

# Corporate Credit Card Policy

## Purpose

This policy provides guidelines for the use of Municipality of Middlesex Centre corporate credit cards and ensures Council and staff are responsible and accountable in regard to corporate credit card purchases. It is designed to ensure that organizational transactions are conducted efficiently while minimizing the risk of abuse or fraud involving unauthorized or inappropriate use of corporate credit cards.

## Allocation of Corporate Credit Cards

The Municipality of Middlesex Centre may only issue credit cards to the Mayor, Chief Administrative Officer (CAO), directors and managers of departments unless otherwise recommended by the CAO.

The following conditions shall apply to corporate credit cards:

- Each credit card will be issued to a specific person, who will remain personally accountable for the use of the card. Each cardholder will sign the attached declaration (Appendix A).
- Credit cards may be used by other municipal staff on a temporary basis and shall be returned to the appropriate cardholder immediately following the specific use. Temporary card users must sign the attached declaration (Appendix B).
- No more than one corporate credit card shall be issued per cardholder.
- Maximum credit card limits are set by the Director of Corporate Services. Monthly spending limits for corporate credit cards must balance internal control needs with efficient procurement, and practicality. Spending limits must be strictly adhered to in order to avoid additional fees and charges involved with overspending. Any required credit limit change will be completed by the Director of Corporate Services and approved by the Director of Corporate Services and the CAO.
- The approved credit card list is maintained by the Director of Corporate Services.
- Credit card annual fees are charged to the cardholder's department.

- Any person eligible to be issued a corporate credit card may decline and instead complete a Municipal Expense Form and submit all supporting documentation of transactions made on behalf of the Municipality to accounts payable for direct reimbursement.

### **Acceptable Use of Corporate Credit Cards**

Corporate credit cards should not be used with suppliers where the Municipality is able to secure credit terms (invoicing) or has a pre-existing account. Invoices should always be requested as the preferred method of transaction when communicating with new suppliers.

Corporate credit cards are to simplify travel arrangements, facilitate record keeping and provide a means of payment when a purchase order or invoicing protocol cannot be facilitated.

#### **Corporate cardholders shall:**

- In all cases, obtain sufficient supporting documentation to validate the expense. Detailed receipts including the date, amount, HST, vendor name, and a description of the product or service are required. Credit card authorization slips are not sufficient.
- Complete the credit card expense form (Appendix C) by the 20th of each month.
- Take adequate means to ensure the security of the card.
- Immediately notify the financial institution, CAO and Director of Corporate Services if:
  - The card is lost or stolen; and/or
  - Any unauthorized transaction is detected or suspected.
- Be personally responsible for any unauthorized transactions unless the card is stolen, lost or subject to fraud on some part of a third party.
- Notify the Director of Corporate Services if their card is cancelled by the financial institution.
- Notify the Director of Corporate Services of any change in their name or contact details.
- Return the card to the Director of Corporate Services if their employment is terminated with the employer.
- Be aware that the CAO will determine if there is no longer need for a cardholder to retain their corporate credit card.

#### **Corporate cardholders shall not:**

- Exceed the maximum credit limit set on their corporate credit card.
- Increase the maximum credit limit set on their corporate credit card.

- Obtain personal cash advances, money orders, bank drafts, etc. through the corporate credit card.
- Use the corporate credit card for any illegal purchases.
- Use the corporate credit card for any personal purchases.
  - If a personal purchase is made on the card in error, the cardholder must contact the Director of Corporate Services to arrange for their correcting payment to be made to the Municipality. Under no circumstance should a direct payment be made to the credit card account to rectify personal purchases made in error. If there are repeated instances of personal purchases made in error, card use shall be reviewed and may result in loss of card privileges.
- Authorize their own expenses.
- Claim double allowances (i.e., request reimbursement for an expense already paid by the card or on an expense claim).
- Save municipal credit card information within online user accounts (e.g., Amazon, PayPal, Staples, etc.).

### **Roles & Responsibilities**

The Director of Corporate Services shall:

- Issue the monthly statements of each corporate credit card to the appropriate cardholder.
- Follow up as appropriate to investigate unusual transactions.
- Act immediately upon receipt of advice that abuse or irregularities are known or suspected.
- Maintain records of all cardholders.
- Cancel a card when a cardholder's employment with the Municipality is terminated or a Council member's term ends.
- Follow up with the financial institution in the case of a lost or stolen card to confirm the card is cancelled.

The CAO shall:

- Review the monthly credit card statements of the Mayor and directors .
- Sign each monthly credit card statement to verify that each transaction has been accounted for, supported with original documentation and is approved.

- Follow up as appropriate to investigate unusual transactions.
- Act immediately upon receipt of advice that abuse or irregularities are known or suspected.

The Mayor shall:

- Review the monthly credit card statements of the CAO.
- Sign the monthly credit card statement to verify that each transaction has been accounted for, supported with original documentation and is approved.
- Follow up as appropriate with the Director of Corporate Services to investigate unusual transactions.

Directors shall:

- Review the monthly credit card statements of their managers.
- Sign each monthly credit card statement to verify that each transaction has been accounted for, supported with original documentation and is approved.
- Follow up as appropriate to investigate unusual transactions.
- Act immediately upon receipt of advice that abuse or irregularities are known or suspected.

### **Policy Review**

This policy will be reviewed once every four (4) years, or as necessary.

**Appendix A – Card Holder Declaration**

**Municipality of Middlesex Centre Corporate Credit Card Holder Declaration**

<b>Department</b>	<b>Credit Card Number</b>
<b>Cardholder Name</b>	<b>Title</b>

Although this card is issued in your name, it is the property of the Municipality of Middlesex Centre and must be used in accordance with the Municipality’s policies and procedures. By signing this declaration, you acknowledge that you have received the card indicated above, reviewed the Municipal Credit Card and Expense policies, and agree to comply with the following terms and conditions:

- This card is provided to you based upon your need to purchase business-related goods and services in the course of your employment with the Municipality. This card may be revoked at any time and is not an entitlement nor is it reflective of your title or position.
- This card is for business-related purchases only. Any use of this card for purchases of a personal nature is strictly prohibited.
- Any unauthorized use of this card will be considered improper use of municipal funds and will be subject to appropriate disciplinary action.
- This card must be used in accordance with all current municipal policies and procedures as amended from time to time.
- Employee cards must be returned to the Director of Corporate Services immediately upon request and upon your resignation, retirement or dismissal. The Mayor’s card must be returned to the Director of Corporate Services immediately upon the end of your term as Mayor. Once a card has been returned no further use of this card will be authorized.

As the holder of this card, you are responsible for its protection and safekeeping. If this card is lost or stolen, you are required to immediately advise the Chief Administrative Officer, the Director of Corporate Services, and the financial institution.

**I acknowledge that I have read, understand, and will abide by the Municipality of Middlesex Centre Corporate Credit Card and Expense policies.**

Signature of Cardholder: \_\_\_\_\_ Date: \_\_\_\_\_

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**Appendix B – Temporary Card User Declaration**

**Municipality of Middlesex Centre  
Temporary Corporate Credit Card User Declaration**

Temporary Card User's Name	Title
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Although all municipal (corporate) credit cards are issued in the name of the cardholder, they are the property of the Municipality of Middlesex Centre and must be used in accordance with the Municipality's policies and procedures.

By signing this declaration, you acknowledge that you have reviewed the Corporate Credit Card and Expense policies and agree to comply with the following terms and conditions:

- A card may be temporarily provided to you based upon your need to purchase business-related goods and services in the course of employment with the Municipality. This card may be revoked at any time and is not an entitlement nor is it reflective of your title or position.
- This card is for business-related purchases only. Any use of this card for purchases of a personal nature is strictly prohibited.
- You are responsible for all charges made against the card while it is in your care.
- Any unauthorized use of this card will be considered improper use of municipal funds and will be subject to appropriate disciplinary action.
- This card must be used in accordance with all current municipal policies and procedures as amended from time to time.
- The card must be returned to the cardholder, your Director or the Director of Corporate Services immediately following the specified use with supporting documentation of purchases made. Once a card has been returned no further use of this card will be authorized.

As the temporary holder of a municipal credit card, you are responsible for its protection and safekeeping. If a card is lost or stolen, you are required to immediately advise the cardholder, Chief Administrative Officer and the Director of Corporate Services.

Signature of Temporary Card User: \_\_\_\_\_ Date: \_\_\_\_\_

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**Appendix C – Credit Card Expense Form**

**Municipality of Middlesex Centre Credit Card Expense Form**

<b>Department</b>	<b>Credit Card Number</b>
<b>Cardholder Name</b>	<b>Title</b>

***Purchases***

<b>Date</b>	<b>Description</b>	<b>GL Code</b>	<b>Amount</b>
<b>Total:</b>			