

Policy No.: 152.21 Policy Title: Corporate Credit Card Usage Policy Department: Corporate Services Effective Date: Revised: May 17, 2021 June 23, 2015 Supersedes Policy/Bylaw: 118.15 Review Date: May 17, 2024	Resolution No. 156/21 Date: May 25, 2021
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Policy Statement

The Municipality may issue corporate credit cards to its Elected Officials, Chief Administrative Officer, Directors, Managers and appointed staff members to be utilized for payment of expenditures incurred on behalf of the Town of Blackfalds where other payment options are not available or practical.

1. Reason for Policy

- 1.1 To set parameters, identify accountability and establish protocol for financial transactions made on behalf of the Town of Blackfalds by approved credit card holders utilizing Municipal issued credit cards.
- 1.2 The objectives in establishing policy and procedure for credit card use within the organization is as follows:
 - 1.2.1 Provide a means of payment when a purchase order or invoicing process cannot be facilitated, for international and internet purchases or payment to one-time vendors
 - 1.2.2 Facilitate registration of seminars, workshops, and conventions
 - 1.2.3 Simplify travel arrangements, subsistence, and accommodations
 - 1.2.4 Facilitate efficient record keeping and other financial efficiencies

2. Related Information

- 2.1 Town of Blackfalds Purchasing Policy

3. Definitions

- 3.1 **CAO** is an abbreviation for the position of Chief Administrative Officer.
- 3.2 **Card holder** means an individual assigned a corporate credit card for municipal business use.
- 3.3 **DCS** is an abbreviation for the position of Director of Corporate Services

4. Responsibilities

4.1 Municipal Council to:

- 4.1.1 Approve by resolution this policy and any amendments.
- 4.1.2 Consider the allocation of resources for successful implementation of this policy in the annual budget process.

4.2 Chief Administrative Officer to:

- 4.2.1 Implement this policy and approve procedures.
- 4.2.2 Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.

4.3 Director of the Department to:

- 4.3.1 Ensure implementation of this policy and procedure.
- 4.3.2 Ensure that this policy and procedure is reviewed every three years.
- 4.3.3 Make recommendations to the Chief Administrative Officer of necessary policy or procedure amendments.

5. End of Policy

PROCEDURE

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1. Allocation of Municipal Corporate credit cards

- 1.1 Corporate credit cards may only be issued to an Elected Official, Chief Administrative Officer (CAO), Department Directors, Managers and by authorization of the CAO and Director of Corporate Services, to permanent, full-time employees where a credit card will aid in the effective and efficient exercise of their official function and duties.
- 1.2 Each municipal credit card will be issued to a specific person, who will be responsible and personally accountable for the use of the card.
- 1.3 A listing of card holders will be maintained and reviewed annually.
- 1.4 Individuals that are assigned a Corporate credit card will be required to enter into a Credit Card Holder Agreement as attached (Appendix A).
- 1.5 Individuals eligible for a corporate credit card will only be issued one (1) corporate credit card.
- 1.6 Individuals will only receive corporate credit cards when they have completed their probationary period.
- 1.7 Credit cards will not be issued to temporary positions and temporary internal moves.

2. Acceptable use of Municipal Credit Cards

- 2.1 Municipal credit cards are to be utilized for purchases where conventional processes cannot be achieved or are unwarranted and may include but are not limited to the following:
 - 2.1.1 One time purchase from a vendor where no credit account has been established.
 - 2.1.2 Purchases that are made online or through international vendors.
 - 2.1.3 Incidental purchases where other payment options are inefficient.
 - 2.1.4 Seminar, training sessions, workshops and conventions registration.
 - 2.1.5 Subsistence, accommodation and travel arrangements for out of town, Municipal business, where a per diem is not claimed.

3. Municipal Credit Card Limits

3.1 Limits established for Corporate credit cards are as follows:

- 3.1.1 CAO and Director of Corporate Services \$20,000
- 3.1.2 Director of Community Services, Director of Infrastructure and Property Services, Manager of Protective Services, Fire Chief \$10,000
- 3.1.3 Mayor, Managers, Foreman \$5,000
- 3.1.4 Councillors, Recreation and Culture Programmer, Executive Assistant, Fitness and Aquatic Coordinator, Others as deemed appropriate by the CAO and DCS \$3,000

Authorization for temporary increases shall be approved by the Director of Corporate Services in situations where warranted.

4. Card Holder Responsibilities

4.1 Employees issued with a Corporate credit card are in a position of trust. Improper or unauthorized use of the assigned corporate credit card may result in the Card holder being held liable for expenditures, disciplinary action including possible termination from position and legal action. Errors that have occurred in good faith shall be brought to the attention of the DCS as soon as possible. Card holders' assigned corporate credit cards have the following responsibilities:

- 4.1.1 Card holder must notify the Director of Corporate Services of any change in name or contact details.
- 4.1.2 The card holder must take adequate measures to ensure the security of the credit card assigned to them at all times.
- 4.1.3 The card holder must return the assigned corporate credit card upon severance of working relationship with the Employer or upon request of the Director of Corporate Services.
- 4.1.4 Card holders must retain sufficient supporting documentation (transaction records) to support all charges expensed to the municipal credit card. An acceptable receipt for reimbursements of claimable business expenses on the corporate credit card is an original receipt. Card purchases without receipts may be the responsibility of the user dependent on specific circumstances.
- 4.1.5 Should a receipt not be made available the card holder will be required to detail and substantiate the charge for which a receipt was not provided.
- 4.1.6 Reimbursement for return of goods and/or services must be credited directly to the card account. Cash returns are prohibited to be received by the Card holder.
- 4.1.7 Lost or stolen cards must be reported and cancelled immediately to the card issuing company and to the Director of Corporate Services. Accounts Payable must also be notified within 2 business days of this activity.
- 4.1.8 Any fraudulent activity detected or suspected must be reported and cancelled immediately to the card issuing company and to the Director of Corporate Services.

5. Conditions of Use

- 5.1 The corporate credit card shall not be used to obtain cash advances or equivalent draw from any financial institution, Automatic Bank Machine, or retail establishments.
- 5.2 The corporate credit card shall not be used for unauthorized expenses that are not related to Town business.

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- 5.3 Card holders will keep the assigned PIN in a safe, secure and confidential location to protect the security of the card against any unauthorized use.
 - 5.4 Card holders will use the assigned PIN for the card and will not share the PIN with any other individual.
 - 5.5 Card holders shall not exceed the maximum credit limit set on their Municipal Credit Card.
 - 5.6 Card holders shall not mail, email, fax or transmit a copy of their personal identification if a credit card authorization form is used for staff accommodations, travel or event registration.
 - 5.7 Card holders shall not use any personal loyalty cards in order to claim points (i.e. airmiles).

6. Monthly Corporate credit card Statements

- 6.1 Upon receipt, monthly credit card statements will be provided to the assigned card holder to attach verified receipts and code to the appropriate cost centre. Corporate credit card expenditures will be reconciled with Accounts Payable within 15 business days of the statement date. Card holders who have not reconciled their monthly expenditure within this period will be asked to reconcile their monthly expenditure immediately with the A/P personnel. Accounts Payable will review the monthly statement for inaccuracies; and, if the accuracy is unexplained by the card holder, report this to the Director of Corporate Services for action. This procedure will ensure that cost centre accounting records maintain an accurate and meaningful balance.
- 6.2 Review and sign off on monthly credit card statements will be carried out through the following process:
 - 6.2.1 The monthly statement for the CAO will be signed off on by the Mayor.
 - 6.2.2 The monthly statement for the Directors will be signed off on by the Chief Administrative Officer.
 - 6.2.3 The monthly statement for the Elected Officials will be signed off on by the Mayor, and the Mayor's statement will be signed off on by the Deputy Mayor.
 - 6.2.4 The monthly statement for the Managers will be signed off on by the Director to which the card holder reports to.
 - 6.2.5 Monthly statements for all other card holders will be signed off on by the individual to whom the card holder reports to.

7. Records Management

- 7.1 All documentation associated with the payment of a corporate credit card will be maintained within the Accounts Payable office.

7.2 Original receipts for all corporate credit card transactions will be retained in the Accounts Payable office.

8. Abuse of Privileges

8.1 Card holders who do not reconcile their monthly expenditures within 15 business days of the statement date will be sent a reminder of their obligations under this policy. Continued or repeated non-compliance to this policy can result in cancellation of the card and/or other such actions as appropriate.

8.2 Infractions of the conditions of this policy and procedure could result in cancellation of the card and withdrawal of Corporate credit card privileges for a determined length of time or indefinitely. Infractions of the conditions of this policy and procedure may also result in disciplinary action including termination of employment.

8.3 Should misuse occur, the Town reserves the right to recover any monies from the card holder. Card holders will be required to sign a declaration authorizing the Town to recover, from their salary, any amount incorrectly claimed.

9. End of Procedure

Approval

Chief Administrative Officer

Date

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- 5) Employees issued with a Corporate credit card are in a position of trust. Improper or unauthorized use of the assigned corporate credit card may result in the Card holder being held liable for expenditures, disciplinary action including possible termination from position and legal action.

I, _____, hereby agree to and accept the conditions as stated above.

CARD HOLDER

CHIEF ELECTED OFFICIAL

CHIEF ADMINISTRATIVE OFFICER