

# What should happen if employee uses company credit card for personal purchases?

**Q. Several of our employees have been issued company credit cards, intended to be used for company-related business only. However, one employee has occasionally used his card for personal purchases. Each time he has reimbursed the company for his personal purchases over the course of several months. Naturally, we are uncomfortable with this practice. What should we do?**

**A.** If you have not already crafted a policy on company credit card use, you should do so, clearly indicating that company credit card use is restricted to purchases of goods or services directly related to employment.

With regard to any unauthorized personal purchases made on the company credit card, you do have the right to demand repayment. Such purchases may be viewed as loans or wage advances to the employee, and you may deduct the purchases from his paychecks.

It is important to remember that deductions for personal purchases may cause the employee's paycheck to fall below minimum wage. Such deductions must be authorized by the employee in writing, in order to be valid under the Texas Payday Law.