

Corporate Credit Cards and Your Church

A corporate credit card can seem like a useful tool for churches: a convenient and easy way for staff to make the purchases they need to do their jobs. Yet at many churches, the corporate credit card results in headaches and hassles. The bill is due whether or not staff members have submitted the necessary receipts and information, but documentation always seems to be missing or late.

Misuse of a church credit card can lead to more serious issues than headaches, hassles, and wasted time, however. It can result in inappropriate expenses and even finance charges. Fortunately, this can be prevented with adequate considerations and policies, which we've outlined below.

Assessing the Need

If your church does not currently have a corporate credit card, the first step is to assess whether or not you truly need one. While a corporate credit card can make purchases more convenient for staff, consider what it will take to create and enforce a credit card policy, and to reconcile the account each month.

If your church decides that it would benefit from a credit card, the next step is to determine which staff members will receive one. You may have staff members who want access because they don't have enough financial credit to use their personal cards for large purchases. Church leadership should be responsible for deciding who receives a card, however, not the individual staff members.

Setting Policies

It's important to set clear policies governing the use of corporate credit cards. These should address:

- **How individual reporting will be monitored.** Each credit card charge should be reviewed and approved by the individual's immediate supervisor. This protects the individual as well as the church. If there are staff members without a direct supervisor, such as the senior pastor, a member of the governing board should periodically review the charges.
- **Required documentation.** This should be similar to the requirements for personal expense

reimbursements. Credit card statements do not provide sufficient substantiation. Instead, card users should provide receipts for all their charges, along with an explanation of the ministry purpose. If the expense is for a meal, the explanation should include the names of those who were present.

- **Expectations for use.** In addition to outlining the required documentation, your policies should cover additional expectations for use, including timeliness in submitting receipts and a definition of appropriate charges. The consequences of noncompliance should also be included.

Ensuring Compliance

Whenever a staff member receives a church credit card, they need to be informed of your policies. If you run into compliance issues, it's also a good idea to reinforce the policies in a staff meeting or email. Any concerns should be discussed with church leadership or the finance committee.

Perhaps someone always submits documentation late, often loses receipts, or frequently uses the card for personal purchases. Everyone makes mistakes and can misplace a receipt or grab the wrong card out of their wallet, but ongoing issues should be addressed. Many churches revoke cards if individuals fail to comply with set policies.

Corporate credit cards can be very useful for church staff, but they need to be used properly, with adequate documentation provided on time. The guidelines and policy tips above can help your church ensure that credit cards are helpful to your ministry efforts, rather than a hindrance.

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