

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: January 16, 2020

Item description/summary:

District Credit Card Policy. The OPUD Board of Directors authorized participation in CSDA's credit card program for an aggregate credit limit of \$110,000. The existing procurement policy provides guidelines for the authorization level needed for purchases, but does not cover the use of District credit cards. The attached draft policy suggests guidelines for card holders, taxable purchases, charge documentation, and administrative access authority.

Fiscal Analysis:

Individual credit cards have a \$10,000 limit not to exceed the aggregate limit of \$110,000 as approved by the Board of Directors.

Employee Feedback

Sample Motion:

Approve/not approve policy

Prepared by:

Karin Helvey, Financial Manager

OLIVEHURST PUBLIC UTILITY DISTRICT

District Credit Card



Effective date:

OPUD - DISTRICT CREDIT CARD POLICY

The use of a credit card can be cost effective method of obtaining supplies and services for Olivehurst Public Utility District (District) and can result in other benefits such as program savings, “cash-back” incentives and, in some instances, increased warranty periods. Some travel and training costs may also be handled best through the credit card process. **The Board of Directors authorizes the use and credit limit of District credit cards. Eligible cardholders are the General Manager, Department Heads and Full-time Firefighters. The General Manager can designate additional cardholders.** All benefits of District credit cards will belong to the District.

The objective and purpose of this policy is to establish guidelines and limitations for the use of a District credit card account or accounts, establish criteria for the use of credit cards issued on such account for the purpose of conducting District business as best suits the interests of the District.

A. Use of the Credit Card

1. Any credit card issued on a District account is to be used to conduct District business only. The use of a District credit card to acquire or purchase goods and services for other than solely District purposes is fraudulent use and will subject the employee to disciplinary action up to and including dismissal and/or criminal prosecution. Use of any District credit card is restricted to the purchase of goods or services which area budgeted and/or allowed in accordance with District policies.
2. **The Financial Manager, Office Manager/Human Resource Coordinator and District Accountant are authorized to make payments and inactivate cards.** Each employee issued a card (“the Cardholder”) will receive a unique card with “Olivehurst Public Utility District” and his/her name on it. No card will be issued with an employee’s name until such employee has signed and returned to the business office the acknowledgement for receipt of this policy. The Cardholder can make transactions on behalf of other employees of the District, but only for legitimate District purposes. The Cardholder, however, is responsible for all use of his/her card.
3. **The District does not have a sales tax exemption and Cardholders will ensure that sales tax is charged on the purchase. All purchases are to be delivered to a District address.** All vendor receipts and/or records of telephone, Internet, and/or mail orders and submit to the business office for reconciliation of the credit card statement to ensure timely processing and payment. The Cardholder must obtain receipts verifying each purchase (including vendor name and location, date and time of purchase, items/services purchased, and cost center) and provide such receipts to the business office immediately. The Cardholder shall be responsible to reimburse the District for any purchases not consistent with board

policy or for which the Cardholder has not provided the receipt, as well as any fees/charges associated with investigating the unauthorized purchase.

4. The Cardholder is at all times responsible for the security of the card.

5. All purchases made with a District credit card shall be paid for within the grace period so that no interest charges or penalties accrue or are assessed. In the event penalties or interest should accrue, the accrual shall be reported by the Financial Manager to the General Manager and Board of Directors in a timely manner.

B. Unauthorized Credit Card Use

The credit card SHALL NOT BE USED for the following:

- a. Personal purchases or personal identification;
- b. Personal purchases or expenses even if the Cardholder intends on reimbursing the District.

Cardholder who makes unauthorized purchases will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the Bank or card company in connection with the misuse. The Cardholder will also be subject to disciplinary action as provided in paragraph A.1, above.