

KENTUCKY COURT OF JUSTICE
Credit Card Program and Procedures

I. Purpose

The purpose of these Credit Card Program and Procedures (“Procedures”) is to establish eligibility requirements for, allowable usage of, and responsibilities related to KCOJ corporate credit cards.

II. Definitions

“AOC” means the Kentucky Administrative Office of the Courts.

“Authorized Signer” means an individual authorized to communicate with the issuing bank with respect to changes to the credit card account for the KCOJ.

“Cardholder” means an eligible person who has a credit card issued in his or her name and is the only person authorized for use of the card.

“Credit card” means a KCOJ-owned American Express card.

“Eligible person” means a person holding one of the following positions within the KCOJ: Chief Justice; Chief of Staff and Counsel to the Chief Justice; and the AOC Director.

“KCOJ” means the Kentucky Court of Justice.

III. Card Issuance

A credit card may be issued to an eligible person. Upon receipt of a credit card, the eligible person must sign a Cardholder Agreement.

IV. Credit Card Uses

Any purchase made with a credit card shall be for the use and benefit of the KCOJ. No personal purchases shall be allowed.

A credit card may be used by a cardholder for the purchase and payment of goods or services only if the transaction is a legitimate and necessary business expense of the KCOJ. Use of the credit card shall be in accordance with the policies and procedures of the KCOJ including, but not limited to, the Rules of Administrative Procedure for the KCOJ (AP) Part VII, Travel Regulations; SCR 4.300, the Kentucky Code of Judicial Conduct; the Personnel Policies of the KCOJ; and the AOC Purchasing and Procurement Guidelines.

1. Cardholders shall use a credit card only for the following transaction types:
 - a. Any purchase not prohibited in subsection 2. of this section that is no greater than the limit established for the credit card or the single quote limit under the small purchase authority of the Administrative Office of the Courts, whichever is less.
 - b. Registration fees for conferences, trainings, or other educational meetings for the benefit of the KCOJ.

- c. Purchases of fuel for a KCOJ fleet vehicle only if the fleet management fuel card is not accepted.
 - d. Purchases incident to travel for official business of the KCOJ.
2. A credit card shall not be used for the following transactions:
- a. Personal travel.
 - b. Entertainment related expenses.
 - c. Alcoholic beverages.
 - d. Food when not in travel status.
 - e. Gifts.
 - f. Personal purchases of any type.
 - g. Employee parties, including retirement receptions.
 - h. Cash advances.
 - i. Salaries and wages.
 - j. Legal services.
 - k. Lease purchases.
 - l. Insurance premiums and bonds.
 - m. Printing services, except in accordance with Section 247 of the Constitution of Kentucky.
 - n. Purchase from another Commonwealth agency.
 - o. Used equipment.
 - p. Purchase from an auction.

V. Program Administrator Responsibilities

The Budget Director is the program administrator for the KCOJ credit card program and shall manage the overall operation of the credit card program. The program administrator shall:

1. Ensure each cardholder receives a copy of these Policies and Procedures.
2. Approve and execute each Cardholder Agreement on behalf of the KCOJ.
3. Oversee and coordinate the disputed charges process with the cardholder.
4. Coordinate the payment process to ensure that timely remittance is made.
5. Ensure that purchased items required to be included in the fixed asset inventory are reported to the agency property officer.
6. Serve as the authorized signer with the financial institution.

VI. Cardholder Responsibilities

A cardholder shall sign and accept the terms and conditions of the Cardholder Agreement provided by the program administrator.

1. The cardholder is responsible for all activity on the credit card.
2. A cardholder shall not share or loan the credit card to any other individual.
3. As an agent of the KCOJ, a cardholder shall ensure the proper use of the AOC's tax exempt registration number and shall not pay sales and use tax on any transaction.
4. A cardholder shall retain all receipts showing each credit transaction.

5. A cardholder shall properly inspect all shipments. In case of returns, a cardholder shall coordinate the return directly with the supplier and contact the program administrator with any unresolved issues. Returns for cash are not permitted.
6. A cardholder shall report a lost or stolen card immediately to the issuing bank and the program administrator. A card that has been reported lost or stolen that is subsequently found shall be given to the program administrator.
7. Each cardholder shall reconcile purchases to transaction information provided by the financial institution and submit to the manager of the AOC Division of Accounting and Purchasing, on a monthly basis, a valid receipt for each charge. The itemized receipt or email confirmation shall be issued by the merchant and identify the good or service purchased. Dues and subscriptions may be documented by an order form.
8. Purchases of food or beverage shall be accompanied by documentation explaining the reason for the purchase, justification of need, and proof that the purchase benefited the KCOJ.
9. Each cardholder who no longer needs a credit card shall return that credit card to the program administrator.

VII. Procedures

1. The program administrator is responsible for obtaining a credit card for all persons eligible to be a cardholder.
2. Upon receiving a credit card, the cardholder shall sign the Cardholder Agreement and provide a copy to the program administrator. Additionally, the cardholder is responsible for activating the credit card by calling the telephone number on the front of the credit card and taking all other reasonable and necessary steps for activation. The cardholder must sign the back of the credit card.
3. Upon receipt of the monthly credit card statement, all purchases must be verified by the cardholder. After verification, the cardholder must sign the credit card statement and promptly send the signed credit card statement to the Manager of the AOC Division of Accounting and Purchasing. The cardholder's signature on the credit card statement serves as verification that the purchases were received by the KCOJ and were for the benefit of the KCOJ and not for personal use.
4. Each cardholder and the Manager of Accounting and Purchasing shall reconcile transaction information provided by the financial institution to all cashier receipts and invoices to ensure the accuracy of that information. The cardholder shall address any questions regarding disputed charges to the vendor reported on the credit card billing statement and attempt to reach a resolution. If a resolution cannot be reached with the vendor, the cardholder shall notify the program administrator to coordinate the disputed charges process.
5. The cardholder is responsible for the safekeeping of his or her credit card at all times.
6. If a cardholder's credit card is lost or stolen, the cardholder must immediately notify the program administrator. The cardholder is responsible for taking all other reasonable and necessary steps to prevent the misuse of a lost or stolen credit card.
7. Credit cards must be promptly returned to the program administrator upon a cardholder's separation from the KCOJ.
8. The Accounting and Purchasing Division shall maintain the documentation for all transactions in accordance with the AOC Records Retention Schedule. Receipts for source documentation shall include the vendor's name, date of purchase, description of each item purchased, price of each item purchased, total cost and cardholder name or card number. If an item is purchased over the internet or by telephone, the Accounting and Purchasing Division shall maintain documentation by printout or handwritten notes.

9. The Accounting and Purchasing Division shall ensure that the proper accounting structure is charged for the purchase.
10. The Accounting and Purchasing Division shall ensure that 1099 reportable purchases are coded to the proper object codes.

VIII. Oversight

The Chief Justice shall ensure that cardholders adhere to these Procedures. Additionally, the Manager of Accounting and Purchasing or the program administrator shall take appropriate disciplinary actions whenever any violation of these Procedures is identified and shall report such violation(s) and action(s) to the appropriate disciplinary body if the cardholder is an elected official. Violation of these Procedures by a cardholder may also result in the loss of cardholder status for any otherwise eligible KCOJ employee or elected official.