

ATTACHMENT E

Credit Card Policy

Purpose: To establish the Policy and Procedures for the use of Buffalo Sewer Authority corporate credit cards.

I. Introduction:

It is commonplace for organizations to use credit cards for the convenience of making purchases on behalf of the organization. In some instances, purchases can only be made via a credit card as manual checks are not accepted (i.e. hotel and airline reservations). In order to simplify the process for purchasing certain items on behalf of the Buffalo Sewer Authority (BSA), the following policy outlines the use of credit cards.

II. Authorization

A resolution will be presented to the board prior to the issuance of the credit card that authorizes:

- Establish custody of the cards when not in use.
- The uses of the card.
- The appropriate internal control structure for monitoring the use of the card.
- The approval process for payment of the charges.
- Establish a means to recoup any unauthorized expenditures.

The use of a BSA credit card(s) shall be in accordance with, and is not intended to circumvent, the BSA's Procurement Policy.

The Board shall approve the issuance of all credit cards, identify all authorized users, and set appropriate credit limits for each credit card.

The credit cards will be issued to specific employees in order to help maintain accountability. If an individual is no longer designated as a cardholder, and/or leaves BSA employment, the card issued to this individual will be cancelled. As determined by the resolution of the Board of the BSA, only authorized personnel of the BSA may be assigned and use the BSA Credit Card.

III. Use of Cards

All purchases made on the BSA's credit card must comply with the BSA's Procurement Policy. The BSA credit card may be used only for official business of the BSA to pay for actual and necessary expenses incurred in the performance of work-related duties for the BSA. The card may be used only for the following purchases:

- Hotel reservations.
- Rental car reservations.
- Airline reservations.
- Training, conference, and seminar registrations.
- Membership fees.
- Internet purchases where a vendor will not accept a check

Personal expenses on the BSA's credit card are strictly prohibited. A credit card that allows cash advances or cash back from purchases is also prohibited. The card will be issued in the name and liability of the BSA with the name of the individual authorized on the card.

The employee issued the credit card is responsible for its protection and custody and shall immediately notify the Executive Secretary and card issuer if the card is lost or stolen. Employees must immediately surrender the BSA credit card upon termination of employment. The BSA reserves the right to withhold the final payroll check and payout of accrued leave until the card is surrendered.

IV. Recordkeeping

The use of the BSA credit card may be substantiated with a Board item, purchase order, receipts and documentation detailing the goods or services purchased, cost, date of the purchase and the official business explanation. Receipts and documentation must be submitted to the Executive Secretary following the purchase to reconcile against the monthly credit cards statement.

At the end of the each month, the Accounting Department is to review the monthly card statement and reconcile it with the receipts and documentation received for that month. The Accounting Department should determine that all purchases are supported by documentation. Any variances are to be investigated. Any purchase/charge without appropriate supporting documentation requires a detailed explanation and description and the written approval of the General Manager or BSA Board approval. Unauthorized or improper purchases will result in credit card revocation and discipline of the employee. The BSA shall also take appropriate action to recoup unauthorized or improper expenditures.

Once the credit card has been reconciled, payment via check, wire, or ACH will be made. All purchases made with the credit cards shall be paid for within the grace period so that no interest charges or penalties will accrue.