

STAFF CREDIT CARDS POLICY



Purpose

This establishes a policy for use of staff credit cards as an efficient and cost effective means for the purchase of goods and services in order to ensure:

- Appropriate and authorized use of the card
- Efficient administration supported by clear roles and responsibilities
- Implementation of sound internal controls to minimize corporate risk

Scope - All Britannia staff.

POLICY STATEMENTS

1. General

The credit card is to be used to purchase business related goods and services in accordance with the procedures governing the issue and use of the card as published from time to time by the Board of Management. The card cannot be used by anyone other than the designated cardholder.

1.1 Acceptable purchases made on behalf of Britannia include:

- single non-recurring purchase transactions not exceeding \$2,000
- purchases otherwise made using petty cash or personal funds or credit card requiring reimbursement from Britannia
- pre-authorized business travel and training expenses

1.2 Prohibited purchases include:

- goods and services for personal use
- training expenses where the course fees are reimbursed only upon satisfactory completion
- computer hardware and software, cellular phones unless authorized in writing from the Manager of Administration
- cash advances
- consulting services

The purchase of prohibited items may be allowed, except personal use items, in emergency cases or where approved for specific cardholders by the applicable issuing authority (see section 2 below). In the case of emergency purchases, approval prior to the purchase should be obtained when possible by the cardholder from the designated authorizing manager or supervisor. Appropriate explanation and justification must be attached to the cardholder monthly statement with receipts.

2. Credit Card Approving Authority

2.1 Issuing Authority:

- For Staff Cardholder – Executive Director/Manager of Administration
- For Manager of Administration – Executive Director

Cards will only be issued after the cardholder has read and signed the Card Acknowledgement and Obligations for Use form.

2.2 Expenditure Authorization:
Cardholders must submit their monthly card statement to their designated approving authority - the Manager or Supervisor to whom the cardholder reports either directly or indirectly, who has the authority to approve expenditure and has knowledge of the cardholder's job functions.
i.e the Manager of Administration or Child Care Manager.

3. **Credit Card Transaction Limits**

3.1 Single transaction limit is \$2,000 with total limit not to exceed \$7,500.

3.2 Higher limits may be established only if pre-authorized.

3.3 Where the price of a purchase exceeds the cardholder transaction limit, it is unacceptable to split the purchase into multiple transactions to avoid exceeding the approved transaction limit.

4. **Non-Compliance**

4.1 The card is to be used only for Society business-related purchases of goods and services. The credit card provider cannot accept direct payment from the individual cardholder on account and the program does not impact a cardholder's personal credit rating.

4.2 Cardholders are personally accountable for all transactions made with their card and must not allow another person to use their card.

4.3 Failure to comply with the card policy and related procedures may result in the card being revoked. Any violations of this policy may be reported to the Manager of Administration for further actions.

4.4 Fraudulent or intentional misuse of the card for personal benefit will be considered misappropriation of Society funds and will result in disciplinary action, up to and including termination of employment.

5. **Monthly Reconciling**

5.1 Cardholders are responsible to reconcile their monthly statement within one week of receiving the statement. Failure to submit the reconciled credit card statements within that timeline will result in the following actions:

- 1st incident – the cardholder will receive a formal warning
- 2nd incident – suspension of card for 1 months
- 3rd incident – suspension of card for 3 months
- 4th incident – credit card is permanently revoked

5.2 On the credit card reconciliation form, it is important to input a detailed description, including the vendor where the product/service was purchased and what it was used for (ex. Safeway – lunch food for Day Care program). Expenses without the necessary description will result in the same actions as in 5.1.

5.3 Cardholders must affix receipts, showing proof of purchase, to the credit card reconciliation form. An invoice or quote is not a receipt. Not affixing a receipt showing proof of purchase will result in the same actions as 5.1.

6. **Training Expenditure**

6.1 The card can be used for conference, workshop and seminar registrations, but not for training courses where the course fees are only reimbursed upon satisfactory completion.

6.2 The card shall not be used for settling another employee's training costs.

7. **Roles and Responsibilities**

7.1 Manager of Administration or Designate:

- Approval cardholder applications based on operation needs.
- Approval of appropriate transaction and credit limits, with the concurrence of the Executive Director if higher than default limits.
- Overall management and coordination of the credit card program including maintaining cardholder files in a confidential manner, processing requests for credit limit changes, replacement cards, card cancellations and blocking changes.
- Ensuring all applications and related Card Acknowledgement and Obligations for Use forms have been approved before submission to the card provider.
- Performs continuous monitoring to ensure compliance to the card policy and reports non-compliance to the Executive Director.
- Reviews credit limits on an annual basis.
- Reviews any issues, revised procedures and/or best practices on an annual basis.

7.2 Cardholder:

- Complying with the terms and conditions of the Card Acknowledgement and Obligations for Use form.
- Maintaining card security to avoid unauthorized charges or usage.
- Ensuring all purchases are for Society business, not personal use.
- Reviewing monthly statements and providing receipts and supporting documentation.
- See Credit Card Procedures for more details.

7.3 Authorizing Manager or Supervisor:

- Identifying opportunities and appropriate individuals to receive and use the card.
- Recommending to the Manager of Administration the appropriate transaction and credit limits for individual staff in accordance with Society policy.
- Verifying that the cardholder is using the card in accordance with Society policy and procedures and those transactions are related to and consistent with the job responsibilities of the cardholder.
- Reviewing and approving each month, the cardholder's monthly transaction statements and ensuring appropriate supporting documentation is attached for each transaction.

- Investigating any transactions which may be unusual for non-compliant with policy; providing documentation to support exceptional or prohibited purchases.
- Reporting any non-compliance to the Manager of Administration.

7.4 Accounting:

- Reconciling the monthly invoice from the credit card provider and processing payment on a timely basis.
- Train cardholders in policy and procedures and submission of receipts related to credit card administration.
- Files all credit card statements and receipts in accordance to record retention policy.

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