BOARD POLICY ON CREDIT CARDS

Purpose

John Adams Academies, Inc. ("JAA") uses a business purchasing card program and digital expense-management platform (collectively, "the Program") to support efficient, transparent, and compliant expenditure of public funds. The Program provides both physical and virtual cards, pre-purchase controls, automated documentation tools, and real-time oversight to ensure that all purchases align with the Academy's mission and Board approved budgets.

General Principle

Purchasing cards are a privilege, not an entitlement. Cards may be used **only** for legitimate JAA business purposes that are necessary, reasonable, properly authorized, and directly support educational and operational needs. All expenditures must comply with applicable laws, Board policy, and approved budgets.

Credit cards may not be used to bypass established purchases procedures, procurement requirements, or approval workflows. All purchases made with a card must follow the same competitive bidding, contract, and budget-authorization rules that apply to any other method of payment. The Program is a payment mechanism—not an exception to required purchasing controls.

Governance

The Board of Trustees establishes this policy and delegates administration to the Superintendent. Superintendent holds ultimate authority and accountability for the Program. Day-to-day operations--including card issuance, spending limits, monitoring, reconciliation, and documentation –are performed by the contracted education management service provider ("Service Provider") under the Superintendent's direction.

Segregation of duties shall be maintained at all times. No individual may authorize, execute, and reconcile the same transaction. Card access is revoked immediately upon employee separation, role change, or extended leave.

Card Types and Preferred Use

- **Virtual single-use or purpose-specific cards** are the required default method of purchase. These cards are generated for a defined purpose, fixed spending amount, designated vendor (when applicable), and expiration date. They are used for most online orders, subscriptions, event registrations, special projects, and vendor specific transactions.
- **Evergreen (revolving-limit) cards,** whether virtual or physical are limited to designated leadership roles (Superintendent, Deputy Superintendent, Principals, and others explicitly approved in writing by the Superintendent). These cards support ongoing operational purchasing within approved budgets and with appropriate controls. **Physical cards** may be issued for operational convenience but remain unfunded unless tied to an evergreen limit or activated temporarily for a specific approved purchase. Cards may not be shared under any circumstances.

Eligibility and Authorization

Cards may only be issued to employees--and, in rare cases, volunteers--whose job duties require purchasing authority. Eligibility and spending limits, vendor restrictions, and card type must be approved in advance by the Superintendent or designee. All limits and card assignments must be documented within the Platform.

Cardholder access and limits are reviewed at least quarterly and immediately upon any change in role, responsibilities, or employment status.

All cardholders must sign a Cardholder Agreement acknowledging their responsibilities and the consequences of misuse.

Prohibited Transactions (non-exhaustive)

The following transactions are strictly prohibited:

1. Personal purchases of any kind (even with intent to reimburse)
2. Cash advances, ATM withdrawals, or cash-equivalent transactions
3. Alcohol, tobacco, or cannabis products

4. Gift cards
5. Gifts (including for staff, scholars, or volunteers) unless expressly authorized by law and Board policy
6. Transactions that exceed approved budget or bypass procurement, bidding, or contract requirements
7. Vendor purchases involving potential conflicts of interest
8. Split transactions intended to circumvent spending limits or procurement thresholds
9. Any transaction prohibited by California Education Code or federal/state grant regulations

All reward points, cash-back, rebates or other incentives earned through Program use are the exclusive property of JAA.

Cardholder Responsibilities

Cardholders must:

1. Safeguard card numbers and never share evergreen card information
2. Use cards only for approved JAA business purposes
3. Maintain compliance with spending limits, vendor restrictions, and required pre-approvals
4. Obtain and upload itemized receipts and a brief business purpose statement within **5 business days** of the transaction (48 hours preferred)
5. Provide supporting documentation for meals, travel, conference registrations, or subscription renewals as required by JAA policies
6. Submit a signed Missing Receipt Acknowledgment if a receipt cannot be obtained; more than **two missing receipts in a 12-month period** results in automatic card suspension
7. Report lost, stolen, or compromised cards immediately to the Service Provider

Cardholders are personally responsible for reimbursing JAA for any unallowable or unauthorized expenditures.

Oversight and Enforcement

The Service Provider performs continuous monitoring of card activity, conducts monthly transaction reviews, and provides the Superintendent with detailed reporting, including exception reports and instances of suspected

noncompliance. The Board of Trustees receives summary reporting as part of regular financial updates.

Violations of this policy may result in:

1. Immediate suspension or revocation of card privileges
2. Mandatory personal reimbursement
3. Additional training or corrective action
4. Disciplinary action up to and including termination
5. Referral to law enforcement when fraud, misuse of public funds, or theft is suspected

All monthly statements and card activity must be fully reconciled within established financial-close timelines.

Annual Review

This policy shall be reviewed annually by the Superintendent and the Service Provider. Changes in the underlying Program platform or vendor do not require policy amendment as long as equivalent internal controls, reporting capabilities, and compliance standards are maintained.