



### Staff Report Item 17

**TO:** East Bay Community Energy Board of Directors  
**FROM:** Howard Chang, COO & Treasurer  
**SUBJECT:** Credit Card Policy (Action Item)  
**DATE:** October 17, 2018

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#### Recommendation

Approve the EBCE credit card policy and authorize the CEO to enter into a credit card agreement with American Express for administrative, travel, and small budget expenses.

#### Background

EBCE currently incurs administrative, travel, and small budget expenses on a regular basis. These expenses include expenses related to cell phones and cell phone service, office supplies, travel, conference registration, work-related meals and refreshments, and other miscellaneous expenses.

EBCE is currently undergoing the credit review and underwriting process by American Express Business for approval of a credit card. This process is anticipated to take 60-90 days to complete. Other CCAs have undergone this process and required a similar timeframe given that the CCA industry is a relatively new sector.

EBCE would initially issue credit cards only to the CEO and COO/Treasurer for approved expenses. In 2019, EBCE would intend to revisit the credit card policy to potentially issue credit cards as necessary to personnel at the Director level and above. All personnel would be required to seek approval from direct supervisors prior to incurring expenses on credit cards. Following this, personnel would need to retain and submit clear receipts to all expenses for review, approval, and issuing payment to the credit card company.

Personnel would first seek an invoice and a direct bank payment. In cases where an expedited payment is necessary, or credit card payment is the primary method for payment, would credit card be approved for use.

EBE staff is recommending the attached credit card policy and guidelines, which are consistent with other CCA policies. Staff seeks board approval of the policy and authorization for the CEO or designee to enter into a credit card agreement.

Attachment:

A. EBCE Credit Card Policy

## **EBCE Credit Card Policy**

### **1.0 PURPOSE:**

The purpose of this policy is to set guidelines for the usage and payment of business expenditures from the Corporate Credit Cards (Cards). This credit card policy is not intended to override the administrative procurement policies and use of the Cards shall be in accordance with these policies.

#### **1. RESPONSIBLE PARTIES:**

The Treasurer is responsible for ensuring uniform policies and procedures are followed for EBCE's credit card policy.

#### **2. SCOPE**

The policy applies to all the Corporate Credit Cardholders of East Bay Community Energy (EBCE).

#### **3. CONTROLS OVER CARD**

1. Cards will be issued only to the CEO and the COO/Treasurer.
2. The CEO and COO/Treasurer will review and approve the monthly statements before the card is paid irrespective of the card balance.
3. The use of the card shall only be used for business-related expenditures and shall not be used for personal expenses or cash withdrawals.
4. Each card will have a standard monthly credit limit of \$10,000.
5. A lost or stolen card must be reported as soon as it is discovered.

#### **4. CARD USAGE**

The proper name of the cardholder will be embossed on the card along with "East Bay Community Energy". The card is issued by American Express (Amex). The card is valuable property which requires proper treatment by the cardholder to protect it from misuse by unauthorized parties. The cardholder is required to activate (as per instructions received with the card) and sign the card immediately upon receipt. The card may be used upon activation. When a new card is issued to the cardholder, it is the cardholder's responsibility to destroy the previous card (cut it in pieces) and discard. If the cardholder's employment is terminated for any reason, the cardholder shall immediately give the card to the CEO or COO/Treasurer.

Eligible uses of the card include:

1. Refreshments and meals for outreach events and meetings

2. Conference registration
3. Travel arrangements (ex: airfare, car rental, train fare and hotels)
4. Certain marketing and social media expenses
5. Recurring payment of data or industry news subscriptions
6. Urgent office supplies and maintenance
7. Cell phone purchases and monthly cell phones service

All expenses must be in accordance to the board approved expenses established in the approved budget.

The card may not be transferred to, assigned to, or used by anyone other than the designated cardholder. Amex or EBCE may, at any time, suspend or cancel the cardholder's privileges for any reason and the cardholder will surrender the credit card to the CEO or COO/Treasurer upon request. The cardholders should attempt to keep the use of the card to a minimum.

Employees are NOT permitted to use the card for personal expenses. Any miles or points earned on card will belong to the company.

#### **5. SAFEGUARD OF CARD**

1. The cardholder is required to ensure proper safeguard of the card by: Securely keeping the card in his/her possession, signing the back of the card, and destroying an expired or replaced card
2. The cardholder is required to ensure proper safeguard of the card by: Securely keeping the card in his/her possession, signing the back of the card, and destroying an expired or replaced card.
3. Ensuring that only the last four digits of the card number appear on any printed document

#### **6. EXPENSES ACCOUNTING, REPORTING AND PAYMENT**

1. The cardholder is required to obtain and submit the original invoices/receipts for card expenditures of \$10 or more; however, employees are encouraged to provide all receipts. In addition to receipts, the employee incurring the expense shall provide:
  - i. A description of the business purpose.
  - ii. In the case of meals or conferences, who was in attendance.
  - iii. In the case of travel, travel dates.
  - iv. Any transaction with missing documentation requires a written explanation for the missing documentation. Include the vendor name, date, description of purchase, and reason for the missing documentation.
2. The cardholder is responsible for submitting the invoices/receipts of all transactions to COO/Treasurer and the Finance Manager within 5 business days of incurring the transaction.

3. The Finance Manager is responsible for downloading the monthly statement for all the cards, matching the invoices/receipts to the charges in the statement, ensuring the accounting of every charge in the appropriate period, and the making payment by the statement due date.
4. The Finance Manager will review monthly statements and documentation for completeness and process payment approval from direct supervisor and Treasurer. In the case of the Treasurer's expenses, the CEO will review and sign off on such expenses. In the case of the CEO expenses, the expenses will be provided to the Chair of the Board for review, but do not require sign off.

#### **7. POLICY ENFORCEMENT**

1. Employees are NOT permitted to use the card for personal expenses for any reason. Failure to abide by this provision could result in disciplinary actions, up to and including termination of employment.
2. Any willful intent to disregard the policy will result in revocation of the card and could result in disciplinary actions, up to and including termination of employment.