



Staff Report Item 6

To:	Ava Community Energy Authority
From:	Russell Mills, Chief Financial Officer and Treasurer
Subject:	Second Amendment to the Credit Card Use and Controls Policy
Date:	September 17, 2025

Summary/Recommendation

Adopt a resolution authorizing a second amendment to Ava's Credit Card Use and Controls Policy (the "Policy") to increase the spending limit and allow the Chief Executive Officer and Treasurer authority to issue cards to approved, select staff if needed.

Financial Impact

The approval of this second amendment to the Policy will have no financial impact on Ava.

Analysis and Context

On October 18, 2018, Ava's Board of Directors (the "Board") approved the Policy to establish guidelines on use and risk management of Ava's corporate credit cards. This Policy allowed 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. The Policy set a spending limit cap of \$20,000 per month on the account.

On November 16, 2022, Ava's Board approved the first amendment to the Policy. This amendment was necessary to solve two issues: disentangle executive staff expenses from operational need and increase the credit limit to accommodate the needed capacity as operations scaled.

This amendment allowed an additional card to be issued to the Finance lead for recurring operational charges, which eased demand on executive cards and facilitated easier accounting, tracking, and controls. This effectively created two use cases: executive use and operational use. This amendment also increased the account spending limit to \$60,000 per month. Also, additional controls were placed on the operational card with an executive level of authorization.

At the time the first amendment was issued, Ava had 54 employees and two executives. Today, Ava is authorized for 105 full time employees with four Senior Vice President or above level executives. Demand use on the executive cards remains steady, and minimal.

However, the operational card has higher usage demand. Currently, over 54% of operational capacity is used for recurring charges like subscriptions, data usage, and other similar needs. Marketing costs are an additional 34% of monthly capacity, on average, and have doubled in the last year; particularly for social media advertising as many venues only accept credit cards. These needs are expected to increase and are impacting usage capacity.

To abide by the current trends, staff proposes two changes to the Policy in this second amendment

- Allow executive cards to be available for staff at the Senior Vice President level or higher, the Finance Operations Lead and the Marketing Lead, at the discretion of the CEO and Treasurer
- Increase the monthly credit spending capacity from \$60,000 to \$100,000 to allow for increasing operational needs.

All other controls, functions, and processes remain unchanged, and all current policy standards would continue to be applied.

These changes will allow greater flexibility for executives to manage expenses and add necessary capacity to continue necessary marketing functions without impacting other operational needs.

Committee Recommendation

This item was brought forward to the Finance, Administrative, and Procurement Subcommittee on September 8, 2025, with the recommendation of approving the proposed changes.

Attachments

- A. Resolution to Adopt the Second Amendment to the Credit Card Use and Controls Policy
- B. Amended Credit Card Use and Controls Policy (redline)

C. Amended Credit Card Use and Controls Policy (clean)

RESOLUTION NO. R-2025-xx
A RESOLUTION OF THE BOARD OF DIRECTORS
OF AVA COMMUNITY ENERGY AUTHORITY AUTHORIZING A SECOND
AMENDMENT TO THE CREDIT CARD USE AND CONTROLS POLICY

WHEREAS Ava Community Energy Authority (“Ava”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, under the Joint Exercise of Powers Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of Ava and parties to the Joint Powers Agreement (“JPA”) in March of 2020. The city of Stockton was added as a member to Ava in September of 2022. The city of Lathrop was added as a member to Ava in October of 2023. San Joaquin County was added as a member to Ava in July 2024. On October 24, 2023, Ava legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS the Board of Directors (the “Board”) approved the Credit Card Use and Controls Policy (the “Policy”) on October 18, 2018, which authorizes credit cards to be issued specifically to the CEO and the COO/Treasurer only and set a monthly spending credit limit of \$20,000, and

WHEREAS on November 16, 2022, the Board approved the First Amendment to the Policy which authorized an additional card to be issued to the Senior Finance Manager to disentangle executive expenses from operational needs and increased the monthly spending credit limit of \$60,000, and

WHEREAS it is now necessary to further adjust the Policy to accommodate Ava’s needs as operations have scaled.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF AVA COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Amend the Policy to allow for executive cards to be issued to staff at the Senior Vice President executive level or higher, the Finance Operations Lead, and the Marketing Lead at the discretion of the CEO and Treasurer.

Section 2. Amend the Policy to allow for the account spending limit to be increased to \$100,000 per month.

ADOPTED AND APPROVED this 17th of September 2025.

Betsy Andersen, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

CREDIT CARD USE AND CONTROLS POLICY, SECOND AMENDMENT

Policy Number: 16.2

Approval Date: 9/17/2025

Agenda Item: {To be added by Clerk}

Approved by Resolution: {To be added by Clerk}

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 Policy is not intended to override the Administrative Procurement Policies and use of the Cards shall be in accordance with these policies.

RESPONSIBLE PARTIES:

The ~~COO~~Finance Executive/Treasurer is responsible for ensuring uniform policies and procedures are followed for Ava's Credit Card Policy.

SCOPE:

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

CONTROLS OVER CARDS

1. Cards ~~will~~may be issued only to ~~CEO, the COO/Treasurer, and the Senior Finance Manager~~Ava executives at the Senior Vice President level and above, and the Finance Operations Lead, and the Marketing lead, as necessary at the discretion of the CEO and the Treasurer.
2. At least one card controlling member will review and approve the monthly statements before the cards are paid irrespective of the account 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. The account will have a standard monthly credit spending limit of \$~~60~~100,000.
5. A lost or stolen card must be reported as soon as it is discovered as missing.

CARD USAGE

The proper name of the cardholder will be embossed on the card along with "~~East Bay~~Ava 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 card will be immediately cancelled

upon notice of termination by the ~~Senior Finance Manager~~ Finance Operations Lead or Treasurer.

Eligible uses of the card include, but are not limited to:

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 Board approved budget and within guidelines set in the Administrative Procurement Policy.

The card may not be transferred to, assigned to, or used by anyone other than the designated cardholder. ~~Amex~~ The card issuer or AvaEBCE 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 Senior Finance Manager~~ 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. Misappropriation of public funds, including the use of a government credit card for personal gain or unauthorized purposes, is a felony under Penal Code Section 424. Criminal penalties may still apply even where the use of the governmental credit card was inadvertent (if the employee failed to exercise due care in using the card) or where the employee refunded the agency after the unauthorized use. The cardholders should keep their Ava card in a separate location from their personal credit cards, and keep the use of the card to a minimum.

Any rewards earned on card will belong to EBCE and will be used to buy down the balance of the account periodically or be used to reduce cost of qualifying new purchases as permissible.

SAFEGUARD OF CARDS

1. The cardholder is required to ensure proper safeguard of the card by: Securely keeping the card in their possession but in a location separate from personal credit cards, signing the back of the card, and destroying an expired or replaced card
2. Ensuring that only the last four digits of the card number appear on any printed document

EXPENSE ACCOUNTING, REPORTING, AND PAYMENT

1. The cardholder is required to obtain and submit the original invoices/receipts for all purchases. Missing receipts will require a formal review and notice process. In addition to

receipts, the employee requesting use for an approved purchase shall provide prior to the transaction:

- i. A description of the business purpose
 - ii. In the case of meals or conferences, who ~~was~~will be in attendance
 - iii. In the case of travel, travel dates
2. Any transaction with missing documentation requires a written explanation for the missing documentation, and must include the vendor name, date, description of purchase, and reason for the missing documentation.
3. The cardholder is responsible for submitting the invoices/receipts of all transactions to the ~~COO/Treasurer or the Senior Finance Manager~~Treasurer, Finance Operations Lead, or Controller within 5 business days of incurring the transaction or receiving the invoice/receipt.
4. The ~~Senior Finance Manager~~Finance Operations Lead or Controller 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 making payment by the statement due date.
5. The ~~Senior Finance Manager~~Finance Operations Lead or Controller will review monthly statements and documentation for completeness and process payment upon approval from direct supervisor or Treasurer. In the case of the ~~Senior Finance Manager's~~Finance Operations Lead's expenses, the Treasurer or CEO will review and sign off on such expenses. In the case of ~~the Treasurer's~~an executive's expenses, the CEO will review and sign off on such expenses. In the case of the CEO's expenses, the expenses will be provided to the Chair of the Board or Treasurer for review and approval. However, ~~EBCE-Ava~~ will not await approval to make payment of credit card expenses.

POLICY ENFORCEMENT:

- ~~1.~~ Employees are NOT permitted to use the card for personal expenses for any reason. ~~Failure-In addition to any other legal remedies and consequences, failure~~ to abide by this provision ~~could~~may 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~~

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CREDIT CARD USE AND CONTROLS POLICY, SECOND AMENDMENT

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SCOPE:

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2. At least one card controlling member will review and approve the monthly statements before the cards are paid irrespective of the account 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. The account will have a standard monthly spending credit limit of \$100,000
5. A lost or stolen card must be reported as soon as it is discovered as missing.

CARD USAGE

The proper name of the cardholder will be embossed on the card along with "Ava 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 card will be immediately cancelled upon notice of termination by the Financial Operations Lead or Treasurer.

Eligible uses of the card include, but are not limited to:

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 budget line items established in the approved budget and within guidelines set in the Administrative Procurement Policy.

Employees are NOT permitted to use the card for personal expenses. Misappropriation of public funds, including the use of a government credit card for personal gain or unauthorized purposes, is a felony under Penal Code Section 424. Criminal penalties may still apply even where the use of the governmental credit card was inadvertent (if the employee failed to exercise due care in using the card) or where the employee refunded the agency after the unauthorized use. The cardholders should keep their Ava card in a separate location from their personal credit cards, and keep the use of the card to a minimum.

The card may not be transferred to, assigned to, or used by anyone other than the designated cardholder. Amex or Ava may, at any time, suspend or cancel the cardholder's privileges for any reason and the cardholder will surrender the credit card upon request. Any rewards earned on card will belong to Ava and will be used to buy down the balance of the account periodically or be used to reduce cost of qualifying new purchases as permissible.

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1. The cardholder is required to obtain and submit the original invoices/receipts for all purchases. Missing receipts will require a formal review and notice process. In addition to receipts, the employee requesting use for an approved purchase shall provide prior to the transaction:
 - i. A description of the business purpose
 - ii. In the case of meals or conferences, who will be in attendance
 - iii. In the case of travel, travel dates

2. Any transaction with missing documentation requires a written explanation for the missing documentation, and must include the vendor name, date, description of purchase, and reason for the missing documentation.
3. The cardholder is responsible for submitting the invoices/receipts of all transactions to the Treasurer, Controller or Finance Operations Lead within 5 business days of incurring the transaction or receiving the invoice/receipt.
4. The Finance Operations Lead or Controller 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 making payment by the statement due date.
5. The Finance Operations Lead or Controller will review monthly statements and documentation for completeness and process payment upon approval from direct supervisor or Treasurer. In the case of the Finance Operations Lead's expenses, the Treasurer or CEO will review and sign off on such expenses. In the case of an executive's expenses, the CEO will review and sign off on such expenses. In the case of the CEO's expenses, the expenses will be provided to the Chair of the Board or the Treasurer for review and approval. However, Ava will not await approval to make payment of credit card expenses.

POLICY ENFORCEMENT:

1. Employees are NOT permitted to use the card for personal expenses for any reason. In addition to any other legal remedies and consequences, failure to abide by this policy may result in disciplinary actions, up to and including termination of employment.