

Mayne Island Improvement District

Credit Card Policy & Agreement

POLICY STATEMENT

In concurrence with the Mayne Island Improvement District (MIID) Purchasing Policy, Staff Members may be issued a credit card under the Improvement District's name for Improvement District usage only. The purpose is for incidental equipment or supplies purchases, hotel and course reservations and travel payments.

PROCEDURE

- Each career employee shall be issued a credit card for MIID related purchases.
- The credit limit shall be established by the Trustees or their designate.
- If an individual accidentally uses the credit card for personal use, they must repay the MIID appropriately.
- Credit card statements and receipts are the responsibility of the card holder and shall be collected and submitted to the Corporate Officer for accounts payable.

PURPOSE

The MIID Credit Card Policy was introduced to establish a more efficient, cost-effective method of purchasing and payment for transactions. The policy is designed for a variety of purchase requirements, when authorized by purchase order or suitable directive.

GENERAL

This guide provides the policy and guidelines under which Staff may utilize a MIID Credit Card. The MIID credit card may be used throughout Canada and the US, within the MIID Credit Card Policy and Guidelines or otherwise authorized by the Trustees or their designate.

LIMITATIONS

- Only the person designated can use the card. The card is not transferable or to be used to make purchases for other individuals.
- Cardholders are responsible for the security of the card(s) and the transactions made with the card(s). The card is issued in individual's name, and it will be assumed that any purchases made with the card will have been made by that cardholder.
- Although the card is issued with individual's name on it, it is the property of the MIID and is only to be used for MIID purchases as defined in this document. The card is not to be used for personal purchases. Acquiring cash advances on this card is not permitted.
- Credit Cards may be used to purchase items where charge accounts are not set up.
- Credit Cards may NOT be used for any merchant, product, or service normally considered to be inappropriate use of public funds.

Statements are to be reconciled and coded by the Corporate Officer, then forwarded to the Board of Trustees for review each month. Failure to submit receipts and statements to the Finance Officer on time could result in costs to the Improvement District. Repetitive late submissions may result in suspension or cancellation of card privileges. **Card usage not in compliance with guidelines**

established for this program may result in severe consequences, up to and including termination of employment.

EXAMPLES WHERE THE CREDIT CARD MAY BE USED

Note: Ensure comparison pricing is obtained.

- Subscriptions
- Seminars
- Books
- Training course registrations
- Office supplies
- Fuel
- Computer software & supplies
- Various equipment
- Automotive repair for field units
- Out-of-town travel
- Lodging & meals
- Rental vehicles (should have rental agreement attached to gas receipts)
- Catering or group events (must be those where employees/volunteers are gathered for work related activities)

EXAMPLES OF WHERE THE CREDIT CARD MAY NOT BE USED

- Gifts
- Gift Cards
- Alcohol
- Personal Use of Any Kind

RESTRICTIONS

- Credit Limits: Each card is assigned an individual credit limit. If limit is found to be too low to accommodate monthly requirements, please advise the Corporate Officer to evaluate the limit with the Trustees. The bank cannot change a credit limit; this must be done by authorized Improvement District signing officers.
- Card Not Accepted: If the card is declined, please contact the Corporate Officer who will check if you have exceeded the credit limit imposed on the card.

RECONCILIATION AND PAYMENT

The MIID credit card carries corporate, not individual, liability. Invoices will be paid by Accounts Payable of the MIID. Cardholders will not be required to pay the monthly statement from personal funds. The program does not impact personal credit ratings.

RECORD KEEPING

Recordkeeping is essential. All receipts for goods and services purchased must be retained and submitted at the first opportunity during regular office hours. Receipts shall be given to the Corporate Officer with the relevant purchase order or an explanation. If purchases are made by phone or mail, ask the vendor to include the receipt with the goods when the product is shipped. Receipts must show breakdown of items purchased and any applicable taxes. In order to be accountable to the taxpayer, it must be noted on the receipt the purpose of the purchase including such information as, who made the purchase, number of attendees and names of attendees of the event/training session, what the purchase was for, when the purchase was made, why the purchase was made and any other detail

relevant to the purchase. A machine tape is not acceptable as proof of purchase without an explanation.

PROCESS OF RECONCILIATION

- Each cardholder will receive a statement identifying each transaction made against the card during the billing cycle. Statements will be mailed to the work address. Statements must be reconciled by the Corporate Officer, against all transaction receipts.
- Detailed receipts must be submitted to the Corporate Officer for audit purposes (the cash register receipt, not just the credit card slip). If a receipt is lost, include a note explaining the purchase.
- For catering or group events type purchases, the attendees and the purposes of the occasion must be noted.
- Forward statements and receipts to the Corporate Officer for review and approval by the Trustees.
- All statements and transactions are audited monthly for compliance to this policy.

There may be occasions where items on the statement do not correlate with the retained receipts. The credit card holder and the Corporate Officer will take the following steps to correct errors and/or reconcile the statements:

- Contact the vendor if you can to resolve the issue.
- If you don't recognize the vendor, contact the bank to request a copy of the transaction authorization and log a possible dispute.
- Highlight the transaction in question on your statement as a reminder that the item is still pending resolution. Keep a copy for follow up.
- Report details to the Trustees or designate.

Note: Any charge to be disputed must be identified within 30 days of the statement date.

COMPLIANCE

The Board will monitor card usage to ensure compliance with the MIID Credit Card Policy. This includes conducting a monthly review of all cardholder purchases. When incidents of noncompliance are discovered, the cardholder will be advised of the breach of policy or procedure and the resulting action to be taken. This action will depend upon the severity of the incident of noncompliance and the frequency of occurrence. Credit card misuse/abuse may result in the card being revoked and disciplinary action being taken up to and including termination of employment.

LOST OR STOLEN CARDS

The credit card is MIID property and should be secured just as any personal credit cards. If a MIID card is lost or has been stolen or if the PIN or account number becomes the knowledge of someone else:

- Contact the bank immediately.
- Contact the Corporate Officer immediately.
- Provide details to the Board.

Once a card is reported lost or stolen to the bank, it will no longer be accepted at any vendor. Prompt action in these circumstances can reduce MIID liability for fraud.

MIID CREDIT CARD HOLDERS ACKNOWLEDGEMENT & AGREEMENT

This credit card represents MIID trust in its employees. Your signature below is verification that you have read the Policy and agree to comply with it as well as the following responsibilities. It also acknowledges that you have received a credit card.

By signing below, the undersigned certifies that:

- I understand the card is for MIID approved purchases only, and I agree not to charge personal purchases. Improper use of this card can be considered misappropriation of MIID funds. This may result in disciplinary action, up to and including termination of employment.
- I acknowledge I must follow the policy and guidelines related to the use of MIID credit cards.

Signature

Date

Print Name