



Document: **Credit Card Program**

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whatcom council of governments

# Credit Card Program

## 1. Introduction

The implementation of a Whatcom Council of Governments (WCOG) credit card program is recognized by the State of Washington as usual and customary for official government purchases as provided in RCW 43.09.2855. The State of Washington WSCA-NASPO Program, administered by the State Department of Enterprise Services, contracts with US Bank to provide local governments a Purchase Card program. The US Bank credit card is this current product and operates much as a commercial credit card with the exception that no debt balance may accrue as the outstanding balance must be paid monthly in total.

WCOG recognizes the use of credit cards is a customary and economical business practice to improve cash management, reduce costs, and increase efficiency. WCOG also recognizes the use of credit cards to be an appropriate and useful means of making payment for various types of purchases; some examples may include travel expenses, agency supplies, subscriptions, online purchases and recurring vendor payments (where appropriate).

The Executive Director shall implement and administer the following procedures and processes related to the use of credit cards by WCOG employees.

## 2. Distribution

The Executive Director will determine which WCOG employees will be issued credit cards.

## 3. Authorization & Control

### Issuing Bank

US Bank is the issuer of the WCOG credit card.

### Executive Director

The Executive Director or his/her designee will be the responsible authority acting as the WCOG Credit Card Administrator (The Administrator). The Executive Director shall be responsible to perform the audit required under RCW 42.24.080.

### WCOG Credit Card Administrator

The Administrator will be responsible for the overall administration of the credit card program by reviewing, reporting and coordinating all aspects of the program. The Administrator will act as the liaison between US Bank and the individual WCOG credit cardholders.

### Employee (Cardholder)

Before being issued a WCOG US Bank Credit Card, each employee will be required to sign the WCOG Credit Card User Agreement (see Exhibit A) acknowledging that they have read and understand this policy, that they understand violation of the policy will subject them to disciplinary action including termination of employment, and that in the event they make any unauthorized charges they expressly authorize WCOG to deduct the amount of unauthorized charges from any wages or other sums due or to become due to the employee from WCOG.

### Federal, State and Local Compliance

The use of purchase cards shall fully comply with all applicable federal, state and local requirements governing the purchase of good and services, specifically including without limitation WCOG's adopted Procurement Policy.

### Annual Control & Disclosure

The Executive Director will conduct an annual physical card inventory test to verify all WCOG issued cards have been accounted for.

## **4. Approved Uses for Credit Card Purchases**

The use of the WCOG US Bank Credit Cards is for facilitating purchases pursuant to the WCOG Procurement and Personnel Policies. All credit card purchases shall only be made for budgeted expenditures authorized by the WCOG Council Board at the time of the purchase (current year budget).

Examples of allowable purchases may include advance payment of airline fares, lodging, registration fees, tuition, conferences, online training, internet purchases and emergency purchases in the field. Authorized users may use their card for pre-approved one-time or recurring purchases from vendors. The use of the card for these purchases will be for timeliness and/or online access to goods and services not available through existing purchase policy processes (checks).

Employees may not use the credit card to purchase meals while in travel status. Travel status meals are handled through a per diem process.

The following shall be considered when using the WCOG credit card:

1. Identify goods and services required to perform job-related task.
3. Determine if purchase is within your credit card limits.
4. Ensure that the items are not on the disallowed charges list in the following section.
5. Obtain pricing and in-stock availability and only order items that are immediately available.
6. Ensure that the vendor immediately processes the purchase and provides you a detailed copy of the credit card purchase receipt.
7. Retain all receipts, packing lists and backup authorizing documents and turn them into the Administrator as soon as available.

It is required that all credit card receipts and/or other documents identifying the credit card expenditures be in complete detail including the program or project to be charged for the expenditure.

Employees are responsible to act in the best interest of the WCOG and actions must not show, or appear to show, personal favoritism to a vendor at the expense of WCOG.

## **5. Disallowed Charges**

A. Types of Disallowed Charges. The following uses are not authorized credit card purchases:

- Capital equipment (unless approved by the Executive Director)
- Personal items and services
- Cash advances of any kind
- Alcoholic beverages
- Money orders/travelers checks/gift cards
- Charges made without pre-approval

B. Procedure to be used when disallowed charges have been incurred.

Any charges against the credit card that are not properly identified as required by this Policy on the expense voucher/invoice, or not allowed following the audit of the invoice by the Administrator, shall be paid by the employee by check, U.S. currency or salary deduction. If, for any reason, disallowed charges are not repaid before the charge card billing is due and payable, WCOG has a right to withhold any and all funds payable or to become payable to the official or employee, in an amount up to the amount of the disallowed charges plus interest as charged by the credit card company.

Any employee who has been issued a credit card by WCOG shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand by the Administrator. WCOG shall have unlimited authority, as provided in RCW 42.24.115(3), to revoke the use of any issued credit card, and once notice of this revocation has been delivered to the credit card company, WCOG shall not be liable for any costs.

Any employee with a demonstrated history of credit card defaults may be barred by the Executive Director from using any WCOG credit cards.

## **6. Credit Limits**

Credit limits are set to match field needs and are generally set at \$5,000 for directors and \$3,000 for non-directors. Card limits can be temporarily raised for travel or a specific authorized purchase.

If an increase or decrease to these transaction limits is deemed necessary by the Executive Director, the request must be submitted in writing to the Administrator, specifying whether this is a temporary or permanent request.

There also may be limitations on acceptable merchant category codes (MCC). Some vendors may be disallowed and thus will cause a decline of any attempted purchase with them (allowable or not). If after adhering to the proper guidelines and limits stated above a purchase has been mistakenly declined, contact the Administrator for assistance.

## **7. Receipt of Goods & Services**

The cardholder is responsible for ensuring the receipt of the goods and services as ordered and any follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods. Should any item(s) need to be returned to the vendor, the cardholder will follow the vendors return policy and also be responsible to ensure that proper credit is posted for said returned item(s). In most cases, returns and errors can be resolved directly between the cardholder and the vendor.

If for any reason the cardholder is unable to reach agreement with the vendor, the cardholder must contact US Bank and explain the dispute and the reason behind it. In addition to contacting US Bank, the reporting cardholder will also contact the Administrator and apprise them of the situation. They will follow US Bank procedures in relation to the dispute and its process.

## **8. Payment of Bills**

The Administrator shall be responsible for reconciling the complete combined WCOG credit card statement each month. WCOG will not pay interest and/or penalties on any credit card. WCOG assumes responsibility WCOG is responsible for the credit card payment and liability for failure to timely remit payment.

## **9. Card Security**

WCOG credit cards should always be treated with great care and should be kept in a secured location. The cardholder is the only one authorized to use the card and it should not be lent to another person.

It is the responsibility of the cardholder to immediately report a lost or stolen WCOG credit card. WCOG is liable for all transactions until the card is reported lost or stolen to, but only to the extent expressly required by law. A cardholder must report a lost or stolen credit card by phone directly to US Bank Customer Service at **1-800-344-5696** and also to the Administrator. Verbal reports of lost or stolen credit cards must be followed up in writing to the Administrator. A replacement card will be sent within 10 days after a report is filed.

## **10. Renewal of an Existing Credit Card**

A renewal credit card will be sent automatically to the Administrator by the issuing bank approximately 30 days prior to the expiration date of the card. This renewed card will in turn be forwarded to the cardholder.

## **11. Extended Absence**

If a cardholder will be absent from WCOG for an extended period, the Administrator will determine the best options to cover the individual's credit card procurement responsibilities.

## 12. Audits & Enforcement

To ensure the continued success of the WCOG Credit Card Program, as well as adherence to the policies as outlined, all individual credit card accounts will be open to internal audit requirements.

Personal use and disallowed charges (see Section 5) will not be tolerated and may result in:

- Disciplinary measures that may include termination and/or legal action
- Permanent or temporary revocation of the card
- Direct payroll deductions for any disallowed, unauthorized or personal charges made on the WCOG credit card

A cardholder must return his/her credit card to the Administrator at termination of employment.

# WCOG Credit Card User Agreement – Exhibit A

Your signature below verifies that you have read and understand the WCOG Credit Card Program guidelines listed below and agree to comply with them.

1. I understand the WCOG Credit Card is intended to facilitate the purchase of business-related goods and services for the conduct of WCOG business and is not for my personal use.
2. I understand that my card may be revoked at any time based on change of assignment or location and that use of this card is not an entitlement nor reflective of title or position.
3. I understand that if I am issued a card with my name specifically, I am the only person authorized to use the card and I am responsible for all charges made against the card.
4. I understand that improper use of the card can be considered misappropriation of WCOG funds, which may result in disciplinary action, up to and including termination.
5. I understand that all charges are billed directly to and paid directly by WCOG and any personal charges on the card could be considered misappropriation of funds since US Bank cannot accept any payment from me directly.
6. I understand that I will be required to provide detailed receipts and to comply with internal control procedures designed to protect WCOG assets. This may include being asked to produce the credit card to verify its existence and providing assistance in an audit review of its use.
7. I understand that I am responsible for resolving any discrepancies that may occur by contacting the vendor and/or US Bank directly.
8. I will safeguard use of the issued credit card and use appropriate security whenever and wherever I use the card. If my card is lost or stolen, I agree to immediately notify US Bank as well as the Administrator.
9. I understand that the credit card is the property of WCOG and it must be surrendered upon termination of employment or demand of surrender by the Administrator and/or the Executive Director. At that point, no further use of the account will be authorized.

I hereby acknowledge receipt of the WCOG Credit Card. As a Cardholder, I agree to comply with the WCOG Credit Card Program.

I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS.

\_\_\_\_\_  
Cardholder Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Cardholder Signature