

To: Administration and Finance Committee

Date: April 10, 2017

From: Erick Cheung, Director of Finance

Reviewed by:

SUBJECT: CREDIT CARD POLICY UPDATE

Summary of Issues:

County Connection has established credit cards for business-related office expenses, information technology software and hardware, travel, conferences and training. The policy for credit cards has not been updated since May 15, 2003, which was to establish authority to make information technology purchases online as some vendors only allow for purchases with credit cards. County Connection wants to update the policy and procedures for appropriate use and submittal for payment.

Currently, the Assistant to the General Manager and the Senior Manager of Technical Services are the only employees with a credit card. The Assistant to the General Manager uses the card mainly for office expenses, travel and conferences for staff and/or the Board with the approval of the General Manager or Director of Finance. The Senior Manager of Technical Services uses the card for office expenses related to information technology software and hardware with the approval of the Director of Maintenance.

The State of California instituted the Cal-Card program for VISA card services for state and local agencies. County Connection is currently participating in this program due to the safeguards that are included:

- ❑ A maximum single transaction limit, a 30-day maximum expenditure limit or a \$15,000 maximum limit can be set.
- ❑ Purchases can be limited to certain types of merchandise or services by use of a Merchant Category Code.
- ❑ Each CAL-Card has liability insurance up to \$15,000 for fraudulent use, provided the Agency cancels the card and terminates the employee in a timely manner.
- ❑ The CAL-Card cannot be used for cash advances.
- ❑ Credit card statements are sent to the credit card holder with a consolidated statement sent monthly to the Finance Manager.

As an additional safeguard, staff includes the monthly statements in the A&F Committee package for review.

The updated policy clarifies what the credit card can be used for and the appropriate approvals that are required. This policy will be provided to the Assistant to the General Manager and the Senior Manager of Technical Services for their review and signature having read the policy.

Recommendation:

The A&F Committee recommends that the Board approve the updated credit card policy.

CENTRAL CONTRA COSTA TRANSIT AUTHORITY

CREDIT CARD POLICY AND PROCEDURES

Created: 20 April 2017

Revised:

POLICY:

The Central Contra Costa Transit Authority (CCCTA) has established Credit Cards for business-related office expenses, information technology software and hardware, travel, conferences and training.

GENERAL INFORMATION

1. The Assistant to the General Manager and the Senior Manager of Technical Services may be issued a credit card in his/her name for allowable CCCTA business-related expenses such as supplies, information technology software and hardware, travel, conferences and training. This credit card is **ONLY** to be used for **OFFICIAL CCCTA BUSINESS** and **MAY NOT BE USED FOR PERSONAL PURCHASES**. Inappropriate use of the credit card will subject the employee to disciplinary action, up to and including termination. The following are examples of inappropriate use:

- a. Personal services
- b. Entertainment
- c. Alcoholic beverages
- d. Medical drugs and narcotic drugs
- e. Cash advances (Cal-Card program does not allow for cash advances)

2. An employee will maintain physical control of the credit card in a secure location and advise management and the card issuing bank immediately if lost or stolen.

3. The credit card must be surrendered upon separation of employment.

4. The employee is responsible for timely submittal of the credit card statement for payment to avoid any accrued interest charges or late fees.

5. Along with the credit card statement the employee will provide a receipt and/or any substantiating documentation for each transaction charged on the credit card.

6. The credit card may only be used by the cardholder for business-related expenses. If the employee is not present (i.e. vacation, position vacant), the General Manager, Director of Finance or Director of Maintenance may authorize another employee on a case-by-case basis.

7. If the employee is not clear if a purchase is appropriate, he/she will request approval from the General Manager, Director of Finance, or Director of Maintenance before purchasing the item.

PROCEDURES:

1. Employee will obtain an itemized receipt and/or supporting documentation for each use of the credit card and will note on it the purpose or business need along with names associated with the transaction, if any.
2. Upon receipt of the credit card monthly statement, employee will note the use of each credit card charge, provide supporting receipts/documentation including account code to expense, and submit to either the General Manager (Finance Director if General Manager is not available) or Director of Maintenance for approval.
3. Following approval by the General Manager or Director of Maintenance, the employee will immediately forward the signed monthly statement and supporting documentation to Finance for processing.
4. After Finance has processed payment, the monthly statements will be submitted to the Administrative and Finance Committee for review and approval.