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Credit Card Policy Amendment

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Introduction and Background

- In October 18, 2018, EBCE Board approved Credit Card Use and Controls Policy to establish guidelines on use and risk management on corporate credit cards
- This policy established two cards to be issued—one to the CEO and one to the COO/Treasurer—for eligible operating expenses that cannot be procured through invoicing, check payment, or bank transfers
- This policy set a cap of \$20,000 total on the account, or \$10,000 per issued card

Current Demand and Amendment Requests

- EBCE has two processes by which the credit cards are used:
 - Executive cardholders are allowed to use the card for business related needs, with independent monthly review of charges at time of payment
 - Employees can request use of the cards through a two-level authorization process with a no-touch final payment (employees never see the card numbers)
- At the time the cards were issued, EBCE had 18 employees. Today, EBCE has 54 employees, and as such demand for use of the cards have increased
 - Currently over 1/3rd of the monthly cap is used for recurring charges like subscriptions, data usage, and marketing needs (on average)
 - In 75% of months, additional internal one-time requests meet card limits early
- Demand impacts executive need for the cards by meeting card limits and co-mingling accounting functions that are better off as separate,
 - For example, marketing charges appear on the executive travel statement and must be manually reassigned
- Staff recommends two amendments to allow for better process and controls
 - Allow for the issuance of a 3rd card to be controlled by the Finance Lead for internal and recurring charges
 - Increase the limit on the account to \$60,000, or \$20,000 on each card

Controls on the Cards

- All non-executive charges require multiple levels of approval before charge is placed, and all executive charges are reviewed and require receipts
- All charges are independently reviewed, receipts are retained, and a log is maintained for every transaction and is annually audited
- New controls are being put into place with a ticket-request system embedded with automated check-points and redundant approvals for review before charges are made on a card
- Staff is not recommending changing any of the established controls, safeguards, or other responsibilities
- Additional controls to be placed on the Finance Lead card
 - Additional level of mandatory authorization by functional lead of use requesting employee
 - Executive level monthly review of charges

Thank You!



Questions? Give us a call:
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CREDIT CARD USE AND CONTROLS POLICY, FIRST AMENDMENT

Policy Number: 16.1
Approval Date: 11/16/2022
Agenda Item: XX
Approved by Resolution:

1. PURPOSE:

The purpose of this policy is to set guidelines for the usage and payment of business expenditures from 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.

2. RESPONSIBLE PARTIES:

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

3. SCOPE

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

4. CONTROLS OVER CARD

1. Cards will be issued only to the CEO, the COO/Treasurer, and the Finance Lead.
2. At least one card controlling member 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 \$20,000.



5. A lost or stolen card must be reported as soon as it is discovered as missing.

5. CARD USAGE

The proper name of the cardholder will be embossed on the card along with “East Bay Community Energy”. 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, COO/Treasurer, or Finance Lead.

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 with 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, COO/Treasurer, or Finance Lead 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 rewards earned on the card will belong to the company.

6. 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

7. EXPENSES ACCOUNTING, REPORTING AND PAYMENT

1. The cardholder is required to obtain and submit the original invoices/receipts for card expenditures of \$25 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's 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 Lead within 5 business days of incurring the transaction.
3. The Finance Lead 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 Lead will review monthly statements and documentation for completeness and process payment approval from direct supervisor and Treasurer. In the case of the Finance Lead's expenses, the Treasurer or CEO will review and sign off on such expenses. 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 and approval. However, EBCE will not await approval to make payment of credit card expenses.

8. 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.