



RURAL MUNICIPALITY OF ST. ANDREWS POLICY AND PROCEDURES MANUAL

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CREDIT CARD TRANSACTIONS POLICY

A. Purpose

The purpose of this policy is to establish guidelines for the use of municipal credit cards for the purchase and/or payment of goods and services for the Rural Municipality of St. Andrews.

Further to this, according to subsection 169(1) of *The Municipal Act*, a municipality may make a credit card expenditure only if it is:

- (a) provided for in the council's interim operating budget, operating budget or capital budget;
- (b) an emergency purchase made in respect of a disaster or emergency declared by the council or head of council under The Emergency Measures Act;
- (c) ordered by a court or The Municipal Board to be paid; or
- (d) authorized by the council under this section.

This subsection of *The Municipal Act* as well as the municipal Purchasing and Procurement Policy establishes the parameters for the acquisition of goods and services by the Rural Municipality of St. Andrews.

B. Definitions

CAO: shall mean the Chief Administrative Officer or designate for the Rural Municipality of St. Andrews.

Credit Card: shall mean the credit card issued to the municipality in the name of the Mayor and/or the CAO operating within the Rural Municipality of St. Andrews.

Emergency Purchase: shall mean a purchase made in a crisis situation where immediate action is required to prevent the possible loss of life or property.

Fair Market Value: the amount for which the good or service would sell for on the open market on a voluntary transaction between a buyer and a seller.

Goods: refers to all types of personal property (machinery, gravel, office supplies, computer hardware, land, etc.)

Invoice Approval Stamp: shall mean a stamp prescribed by the Chief Administrative Officer to ensure required approvals are applied to an invoice.

Mayor: shall mean the Municipal Head of Council of the Rural Municipality of St. Andrews.

Purchase Order: means a written offer to procure goods and/or services or a written acceptance of an offer to acquire goods and services made on the Municipality's form.

Reward Points: means the credit card points earned and accumulated on the municipal credit card to be used to pay for future goods and services approved strictly for municipal use.

Services: shall mean items such as telephone, gas, water, hydro, consultant services, legal surveys, medical and related services, insurance, leases for grounds, buildings, office or other space required by the RM and the rental, repair or maintenance or replacement of equipment, machinery, or other personal and real property.

Supplies: shall mean goods, wares, merchandise, material and equipment.

The Rural of Municipality of St. Andrews: herein is also referred to as "Municipality" or "RM".

Vendor: shall mean any person or enterprise supplying goods or services to the Rural Municipality of St. Andrews.

Vendor List: shall mean the approved list of vendors that have agreed in writing to be paid by the municipality credit card.

C. Principles

- C.1 This policy applies to the Municipality's use of credit cards for payments or for the acquisition, by purchase, lease, rental or other agreement, of goods and services, including the use of reward points for purchases.
- C.2 The municipal credit cards may only be used for the purchase or payment of municipal business expenses and may not be used for expenses or payments of a personal nature.
- C.3 The credit card transactions related to the purchase or payment of all goods and services as well as the use of reward points shall be conducted using an open, transparent, fair and consistent process.
- C.4 Use of municipal credit cards for expenses of a personal nature of any kind may result in disciplinary action to the person responsible for initiating the transaction and will result in the expenses being deducted from the individual's next municipal remuneration payment.
- C.5 All credit card charge and payment transactions will be recorded at the value established by the completed transaction as indicated on the monthly credit card statement.
- C.6 All credit card transactions involving the use of reward points for purchases will be recorded at the fair market value of the transaction to record the applicable expense and an offsetting entry to miscellaneous rebate income.

D. Responsibility

- D.1 Individuals holding municipal credit cards are responsible for:
 - Using the credit card only for the intended use as governed by this policy.
 - Retaining receipts and providing explanations for all municipal credit card transactions.

- Ensuring proper authorization is in place to use the card for purchases or payments.
- Limiting the use of the municipal credit card.
- Requesting an electronic copy or faxed copy from the credit card company of the monthly credit card statement in advance of the copy mailed to the office to review all charges listed to ensure they are related to municipal business activities.
- Indicating in written form the approval of the monthly credit card statement transactions.
- Ensuring the monthly credit card statement balance is paid on a timely basis to avoid late payment interest charges and penalties.
- Reviewing the proposed use and then authorizing in writing any and all use of reward points for municipal business use only.
- Cheque payment is the primary form of payment for the R.M. Credit card payments will be acceptable if vendors will not accept a cheque payment
- Sign a Credit Card Usage Agreement
- Credit Cards will to be used for small purchases, and as required for on-line purchases
- Purchase Orders must be used to authorize the purchase
- Reconcile the account, provide all invoices & P.O.s and then send the statement, receipts, and invoices to accounts payable for payment
- Retain original receipts
- The use of corporate credit cards to obtain cash advances is strictly prohibited
- Lost or stolen corporate credit cards must be reported and cancelled immediately
- Managers will be required to sign a Credit Card Usage Agreement

D.2 The Municipal Accounting Department is responsible for:

- Ensuring that all credit card purchase and payment transactions are properly authorized.
- Processing reward points transactions that are related only to municipal business.
- Obtaining and maintaining on file the written approval of those vendors agreeing to be paid by the municipal credit card.
- Maintaining and updating the credit card payment authorized vendor list.
- Upon receipt of the reconciled credit card statement, Accounts Payable will issue payment and include it with the Cheque and Visa Listing that is forwarded to council for approval and processing payment of the monthly credit card statement
- Ensure that the Credit Card Usage Agreements and filed
- Approving new Card applications
- Termination of credit cards