

COUNTY OF ST. PAUL NO. 19

Our Mission - To create desirable rural experiences



ADM-17 Credit Cards Policy

Department: Administration

POLICY OBJECTIVE:

The County of St. Paul desires to streamline processes and improve efficiency in relation to the receipt of goods and services, payment to suppliers and to support staff who travel on behalf of the County. In addition, to establish conditions of use for those individuals in the County who have been authorized by Council to carry a County of St. Paul Credit Card.

POLICY STATEMENTS:

1.0 Definitions

1.1 The following words shall be defined as follows:

- (a) "Back-Up Documentation" includes but is not limited to credit vouchers, invoices, packing slips, receipts, and transaction slips that provide the necessary information related to the actual purchase and can be used to match with the Monthly Statement;
- (b) "Cardholder" means any person who has been issued and is in possession of a Credit Card;
- (c) "Chief Administrative Officer" hereinafter referred to as the CAO, means the person appointed by County bylaw pursuant to Section 205 of the *Municipal Government Act*;
- (d) "Credit Card" means a card provided by a recognized financial institution imprinted with the Cardholder's name, County of St. Paul, credit card number, and validity period;
- (e) "Credit Return Receipt" means a receipt provided by a vendor when an item is originally purchased using the Credit Card, is returned to the vendor, and the applicable transaction fee is returned and applied against the Credit Card account;
- (f) "Councillor" means, as per Section 147 of the *Municipal Government Act*, a duly elected member of Council;
- (g) "Director" means the Director of Community Services, Director of Corporate Services, and the Director of Public Works;

- (h) “Executive Assistant” means the member of administration holding the title and is responsible for assisting the Chief Administrative Officer and councillors;
- (i) “Finance Officers” means the person holding the title and responsible for administering the Credit Card program;
- (j) “Foreign Purchase” means a purchase made that is not in Canadian currency;
- (k) “Itemized Transaction Receipt” means a detailed receipt provided by the vendor detailing individual products and services purchased by product description, unit price, subtotal, taxes, and extended total;
- (l) “Maximum Credit Limit” means the stipulated maximum dollar value on a monthly basis including all taxes;
- (m) “Monthly Statement” means a monthly transaction statement issued by the financial institution for each Cardholder used to reconcile all Itemized Transaction Receipts and Back-Up Documentation;
- (n) “Personal Use” means the use of a Credit Card to purchase goods or services that are not relevant to work requirements and are of no benefit to the County;
- (o) “Procurement Authority” means the authorization, by letter, enabling an employee to engage in the procurement of Goods and Services on the County’s behalf;
- (p) “Reconciliation” means the process of matching transaction receipts and Back-Up Documentation to the Monthly Statement ensuring all charges, taxes, and account allocations are documented and corrected;
- (q) “Repeat Vendor Accounts” means vendors with whom the County has monthly repeat payments, including but not limited to cleaning supplies, office supplies, utilities, and other such regular goods and services required to carry out County business; and
- (r) “Suspension” means a period where a Cardholder will not be permitted to use the Credit Card and the card is to be relinquished to the Finance Officer.

2.0 Eligibility

2.1 Appropriate staff will be authorized to carry a County credit card annually by Council resolution.

3.0 Limits

3.1 The total limit of all Credit Cards shall be approved in a bylaw by Council annually.

3.2 Individual credit limits shall be determined by the Chief Administrative Officer or their designee; the limits will not exceed the total credit limit in the bylaw passed by Council.

3.3 Credit limits on individual credit cards may vary and will be determined by the anticipated monthly expenditure required by the position held within the County.

4.0 Responsibilities

4.1 The Chief Administrative Officer shall ensure Cardholders receive the required training, policies and procedures, and are informed of their responsibilities regarding the use of Credit Cards.

4.2 The Finance Officer shall:

- (a) Act as the primary controller for the County's Credit Card program and collect and retain Credit Card data on a monthly basis;
- (b) Review the conduct of all Credit Card activity and perform audit functions to ensure compliance with this policy and all other applicable policies, procedures, bylaws, and legislation;
- (c) Reconcile Monthly Statements;
- (d) Process payments for corporate Credit Card transactions in a timely manner;
- (e) Approve Credit Card expenditures;
- (f) Update general ledgers and review and process GST rebates;
- (g) Provide reports to the CAO and Directors upon request and notify the appropriate Director when any transactions are declined for legitimate reasons; and
- (h) Suspend a Cardholder's Credit Card on the third incident of misuse, on a temporary or permanent basis.

4.3 The Cardholder shall:

- (a) Adhere to all conditions and restrictions imposed by the financial institution issuing the Credit Card and the County;
- (b) Sign the Cardholder Agreement indicating complete understanding of the agreement and the guidelines established by the County, including this Policy, all other relevant policies, bylaws, and legislation;
- (c) Sign and store the Credit Card in a secure place;
- (d) Report lost or stolen cards to the Executive Assistant as soon as possible within twenty-four (24) hours;

- (e) Maintain all Itemized Transaction Receipts and Back-Up Documentation and forward to the Finance Officer to facilitate the Reconciliation of Monthly Statements;
- (f) Only use the Credit Card for County purchases; and
- (g) Be responsible for their Credit Card always and for any inappropriate purchases.

4.4 The Executive Assistant shall:

- (a) Assess the need for Credit Cards based on operational requirements;
- (b) Initiate new Credit Card requests by completing a Credit Card application form;
- (c) Serve as the key contact for the financial institution providing the Credit Cards;
- (d) Process requests for new Credit Cards, Maximum Credit Limit changes, and the cancellation of cards;
- (e) Notify the financial institution of any unresolved issues on a Cardholder's Monthly Statement;
- (f) Maintain a log of all card numbers, Cardholder's names, signatures, expiry dates, and Maximum Credit Limits; and
- (g) Assist with all Cardholder concerns and inquiries.

5.0 Usage Guidelines

- 5.1 The issuance of a corporate Credit Card gives the cardholder authority to incur expenses up to the Maximum Credit Limit.
- 5.2 All expenses incurred must be accompanied by Back-Up Documentation to support the charges. All Back-Up Documentation shall be forwarded to the Finance Officer for Reconciliation.
- 5.3 Under no circumstances shall a corporate Credit Card be used for Personal Use.
- 5.4 Corporate Credit Cards should only be used for business expenditures. Examples of appropriate uses of Credit Cards include:
 - (a) Payments for goods and/or services, if delegated Procurement Authority
 - (b) Subscriptions for the County;
 - (c) Travel expenses;
 - (d) Accommodation expenses;
 - (e) Meal and official entertainment expenses;

- (f) Fuel purchases for County vehicles where the use of a fuel card is not possible;
- (g) Expenses that can be charged to Repeat Vendor Accounts;
- (h) Conference registration fees; and
- (i) Hosting expenses.

6.0 Compliance

- 6.1 All Credit Card activity will be monitored to ensure that the use of the Credit Card follows this Policy, and all County policies, bylaws, and applicable legislation.
- 6.2 Three (3) incidents of non-compliance by the same Cardholder shall result in that Cardholder losing their right to have a Credit Card and the Credit Card shall be suspended.
- 6.3 If a Cardholder has their Credit Card suspended, they can only be re-issued a Credit Card after a twelve (12) month period with the written approval from the Chief Administrative Officer or their designee.
- 6.4 Non-compliance activities include:
 - (a) Failure to submit supporting paper documentation for the Monthly Reconciliation (ie: invoices, Itemized Transaction Receipts, credit vouchers, etc.);
 - (b) Loaning, lending, or transferring of a Credit Card to another employee unless authorized;
 - (c) Acceptance of cash from a vendor who is making a refund for a transaction previously charged to a Credit Card;
 - (d) Not reporting the loss or misplacement of a Credit Card to the Executive Assistant;
 - (e) Splitting a transaction to avoid exceeding the Maximum Credit Limit;
 - (f) Non-compliance with this or another related Policy; and/or
 - (g) Using a Credit Card for Personal Use.
- 6.5 Under no circumstances shall a Cardholder approve their own Credit Card statement.

7.0 Non-Compliance Incidents

- 7.1 The first incident of non-compliance shall require the Finance Officer to verbally notify the Cardholder, and the Cardholder's supervisor.
- 7.2 The second incident shall require the Finance Officer to notify the Cardholder and the Cardholder's supervisor in writing. The Cardholder shall be retrained by the Finance Officer.
- 7.3 The third incident shall trigger a temporary suspension of the Credit Card for a twelve (12) month period, or a permanent suspension, by the Finance Officer and the Cardholder and the Cardholder's supervisor shall be notified in writing that the suspension has occurred. The written notification shall be placed in the Cardholder's personnel file.

8.0 Card Suspension Authority

- 8.1 The Chief Administrative Officer or their designee has the authority to suspend the use of a Credit Card on a temporary or permanent basis.
- 8.2 If a Credit Card is temporarily or permanently suspended, the Cardholder shall return the Credit Card to the Finance Officer immediately.
- 8.3 Any misuse or misappropriation of the Credit Card will be reported according to the Compliance Program discussed above. Abuse of Credit Card privileges may result in temporary or permanent suspension of the Credit Card.

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