

# Checklist for Creating a Corporate Credit Card Policy

Overall, your internal [business credit card](#) policy is unique to your business. To create a corporate credit card policy, you'll need to set a policy start date, identify your card types, determine who's eligible, set spend limits, establish expense reporting expectations, name any consequences of a policy breach, and define who's responsible for the policy.

Seven important checklist items to follow when creating a corporate credit card policy are:

## 1. Set Corporate Credit Card Policy Start Date

All corporate credit card policies should have a start date. This ensures that everyone knows when new policies take effect and it mitigates confusion. An effective start date also grants employees leeway for credit card usage prior to the date.

## 2. Identify the Type of Corporate Card You Own

[Corporate credit cards](#) come in two types: company payment cards and individual payment cards. The card type dictates cardholder liability as well as expense reimbursement, if any. Understanding the card-specific requirements helps you create a better corporate credit card policy.

## 3. Determine Who's Eligible for a Corporate Credit Card

Corporate credit card policies outline the types of employees who are eligible for a corporate credit card. Some companies, for example, only issue corporate credit cards to full-time employees. Other companies limit corporate credit cards to specific departments, such as sales.

Further, you'll want to know how to issue corporate credit cards. Your business might automatically issue cards to eligible employees. Conversely, it might require employees to submit an application for approval. Applications are for internal use only and aren't reflected on a person's credit report.

## 4. Set Corporate Credit Card Spending Limits

You can limit corporate credit cards spending based on a variety of factors. Frequency limits, monthly spend caps, and limits on individual expenses can all be implemented. It's important that you get clear on any and all card limits and then detail that information in your corporate credit card policy.

You'll want to outline monthly spending limits, expense-specific limits, as well as frequency limits, if any. Further, you can require different limits for different cardholders, and if so, you'll want to include it in your policy. Senior leaders, for example, might have higher monthly limits than a company's sales staff. If this is the case, you may want to put together a policy for how exceptions to the approved spending limits are approved.

## 5. Establish Expense Report Expectations With Employees

Some companies require expense reports for individual and company cards. For individual cards, a bill is sent to each cardholder. Employees typically submit an expense report with their bill attached. Once approved, the bill is paid on behalf of the employee. On company cards, one bill is sent to the company with info for all cards. The company pays the bill before any expense reports are submitted, but cardholders are still expected to submit reports.

If either of these are the case, you'll want to outline your expense report policies and procedures, such as required receipts, the approval process, and more. For information on expense reporting policies, check out our article on [expense reports](#).

One easy way to avoid the hassle of employee-submitted expense reports, is to use prepaid business cards from a service like [Bento for Business](#). You control spending limits and spending categories, and expense reports are all stored in one convenient place for you to access in seconds. Bento even syncs with most popular bookkeeping software and offers a 60-day free trial.

## 6. Name the Consequences for a Corporate Credit Card Policy Breach

If your employee breaches any provision of your corporate credit card policy, it's important to have clear consequences already identified. Smaller infractions, such as a salesperson overspending on a client, might result in the temporary suspension of his or her corporate credit card. Larger issues, however, such as fraud, can result in the termination of an employee.

## 7. Define Who's Responsible for the Policy

Finally, you'll want to clearly define the person or employee who enforces your corporate credit card policy. This person will be responsible for such things as credit card repayment, expense report approval, as well as any disciplinary actions as a result of credit card misuse.

Typically, the chief operations officer (COO) or chief financial officer (CFO) of a company takes ownership of a corporate credit card policy. However, business owners, CEOs, and other senior leaders are also known to enforce corporate credit card policies.

After you've read through the company credit card policy checklist item, your next step is determining if you will create a policy on your own or use a [customizable template](#). A company credit card policy template can save you time and ensure you cover all the bases.