

Co-op Coalition Survey: Credit Cards

Thanks to the 18 members who responded to the survey. Six indicated that they have a corporate credit card (highlighted in green). Based on this small sample, it appears that those with credit cards are large cooperatives. Of special interest is a comment (highlighted in yellow) from a General Manager that indicates getting a reimbursement may be fine for very small amounts, but it can pose a hardship when amounts are large, not to mention tracking. Following is the e-mail containing the e-survey with result in the table, below.

In a message dated 4/28/2014 11:43:47 A.M. Eastern Daylight Time, CooperativesDC@aol.com writes:

Does your cooperative have a credit card used by its employees and/or board members? The Board of a Coalition member cooperative is considering obtaining a credit card in the co-op's name to be used by its engineer to purchase materials rather than having him use his own money/credit and then seek reimbursement. The Coalition member wants to know if other co-ops have their own credit cards. If so, who is authorized to use the card? What are the pros and cons? What safeguards are in place to ensure proper use of the card? What other issues should co-ops consider when considering obtaining a corporate credit card?

Please reply to this e-mail with your responses by 5pm, Friday, May 9. As always, I'll compile the results and share them with our members. Thanks, again, for helping another co-op!

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<50 units	We do not have a coop credit card.
<50 units	[Our co-op] does not have a credit card. However, I can say from experience as financial officer for a small non-profit organization which tried to obtain a credit card, that unless you have a very large organization (I have forgotten exactly what the threshold was for annual expenses), a business credit card requires a guarantee with a personal social security number, the holder of which then becomes responsible for the use of the card. A debit card is obtainable linked to a business checking account, and is probably preferable. It is probably best to obtain Directors and Officers insurance to cover the potential misuse of a card - whether credit or debit - as it usually covers both officers, members, and employees, and is relatively inexpensive.
<50 units	We do not have any credit cards issued to our employees or management company in our coop name.
<50 units	We don't have credit cards for the Cooperative. If purchases are required, the property manager or the management company completes the purchase and they are reimbursed from our accounts. On some occasions a board member may also make a Coop purchase and then get reimbursed through the management company. We have no direct staffing, our service providers work for the companies we have contracted for that service.
<50 units	[Our co-op] does not currently have a corporate credit card. We use the Building Manager's personal card with reimbursement. We will need to look at a corporate card soon as the Manager nears retirement and this information could be very useful.
<50 units	[Our co-op] does not have/use a credit card.
<50 units	We definitely don't have one for Board members.
<50 units	[Our co-op] does not have a CC for the board. We just save receipts and submit to treasurer and she will cut a check from the

	board controlled bank account. Is simple and works fine.
50 – 99 units	No credit card. A number of our vendors bill our management company directly.
50 – 99 units	No, but this hasn't been an issue for us. All services and purchases are handled through our property management company.
50 – 99 units	[Our co-op] do[es] not use credit cards (too small).
100 – 199 units	[Our co-op] has a \$3,000.00 limit on [a bank-issued] credit card that may be used by the Treasurer (who never uses it) and the General Manager. Each of us received a card in [their] name. The General Manager has a \$500.00 limit for purchases and this also applies to the card as well as all other invoices. The Board President has to approve anything over \$500.00.
100 – 199 units	<p>[Our co-op] has a credit card. As general manager I am the authorized user. The Board Treasurer has access to the on-line account and can monitor it in that way and obtain the monthly statements. Original receipts are submitted along with the monthly invoice to our management company for payment.</p> <p>Over the years as a manager I have been reimbursed in excess of \$15,000 per year which is a huge amount of expense to have to run through my personal checking account. So much of our purchases are made over the internet these days.</p>
200+ units	<p>We have a Home Depot and Lowes credit card. The advantage is that we can use the card to make large purchases that may exceed our employees' cards and it does not tie up their credit. It is also much simpler to use a company card rather than going through the process of requesting a reimbursement check. The Chief Engineer and the GM are authorized to use the card.</p> <p>Permission was given to obtain a Master Card or Visa in the name of the Cooperative to use for general purchases. That has not been done to date and we are using the GM's American Express and reimbursing him for the charges.</p>
200+ units	Just for General Manager.
200+ units	[Our co-op] has a credit card that is used with permission from the Board by the general manager and the chief engineer. The original receipts are submitted with the monthly invoice. We have accounts with Grainger, Central Wholesalers and Home Depot which minimizes the need for credit card use for standard purchases.
200+ units	[Our co-op] has an American Express card - which is effectively our COSTCO card. I am the General Manager, the only signatory in the card. We use it for all COSTCO purchases. The only other time we use the credit card is if a new vendor wants a payment and we have not yet (or don't plan to) set up an account. The credit card comes in handy in just this situation - saves me the time cutting a check and getting a signature. There is no con with only one user. If something "bad" happens - then know who to come to.
200+ units	We do not have a credit card. We get reimbursed for expenses.