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**KINGSBURG HEALTHCARE DISTRICT
Board Policy 2024-01
Financial Policies and Procedures**

[DRAFT OF AMENDMENT]

E. Credit and Debit Card Usage: The use of a bank account debit card shall not be authorized except upon express approval by way of a duly adopted written resolution approved by a majority of the Board.

1. Credit Card Policy:

The Kingsburg Healthcare District (“**District**”) hereby establishes a credit card policy in order to: **(1)** Reduce the need for processing reimbursements for certain district expenditures in which vendors require the use of a credit card; **(2)** To allow the District to purchase certain ongoing services which are only available to customers using automatic payments; and **(3)** To promote the responsible and effective use public funds. This policy applies not only to the physical credit card issued, but also to the account number and credentials associated with that credit card.

2. Account and Card Issuance:

Only one credit card account shall be authorized to be opened at any time on behalf of the District. The Board shall be the sole authority which decides which employee(s) is authorized to be issued a District credit card and shall do so by resolution. The account co-managers on the District’s credit account shall be limited to only the **Board Treasurer** and **Director of Administrative Services**, who shall both be authorized to have online access to the credit account for monitoring and maintenance purposes. Absent extraordinary circumstances, online access to the District’s credit account should only occur on a District-owned personal computer and should not be accessed through personal mobile devices, such as smartphones and tablets. Except as otherwise expressly provided in this policy, a credit card must not be issued to any District officer who is elected, contracted employees, part-time employees or volunteers.

Each District employee and the Board Treasurer who is issued a credit card by the District must sign a District cardholder agreement, in order to acknowledge receipt of the credit card and that such card holder has read, understands and agrees to abide by this credit card policy.

3. Permissible Uses:

Credit cards may only be used for those District’s business-related expenses where the vendor does not accept checks as a payment method, or where it is impractical to pay by check, which can include (without limitation) online booking of travel

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accommodations, online training and conference fees, in-person purchase of office supplies, and such other expenses which are pre-approved by the District's governing body. Any credit card rewards program vouchers or other benefits obtained through use of the credit card shall belong to the District. Cash advances are not authorized and must not be utilized. A password, code or PIN for cash advances must not be established.

Use of the credit card for personal purchase is strictly prohibited. Any personal use of the credit card is grounds for revocation of that card holder's credit card use privileges and potential disciplinary action, notwithstanding any other remedy the District may have for unauthorized use of the credit card.

4. Account and Spending Limits:

The District's credit limit on its credit card account must not exceed **ten thousand dollars (\$10,000.00 USD)**. Each credit card must have the ability to assign maximum spending limits for each card issued, and each card must have daily pre-set spending limit of no more than \$[Specify amount] per transaction, including tax, and a maximum monthly spending limit of \$[Specify amount]. A purchase must not be split so as to circumvent the per transaction spending limits. All District card holders must investigate and monitor the existing credit card balance prior to making purchases, and must avoid exceeding the credit limit and incurring fees.

If the card is used for a recurring bill, as an automatic payment method, the authorization must be limited to no more than \$[Specify amount] per automatic payment. The credit card shall not be used for automatic payments if the credit card issuer or vendor does not permit limitations on individual amounts of automatic payments.

5. Documentation and Receipts:

All expenses charged to the credit card must be supported by itemized receipts, printouts and other documentation (collectively "**receipts**"), and a completed monthly expense report to the Board. Before signing for or otherwise committing an online purchase, each card holder must review the itemized receipt or other order form provided by the vendor to ensure they are accurate. Missing documentation may result in discipline, personal liability, and/or restrictions on future credit card use.

Each and all meals charged to the District's credit card require additional documentation to be submitted with the receipts which contains the names of the individual(s) in attendance and the specific District business purpose for that meal.

Emailed or electronic billing statements shall not be utilized, but shall be downloaded if available. The account must be set to require the mailing of hardcopy monthly billing statements.

6. Safekeeping:

Each District credit card must at all times be maintained and remain inside of a locked fireproof safe within the District’s main office, except when such card is removed to make a purchase, in which case it must be immediately returned to and locked inside of the safe. Upon the District’s receipt of each periodic billing statement for the credit account, each card holder must as soon as practical, but no later than the next Board meeting, review such billing statement for irregularities. If any irregularities are discovered, the card holder must immediately notify the District’s CEO and contact the credit card issuer to disclose and resolve the irregularities.

Employees must report lost, stolen or compromised cards immediately to the credit card issuer and to the District’s CEO or interim CEO.

7. Payments:

Each card holder is responsible for thoroughly reviewing the credit card’s periodic billing statements to ensure all charges are accurate and authorized. After review, the cardholder employee must submit the periodic billing statement, along with any necessary supporting documentation, to the District’s governing body for approval of the payment amount due, ensuring timely payment of at least the minimum amount required for that billing period.

8. Return of Credit Card:

Upon termination of employment or a change in the Board Treasurer, the credit card associated with that position must be surrendered immediately, if not already within the District’s safe, and not be utilized any further.

