

SOUTH NASSAU WATER AUTHORITY

CREDIT CARD POLICY

PREAMBLE

It is often more convenient for staff to use a credit card when making small one time purchases rather than fill out a procurement request form and wait for it to be approved. The cost of this convenience is the heightened risk of inappropriate or wasteful spending.

Section 1. Purpose

To ensure that credit cards are used only for approved and necessary expenses.

The Board is responsible to authorize, increase or decrease credit limits, block certain purchases by transaction codes, and issue and rescind cards to Authority employees.

Section 2. Definitions.

- (a) "Board" means the governing board of the Authority.
- (b) "Authority" shall mean the South Nassau Water Authority.
- (c) "Director" means a director of the Authority.
- (d) "Chairperson" means the Chairperson of the Authority.
- (e) "Treasurer" means the Treasurer of the Authority.
- (c) "Employee or Officer" means a person holding a position by appointment or employment in the service of the Authority.

Section 3. Applicability.

This policy applies to the directors, officers and employees of the Authority, and shall supersede any prior policy. The provisions of this policy shall apply in addition to all applicable State and local laws including all rules, regulations, policies and procedures of the Authority.

Section 4. Authorization to Apply for Credit Card

The Chairperson or the Treasurer shall make a written request to the Board for authorization to apply for a credit card. This request shall summarize the need for the card as well as the name of the card issuer, type of card for which application is requested, the limit for the card and which person's name will appear on the card.

Upon determining it is in the best interests of the Authority, The Board will approve the request by resolution approved at a Board meeting and entered in the Board minutes.

Section 5. Results of Application

The Chairperson or Treasurer shall report to the Board, in writing, whether a credit card application has been approved or denied. The report of a denied application shall include the basis for the denial. The Board shall consider the basis for the denial and determine whether further investigation is warranted.

The report of an approved application shall include, amongst other things, the credit limit, interest rate, whose name will appear on the card, where the card shall be maintained and that cash advances or withdrawals have been prohibited by the issuer.

Section 6. Issuance of the Credit Card

Persons authorized to use credit cards shall:

- a. acknowledge this policy in writing on an annual basis;
- b. attend training as directed by the Authority;
- c. only use it to pay a valid expense of the Authority;
- d. maintain the card in a secure location, such as a locked desk drawer;
- e. provide receipts for purchase to the Treasurer;
- f. complete required claim vouchers;
- g. submit all backup documentation requested;
- h. inform vendors of the Authority's sales tax exemption and provide a copy of the sales tax exemption certificate maintained by the Treasurer.
- i. immediately report lost or stolen credit cards;
- j. cooperate with the Treasurer in verifying the accuracy and correctness of credit card bills.

An acceptable receipt shall include vendor's name, amount, date and itemized description of item or service purchased. If credit card receipt only includes total expenditure amount, supporting documentation such as an itemized invoice is required to be submitted with the credit card receipt.

Persons authorized to use credit cards shall NEVER use the card to pay a personal expense even though he or she intends to reimburse the Authority.

Section 7. Authorization to Use Credit Card

Authorization to use the credit card shall be limited by this policy and applicable laws and regulations.

Section 8. Communication with Credit Card Issuer

Only the Chairperson or the Treasurer shall have a right to communicate with credit card issuer to set credit card policy.

No officer or employee issued a credit card may communicate with the credit card issuer in order to change any of the terms of the credit agreement, change credit limits, etc.

Section 9. Purchases Other Than Meals & Travel

All purchases made on credit cards are subject to the approval of the Board. In the event that the Board rejects a purchase, the officer or employee assigned the card shall be personally liable to reimburse the Authority for such charges. Expenditures in excess of \$500.00 on the credit card must be pre-approved by the Board.

Officers and employees shall have no right to dispute a charge rejected by the Board. A rejection by the Board shall be a final determination and shall trigger the right to reimbursement for the Authority.

Section 10. Meal Purchases

All purchases made on credit cards that relate to meals shall be supported by an itemized bill from the provider/restaurant and a list of the personnel in attendance. Only the Board or Chairperson are authorized to pay for a meal bill for multiple officers and employees on a credit card. Personnel will only be granted this authority based upon a prior Board approval for the particular planned meal.

Section 11. Travel

Credit cards may be used by officers and employees to purchase to make travel arrangements for travel of multiple employees when specifically authorized by the Board.

Section 12. Review of Credit Card Use

The Treasurer shall:

- a. Create, review and update a master list of all credit cards;
- b. Annually submit the master list to the Board;
- c. Cancel existing cards which cannot be located and report same to the Board;
- d. Perform periodic analysis of the card's activity and the card holder's job duties;
- e. Never pay claims without documentation.
- f. Require all receipts be itemized.
- g. Reconcile credit card statements with itemized receipts and invoices.
- h. Document the purpose of each purchase.
- i. Require card holders to provide the names of anyone who incurred the expense. (For example, if food was supplied at a meeting, indicate who was there.)
- j. Have billing statements broken down by credit card holder.
- k. Review bills and watch for red flags such as unusual destinations or items on the card.
- l. Verify that the items purchased were actually received.
- m. Not use automatic payment deductions to pay credit card bills.
- n. Report credit card usage to the Board on a monthly basis.

- o. Report any discrepancies in credit card use to the Board.
- p. Maintain record of credit card usage in accordance with the Records Retention Policy.

Section 13. Cancellation

The Board reserves the right to cancel any credit card it has issued in the name of the Authority to an officer or employee at any time. It shall accept no liability for any inconvenience or embarrassment encountered by an officer or employee unable to use an Authority issued credit card due to such cancellation.

Section 14. Violations of this Policy

Any officer or employee violating this policy, failing to reimburse the Authority within two weeks of receipt of a bill from the Treasurer for a credit card expense rejected by the Board, or failing to immediately return a District issued credit card on notice of demand may be subject to disciplinary action.

ADOPTED: October 30, 2023