

RESOLUTION NO. 2012-09

**A RESOLUTION OF BOARD OF DIRECTORS OF
THE PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
ESTABLISHING DISTRICT CREDIT CARD POLICY AND PROCEDURES**

WHEREAS, the Phelan Piñon Hills Community Services District utilizes credit cards to pay for various expenses; and

WHEREAS, the Board has determined that it is important to implement appropriate guidelines for the use of credit cards.

NOW, THEREFORE, BE IT RESOLVED by the Phelan Piñon Hills Community Services District, as follows:

1. The Phelan Piñon Hills Community Services District hereby establishes and adopts District credit card policies which are attached hereto as Attachment A and incorporated herein by this reference.
2. The provisions of this Resolution shall take effect immediately upon adoption.

Adopted this 6th Day of June, 2012.

AYES: Roberts, Johnson, Brandon, Fahrlender, Morrissette

NOES:

ABSTAIN:

ABSENT:



President, Board of Directors

ATTEST: *Debbie Bishop*
Bd. Sec.

PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT

Credit Card Policy and Procedures

Section 1. OVERVIEW

Purpose

The purposes of this policy are to establish the District's basic policies and procedures for using credit cards in making purchases on behalf of the District and paying for travel expenses when on District business.

District Use Only. District credit cards are for official business use only.

Section 2. POLICIES

Credit Card Issuance

The District will issue credit cards to the Directors as requested. Directors credit cards will be stored with the District Finance staff and checked out as needed

The District will issue credit cards to the following employees as requested and approved by the General Manager:

- Management Staff – maintained by the individual to whom the card is issued.
- Other Staff, as deemed necessary and appropriate by the General Manager and either stored with the District Finance staff or maintained by the individual.

Credit Card Usage in Compliance with District Policies

Credit cards may only be used in accordance with the District's purchasing policy and when the normal payment processing procedures are not applicable; for example: internet purchases, vendors that do not accept purchase orders or have credit lines available, travel expenses, training expenses, meals for authorized meetings, travel, or training, etc. Authorization for purchase, including requisitions and purchase orders, quotes, bidding, and appropriate levels of approvals must be followed when making purchases with a District credit card.

Cardholder Agreement

Before receiving or checking out a credit card, Directors and employees must sign a "Credit cardholder use agreement" (Exhibit A) setting forth their obligations under this program.

Section 3. RESPONSIBILITIES AND PROCEDURES

- a. Ensure that the credit card is used in compliance with these guidelines and District policies.
- b. Only authorized Directors and employees of Phelan Piñon Hills Community Services District may use the District issued credit card.
- c. Ensure that the credit card is used only for official District business and approved expenses.
- d. Directors will check out their credit cards in advance of a meeting or event for which the card is needed and turn it in upon return from that meeting or event, along with the supporting receipts.
- e. The District credit card may be used for the purchase of goods or services for official business of the Phelan Piñon Hills Community Services District.
- f. The Director or employee using the credit card must submit invoices, documentation and detailed receipts in addition to the credit card receipt ("Receipts").
- g. Receipts must include details of the goods or services purchased, cost, date of purchase, the official business explanation and the names of any other persons for which the charge is made. IF A DETAILED RECEIPT IS NOT PROVIDED TO YOU AT THE TIME OF PURCHASE – ASK FOR IT.
- h. Above said receipts must be submitted to Finance in a timely manner (upon return to the District Office) to reconcile against the monthly credit card statement.
- i. If receipts are lost it is the responsibility of the cardholder to contact the vendor where the charge was made to obtain a copy of the detailed receipt. If a detailed receipt is not provided, the amount charged will be deducted from the Director or employee's next payment. Repeated lost receipts will be grounds for cancellation of the credit card and/or disciplinary action.
- j. Credit card charges made on Director's credit cards must be itemized on the Director's expense voucher/report in the month that the activity occurs and submitted to the Board for approval.
- k. The Director or employee issued the card is responsible for its protection and custody and shall immediately notify the District Finance if the card is lost or stolen.
- l. The credit card may NOT be used for cash advances, personal use or any other type of purchase not permitted or expressly authorized under the District's policies.
- m. Employees must immediately surrender the card upon termination of employment. The District reserves the right to withhold final payroll checks and payout of accrued leave until the card is surrendered.

Helpful hints to assure compliance

If you purchase items not authorized by the District, ask to have those items put on a separate check/bill and pay for them separately – out of your pocket – at the time of purchase.

When traveling, review the hotel bill prior to check out. Make sure you have detailed receipts for all charges applied to your room. If not, ask for a copy of the detailed receipt. If there are any personal charges or charges that are not authorized by the District, ask to pay for those separately and have them removed from the document that will become an official receipt of the District.

Keeping personal or unauthorized purchases completely separate from the District receipts will help avoid misunderstandings and will streamline the reconciliation and payment process for the District.

Remember, as a representative of Phelan Piñon Hills Community Services District all fees and charges are subject to the public information act and available for public review. Most importantly, the District believes that being transparent to the public that it serves is of the utmost importance.

Section 4. INTERNAL CONTROL PROCEDURES

The General Manager is the administrator of this policy and shall be responsible for the issuance and retrieval of assigned credit cards to District personnel and generally for overseeing compliance of this policy.

The Administrative Services Manager shall be responsible for:

- a. Assisting and maintaining record of issuance and retrieval of District credit cards and overseeing compliance with this policy.
- b. Accounting and payment of expenses. All documentation must accompany receipts before payment is made.
- c. Ensuring accuracy of the statement and that activity and account information is recorded and processed accordingly.
- d. The statement balance is paid in a timely manner.

Any employee found to have committed illegal and/or unauthorized use of a District credit card may be subject to penalties allowed by law and/or disciplinary action(s) under the District's Employee Manual, up to and including termination.

Section 5. SUMMARY

These guidelines cannot cover every issue, exception or contingency that may arise in using District credit cards. Accordingly, the basic standard that should always prevail is to use common sense and good judgment in the use and stewardship of District resources.

EXHIBIT A

Phelan Piñon Hill Community Services District Credit Cardholder Use Agreement

Name: _____

The above name Director or employee (Cardholder) of Phelan Piñon Hills Community Services District has been issued a District credit card. The Cardholder has been provided a copy of the District's credit card policy, and hereby agrees to comply with all terms and conditions set forth therein, including but not limited to:

1. **Official Use Only.** District credit cards are for official District use only, in compliance with District policies and procedures including the Purchasing Policy and AB1234 Policy. Charging personal expenses on District cards is a misuse of District property/funds. Doing so, even if the intent is to reimburse the District later, will result in disciplinary action, up to and including cancellation of the card and/or termination.
2. **Timely, Accurate and Supported Receipts.** Cardholder will turn in receipts and documentation to Finance in a timely manner.
3. **Lost or Stolen Cards.** Cardholder will notify Finance immediately of a lost or stolen card.
4. **Lost or Missing Receipts.** Cardholder will contact the vendor, hotel, restaurant, etc. to request and obtain copies of any missing or lost receipts. Cardholder will keep Finance apprised of status of request.
5. **Surrender Upon Request or Separation.** The credit card will be immediately surrendered upon retirement, termination, or upon request of the General Manager. Use of the credit card for any purposes after its surrender is prohibited.

Cardholder Signature

Date

Return of District Credit Card upon Separation from District

The District Credit Card was returned to Finance on _____.
Date

Finance Staff Date