

Longview Housing Authority
Administrative Policies And Procedures

Use of LHA Purchase/Credit Cards

INTRODUCTION	The purchase/credit card account was authorized by the Board over 12 years ago to facilitate purchases that could not be paid for easily through the normal check/voucher payment system. These purchases were primarily travel & small purchases from vendors where LHA had no account.
REFERENCES	RCW 43.09.2855 Local Governments- Use of Credit Cards and LHA Personnel Policy and Travel Policies.
SCOPE	This policy applies to all LHA Office employees and all LHA purchase/credit cards.
APPLICABLE FORMS	Credit Card Application Form Travel & Misc. Expenditure Voucher Forms

DEFINITIONS

Executive Director	The Exec. Director is the administrator of the purchase/credit card program and is responsible for establishing a system of internal controls that ensures compliance with applicable state laws and regulations.
Purchase/Credit Card	A credit card available for purchasing certain goods and services. The purchase card is issued under an agreement between LHA and current vendors providing credit to LHA.
Approving Supervisor	Departmental Supervisors whose team/department has been issued one or more credit cards. They are responsible for designating purchase/credit card users.
Finance Director/Card Custodian	An individual who is assigned responsibility for purchase /credit card security.
Card User	Office personnel authorized by the card custodian to make purchases using an LHA-issued purchase card. A card user may be a card custodian.

POLICY NO. 1 - EXECUTIVE DIRECTOR ESTABLISHES ACCOUNTS

- LHA credit card accounts shall be opened only as corporate or government-wide accounts, and must be authorized by the Executive Director. Individual persons may have cards issued to them under the corporate account.
- LHA credit card accounts shall be kept to the minimum number of accounts necessary to perform the business of the Authority as determined by the Executive Director.

- A schedule of approved corporate accounts and cards issued shall be maintained.
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POLICY NO. 2 - LIMITED TO LHA BUSINESS USE ONLY

- **Purchase/Credit Cards Can Only Be Used To Purchase Goods And Services For The Office**

Purchase/credit cards shall be used only for purchasing goods and services directly related to the cardholder's assigned duties.

Typical official purchase card uses are:

- Registration for pre-approved training and conferences. The Board must approve all out-of-state events in advance unless held in the greater Portland area.
- Office supplies not available from vendors where LHA maintains an account.
- Software, upgrades, & computer services that are most cost effective ordered online or by phone.
- Fuel for LHA vehicles.
- Lodging & meal expenses at out-of-town conferences that meet travel policy requirements and are approved by the Approving Supervisor.
- Other emergency purchases.

Purchase cards may never be used to:

- Obtain cash advances from financial institutions.
- Make personal purchases.
- Purchase materials or services from any member of the card user's immediate family.
- Purchase equipment, materials or supplies restricted by policies, guidelines or contractual agreements.
- Purchase airfare unless prior written approval is obtained from the Executive Director (also subject to Board approval if out-of-state).

There are no exceptions to this policy. Misuse of the card may result in immediate cancellation of purchase/credit card privileges and possible disciplinary action.

POLICY NO. 3 – PROTECTING CARDS FROM LOSS OR ILLEGAL USE

- **Purchase/Credit Card Custodian and Users Shall Protect Cards From Loss, Theft and Unauthorized Use**

Purchase/credit card custodian is responsible for securing purchase cards and account numbers against loss, theft and unauthorized use. Card custodian and users shall keep their cards in a secure location at all times and shall report lost cards to the Finance Director or Exec. Director immediately.

POLICY NO. 4 – CUSTODY OF CARDS

- **The Finance Director Shall Be LHA's Purchase Card Custodian**

The Finance Director shall establish and ensure compliance with internal controls over the use of purchase/credit cards. The controls shall ensure compliance with state laws and LHA policies and shall include, but not be limited to, maintaining a log of all cards issued, verifying Supervisor approval of expenditures, reconciling purchases to monthly card statements and reporting problems encountered or loss of cards to Executive Director. The Executive Director may direct that some employee/card users act as custodians of their respective cards in order to facilitate purchasing.

POLICY NO. 5 – PURCHASES REMAIN SUBJECT TO OTHER POLICIES

- **Card Users Shall Comply With All LHA Procurement Policies, Travel Policies, and spending limits set on a by-card basis.**

Card users shall comply with all Procurement Policy and the authorization limits currently in place in that policy. The limits established in the Procurement Policy are applied on a per-purchase basis. However, each purchase/credit card will also have a limit established for monthly charges that may allow for multiple purchases in one monthly cycle. The appropriate credit card limits will be authorized by the Executive Director for all employees except the Executive Director's account, which will be set at a \$5000 limit.

POLICY NO. 6 – ESTABLISHING SALES-TAX EXEMPTION ON ACCOUNTS

- **Card Accounts Shall Be Established As Sales-Tax Free Whenever Possible.**

However, each card user shall endeavor to utilize the Authority's exemption from sales tax if it is not possible to establish an automatic tax-free account. The Finance Department can provide backup documentation to prove the exemption.

POLICY NO. 7 – DOCUMENTATION & STATEMENT REVIEW

- **Purchase/Credit Card Statements Shall Be Forwarded To the Card User Within Two Working Days Of Receipt By The Accounting Department if documentation has not already been provided to Accounting for each expense.**

Purchase card invoices need to be paid in a timely manner. Card Users shall reconcile their monthly statements and forward them to the Accounting Technician, with documentation and travel vouchers if necessary, within three working days of receiving their monthly credit card statement.

POLICY NO. 8 – LOST OR STOLEN CARDS

- **Lost Or Stolen Purchase Cards Shall Be Reported Immediately**

A lost or stolen purchase card shall be reported immediately to the Finance Director and/or Executive Director.

The missing card shall be reported to the credit card company by the Finance Director or Exec. Director immediately.

PROCEDURES To Request A Purchase Card

Action By Supervisor

1. Supervisor submits a written request and explanation for needing a purchase/credit card to the Executive Director.

Action By Executive Director

2. Reviews request. Sends unapproved applications back to supervisor. Sends approved applications to Finance Director instructing her regarding card issuance, sends note to supervisor acknowledging approval.

Action By Finance Director

3. Finance Director has future user complete a card application, obtains Exec. Director's signature on same, and faxes the card application with limit instructions to the credit card company.
4. Upon receipt of new purchase/credit card, forwards card to Finance Director/Card Custodian.
5. If Executive Director so chooses, she can direct the Supervisor and Finance Director that a particular employee should be the custodian of the card issued to them to facilitate cost effective purchasing.

PROCEDURES To Cancel A Purchase Card

Action By Supervisor

1. E-mails Director of Finance & Exec. Director with name of person whose card is to be cancelled and the reason for its cancellation.

Action By Director of Finance

2. Sends fax to purchase card contractor canceling purchase card.

PROCEDURES Reconciling and Processing Monthly Card Statements

Action By Supervisor

1. Approves or obtains proper approval signature on PO or invoice which is forwarded to Finance Director.

Action By Finance Director

2. Reviews transactions for compliance with purchasing regulations, timely processing,

supervisor approval and compliance with agency policies. Resolves questionable or disputed charges. Approves and forwards to Accounting Technician for payment.

Effective Date 01/27/03	Use of LHA Purchase/Credit Cards
Supersedes all earlier approvals by Board	Credit Card Approvals
Approved by: LHA Board	Regular Meeting 1/27/03