cardholder is suspended, placed on administrative leave, or is subject to other adverse employment action.

Sec. 12. REQUIRED SUBSTANTIATION.

Sec. 12.1. For each transaction, cardholders shall provide:

(a) a sufficiently detailed description of:

(1) the business purpose for the transaction;

(2) how said purpose directly benefited the School; and

(3) the names of the individuals who were part of the transaction, including the organization they represented and the official capacity in which they represented said organization; and

(b) the original, itemized third-party receipts and other such records that fully discloses:

(1) the vendor's name, place of business and contact information;

(2) the transaction date and total amount of the purchase; and

(3) individual line items for the goods and/or services purchased and the cost of each item.

Sec. 12.2. Cardholders shall ensure that vendors provide an original, itemized receipt conforming to the requirements set forth in Sec. 13.1(a) of this policy.

Sec. 12.3. If the cardholder fails to provide the required substantiation under Sec. 13.1 of this policy, the cardholder shall be liable for the amount(s) of the unsubstantiated transaction(s).

Sec. 13. REVIEW BY BOARD.

Without exception, the Board shall review and approve or disapprove the expenses charged by an officer[4] to their assigned corporate credit account(s) and required substantiation. If disapproved,

[4] *See* Sec. 5 of the Controlling Policy.

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.

SLHA Schulman, Lopez, Hoffer & Adelstein, LLP

the Board's designee shall inform the officer in writing of the amount(s) that were disallowed and the basis for the disallowance.

Sec. 14. PARTICIPATION IN REWARDS PROGRAM.

The School shall participate in any rewards program offered by the corporate credit account issuer(s) and shall retain ownership of any rewards earned under said program and shall use any rewards received for the benefit of the School's students.

Sec. 15. TRAINING AND UPDATES.[5]

The Delegate or designee shall properly train School officers and employees on the requirements of this policy and any administrative procedure(s) adopted to implement this policy. Additionally, the Delegate or designee shall keep School officers and employees informed of any changes to this policy and related requirements.

Sec. 16. ADMINISTRATIVE PROCEDURES.[6]

The Delegate shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable law and rule. In doing so, the Delegate shall not adopt, and is prohibited from adopting, an administrative procedure that conflicts with applicable law or this policy. Accordingly, the Delegate shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegate shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

Sec. 17. DATE ADOPTED AND EFFECTIVE.

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on MDY, and it became effective on MDY.

---

[5] 2 CFR § 200.303(a), U.S. Government Accountability Office *Standards for Internal Control in the Federal Government*, 4.02 and 4.05.

[6] Consistent with 19 TAC § 100.1033(b)(14)(C)(iv), the Board has the final authority to adopt policies governing charter school operations, including authorizing the Delegates or designee to adopt an administrative procedure to implement this policy. Moreover, as set forth in the School's Articles of Incorporation and Bylaws and in accordance with Tex. Bus. Org. Code §§ 3.101 and 22.201, the Board is the School's governing authority and, as such, manages and directs the School's business and affairs through Board actions, resolutions and policy.

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.
SLHA Schulman, Lopez, Hoffer & Adelstein, LLP

Sec. 18. RETENTION.[7]

This policy shall be retained until superseded, expired, or discontinued and for five (5) years thereafter in accordance with state law.

Sec. 19. CERTIFICATION.

The Undersigned, being the Secretary of the Corporation, hereby certifies that the foregoing represents a true copy of the Board Policy relating to Corporate Credit Accounts, as originally adopted by the Board on MDY, which Policy is in full force and effect and has not been revoked or amended.

_____
[INSERT NAME HERE.], Secretary

_____
Date Certified

[7] Tex. Ed. Code §12.1052; 19 TAC §100.1203; See Record Number GR1000-38 and GR1025-25 in Local Schedule GR: Records Common to All Local Governments, Revised 5th Edition (Effective April 17, 2016) adopted by the Texas State Library and Archives Commission at Texas Administrative Code, Title 13, §7.125(a)(1).

© 2022 Schulman, Lopez, Hoffer & Adelstein, LLP
All rights reserved.

SLHA Schulman, Lopez, Hoffer & Adelstein, LLP