

POLICY MANUAL	POLICY NO. 3-7
Municipality of South Dundas	Effective Date: January 18, 2005 Revised Date: December 4, 2012 Revised Date: August 14, 2023
Subject: Procurement/Credit Cards Policy	Department: All Departments

PURPOSE:

To provide for the use and control of the Municipality of South Dundas corporate procurement/credit cards.

POLICY:

That the Municipality of South Dundas provide corporate credit cards to selected individuals to facilitate business operation.

STANDARDS:

1. Each credit card will have a unique number and will be issued in the name of the Municipality of South Dundas and the name of the employee who has been authorized to use that card. The card is not transferable to any other employee, even if that other employee is also authorized to use a credit card on behalf of the Municipality. Where it is practical to have a card issued for the use of a specific department, it will be issued in the name of a department manager who will have general oversight of the use of the card.
2. Credit cards will be distributed to designated employees who are responsible for making purchases on behalf of the Municipality and are intended to facilitate payment of legitimate business expenses.
3. Credit cards are also intended to pay for goods and services acquired in an emergency.
4. All purchases are subject to the rules, policies and procedures in the Procurement By-Law. Under no circumstance should the Procurement Card be used in a manner that would contravene the Procurement By-Law.
5. The Chief Administrative Officer (CAO), and members of the Senior Management Team are authorized by this policy to have purchasing and approval signing authority for purchases relative to their budget by use of the credit card.
6. The limit for individual purchases is restricted to the value as set by procurement policy.

7. Credit cards must not be used:

- a. for the purchase of goods or services covered under some other form of purchasing agreement.
 - b. when the total purchase price exceeds the total dollar limits per transaction (including taxes and freight);
 - c. when the goods and services are available under an existing supply contract;
 - d. for personal purchases;
 - e. to obtain cash advances;
 - f. when the cost of the goods or services would be significantly increased as a result of using the card and an alternative method of payment is available (i.e., a discount is provided by the vendor as a result of not using the card).
8. No cardholder may accept cash or a cheque from a vendor who is making a refund pertaining to a transaction previously charged to a credit card account. The vendor in all cases must issue a credit voucher.
9. Every cardholder shall be informed in writing of their responsibilities and restrictions regarding the use of the credit card and shall agree to them in writing. Cardholders will be held liable for any misuse or willful disregard of policies or operating procedures, which result in a loss of money, fraud or collusion.
10. The Treasury Department will review all transactions on a monthly basis. Any discrepancies will be immediately reported to the Treasurer who will direct the discrepancy to the relative department head.
11. Cardholder Credit Limits:

- CAO, Directors and Department Managers will have an upper limit of \$10,000
- Department employees designated by their Director or Manager will have an upper limit of \$5,000

RESPONSIBILITIES:

1. The Treasurer is responsible for:
 - a. key contact with the financial institution providing the credit cards;
 - b. processing requests for new credit cards, card changes (e.g. credit limits or changes in departments or area of responsibility as provided by the appropriate department head) and cancellation of cards;
 - c. notifying the bank of any unresolved issues on the cardholders monthly statements if not able to solve through the vendor;

- d. monitoring monthly activity and providing necessary information to management;
 - e. providing coordination with respect to monitoring the overall utilization of credit cards within the Municipality;
 - f. ensuring that the conduct of all purchasing activity is done in accordance with approved policies and procedures;
 - g. assessing the need for credit cards based on operational requirements;
 - h. initiating cancellation of cards, increases, or decreases to credit limits, and change in department or area of responsibility;
 - i. ensuring that the use of credit cards conforms to departmental and corporate policy and procedures by reviewing and ensuring all purchased are approved on a monthly basis.
2. The cardholder is responsible for:
- a. signing the back of the card upon receipt.
 - b. adhering to all conditions and restrictions imposed on the credit card by the Municipality and the issuing Bank;
 - c. submitting the Employee Acknowledgement of Responsibilities and Obligations form to the Treasurer;
 - d. maintaining all transaction receipts, sales slips, and credit vouchers to facilitate reconciliation of their monthly statement and identify the proper G/L allocation and coding and submitting all receipts in a timely manner to avoid overdue interest charges.
 - e. reconciliation of monthly statement;
 - f. immediately notifying the Treasurer of any loss or theft of the card;
 - g. returning the card to the Treasurer for cancellation upon change of position, extended leave/leave of absence or termination of employment;
 - h. resolving disputed charges with the assistance of the Accounts Payable department.
 - i. keeping the card in a secured location with controlled access.
 - j. returning the card on request, or on the termination of employment with the Municipality.
 - k. no other personal points cards are to be used.

Appendix "A"

MUNICIPALITY OF SOUTH DUNDAS

ACKNOWLEDGEMENT OF RESPONSIBILITIES AND OBLIGATIONS OF HOLDERS OF CORPORATE CREDIT CARDS

This document outlines the responsibilities I have as a holder of the Municipality of South Dundas Corporate Procurement/Credit Card.

My signature indicates the following:

- a) I have read and understand the Corporate Procurement/Credit Card Policy and Administrative Procedures; and agree to adhere to the policy and procedures established for the program.
 - b) I have received the Municipality of South Dundas card issued in my name.
- 1) The credit card is intended to conduct business and I will not use the card for personal purposes or cash advances.
 - 2) Unauthorized use of the card can be considered misappropriation of funds. This could result in
 - (i) immediate temporary or permanent irrevocable forfeiture of the card and/or
 - (ii) any disciplinary action which the Municipality may deem necessary.
 - 3) I understand that the card must be surrendered upon termination of employment, whether for retirement, voluntary separation, extended leave/leave of absence, resignation or dismissal. I may also be requested to surrender the card for reasons not related to my own personal situation, such as reorganization.
 - 4) I will maintain the card with appropriate security whenever and wherever I may use the card.
 - 5) I understand that I will receive a cardholder's monthly statement and I will review this statement within the 30 days of receipt. I will resolve any discrepancies by either contacting the credit card company or the supplier.
 - 6) In the event of a compromised card, I am responsible to notify the credit card company immediately and the Treasurer.
 - 7) I understand that I am required to obtain appropriate supporting documentation and reconcile this with the monthly statement. Credit card slips are not acceptable supporting documentation as they do not show sufficient detail to authorize payment or meet audit requirements. Itemized invoices, receipts or sales slips must be provided.
 - 8) I understand that charges made against my card will be recorded against the appropriate General Ledger accounts and Budget.
 - 9) I agree to charge only those purchases that are consistent with the types of materials and services authorized by the Municipality of South Dundas.
 - 10) Under no circumstances will the Corporate Credit Card be used to circumvent Municipality Procurement Policies and Procedures.

Employee Signature: _____

Date: _____

Employee Name: _____

Card #: _____