


Policy Title:	Corporate Credit Card Policy		
	OFFICE OF THE DIRECTOR FINANCE DIVISION	Category	Water and Sewerage
		Administrative Policy #	
		Revision #	
		Review Frequency	As Needed – no less frequently than triennially
Administrative Division	Finance	Reviewed By	Controller; CFO; Director; Program Administrator
BOWC Approval		Last Reviewed/Update Date	
Implementation Date			

1. OBJECTIVES

- 1.1. To establish policies and procedures along with internal controls to ensure and provide an effective process for managing Detroit Water and Sewerage Department's ("DWSD") Corporate Credit Cards.

2. PURPOSE

- 2.1. The DWSD may need to purchase goods or services through the use of Corporate Credit Cards for one time purchases. This policy will provide guidance for the usage and payment of goods and services using the Corporate Credit Cards. Examples of acceptable uses for the Corporate Credit Cards include the following:
 - a. Subscriptions and Publications
 - b. Travel and Training Expenses
 - c. Emergency Supply Purchases
 - d. Meeting Expenses
- 2.2. The Corporate Credit Card Program is designed to make it more cost effective and efficient for DWSD Senior Executive Management to make small dollar purchases of goods or services from any supplier that accepts the Corporate Credit Card.

3. DEFINITIONS

"Card" means a Corporate Credit Card that is issued to an individual authorized to make purchases of merchandise, travel, and non-travel related expenses for DWSD business purposes.

"Cardholder" means an individual issued a Corporate Credit Card. The Cardholder is responsible for the management of the Card issued and under their jurisdiction, which includes the security and usage of the Card.

"Program Administrator" means the Finance Professional Administrative Analyst. The Program Administrator's responsibilities include the authorization, set-up, and issuing of all Corporate Credit Cards including authorizing and processing changes to Cardholder transaction limits.

"Senior Executive Management" means the Director and those individuals that report directly to the Director. These individuals include:

- Director
- Deputy Director and Chief Engineer
- Chief Information Officer
- Chief Operations Officer
- General Counsel & Chief Administrative Officer
- Chief Financial Officer

4. **SCOPE**

4.1. This policy applies to all Corporate Credit Card Cardholders at DWSD.

5. **RESPONSIBILITIES**

5.1. The CFO shall establish the necessary procedures to implement this Policy and shall take all necessary measures to ensure this policy is adhered to. The CFO may delegate all or some of his/her authority under this policy to an appropriate member of Senior Executive Management.

5.2. All Cardholders shall adhere to this policy along with the City of Detroit's and DWSD's ethics policies.

5.3. The Program Administrator's responsibilities include the following:

- Authorization, set-up, and issuing of all Corporate Credit Cards
- Authorization and processing of changes to Cardholder transaction limits
- Receiving and distributing of electronic reports
- Serving as the primary contact for Cardholder questions

6. **POLICY**

6.1. **General Information** - This document is intended to provide policies and procedures to Cardholders in utilizing their Corporate Credit Cards, and all Cardholders should carefully read this document. A Cardholder's signature on the Corporate Credit Card Policy Acknowledgment Form (exhibit B) indicates that the Cardholder understands the intent of the program and agrees to adhere to this policy. In the event this policy is not followed, the Program Administrator has the authority to deactivate the Card. In addition, appropriate disciplinary action may be taken up to and including termination. The determination and administration of any disciplinary actions resulting from Corporate Credit Card abuse shall be the responsibility of the CFO and Human Resources.

6.2. **Issuance of Corporate Credit-Cards**

6.2.1. DWSD issues Corporate Credit Cards to all Senior Executive Management. The Cardholder's name is embossed on the Card. No person other than the person or department to whom the Card is issued is authorized to use the assigned Corporate Credit Card with the Cardholder's authorization. The Card is to be used for official DWSD business only.

6.2.2. Cards must be kept in a secure place. Although the Card is issued in the Cardholder's name, the Card remains the property of the credit Card provider and

DWSD. Activity on the Corporate Credit Card Program is reported on DWSD's credit report.

- 6.2.3. All charges made on DWSD Cards are billed directly to the Cardholder on a monthly summary invoice.
- 6.2.4. Each Cardholder will be required to review and verify their credit Card transactions on a monthly basis. Please refer to the "Cardholder Recordkeeping Requirements" section below.
- 6.2.5. The Cardholder is responsible for keeping all supporting documentation for purchases made and submitting the statement, expense report and receipts to the Program Administrator by the 5th business day of the following month. A Cardholder that does not turn in receipts for all purchases made on a monthly basis may be subject to disciplinary action, including deactivation of Card and up to termination.

6.3. Unauthorized Uses

- 6.3.1. The following purchases are expressly forbidden under this program. Purchases that are for:
 - Personal or non-business expenditures of any kind
 - Cash Advances
 - Capitalized furniture or equipment
 - Entertainment, gifts, or other expenditure which are prohibited by policies and Federal, State, or Local laws or regulations.
- 6.3.2. A Cardholder that makes unacceptable or unauthorized purchases or carelessly uses the Card may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged in conjunction with the misuse. The Cardholder will also be subject to disciplinary action, up to and including termination.

6.4. Card Deactivation

- 6.4.1. Upon termination of employment of a Cardholder, the Corporate Credit Card must be turned into Human Resources prior to the employee's last day of work. Human Resources will then notify the Program Administrator to deactivate the Card. The Corporate Credit Card will be deactivated immediately.
- 6.4.2. A Corporate Credit Card may be deactivated at the discretion of the Chief Financial Officer. Potential cause for deactivation includes but is not limited to violation of established policies and procedures.

6.5. Reasonable and Necessary Accommodations

- 6.5.1. Management may take reasonable and necessary actions to accomplish the intent of this policy.

7. PROCEDURE

The following procedures must be followed by the Cardholder when using the Corporate Credit Card for purchasing goods and services.

7.1. General Guidelines

- 7.1.1. The Cards are issued to DWSD by the credit Card provider and issued to specific users. The Card is provided with the Cardholder's full name, Cardholder's date of birth, the Cardholder's phone extension and their Social Security number for verification purposes only. Card activity is not reported on a Cardholder's personal credit report, and, likewise, activity on the Card is not used to compute a Cardholder's credit score with reporting agencies.
- 7.1.2. The Cardholder is responsible for reviewing the monthly statements for accuracy. Any unauthorized charges shown on the statements must be reconciled by the Cardholder with the vendor and reported to the Program Administrator immediately.
- 7.1.3. All purchases must be business related and no personal use of the Card is allowed.
- 7.1.4. The Cardholder is responsible for submitting the original receipt attached to their monthly Expense Report. If the original receipt cannot be located, the transaction detail from the online account should be printed.
- 7.1.5. All Cardholders must complete an Expense Report form and submit it with the receipts and credit Card statement. The credit Card form must include the date of purchase, amount, and for what purpose the purchase was made. The appropriate GL string must be included on the report for all expenses.
- 7.1.6. Whether paying for orders in person, by phone, or over the internet, the Cardholder is responsible for obtaining and retaining proper documentation of all transactions, i.e., receipts, invoices, or other documentation showing the item(s) purchased and the amount paid. See the "Cardholder Recordkeeping Requirements" section below for information on submitting your receipts/documentation to the Program Administrator for processing.
- 7.1.7. Expense reports must be completed in full and returned to the Program Administrator no later than the 1st business day of the following month.
- 7.1.8. The Program Administrator will review the submitted form and receipt(s) when received. Any incomplete form will be returned to the Cardholder to complete and resubmit.
- 7.1.9. Any returns or credits made on purchases paid for by a Corporate Credit Card must be credited to that Cardholder's account (no cash refunds). The Cardholder should obtain and retain the appropriate documentation.

7.2. Reporting Lost Cards, etc.

- 7.2.1. If your credit Card is lost or stolen, contact the credit Card provider and notify the Program Administrator immediately.
- 7.2.2. If a Card becomes damaged and needs to be replaced, the Cardholder must notify the Program Administrator and return the damaged Card, if possible. Once the damaged Card has been returned to the Program Administrator a replacement Card will be requested from the credit Card provider.

7.3. Disputed Items

- 7.3.1. If there is a discrepancy on your monthly statement, contact the vendor immediately to try and resolve the matter. If successful, make a note on the monthly statement and be sure to verify the correction on the following month's statement.
- 7.3.2. If you cannot resolve the discrepancy with the vendor, contact the Program Administrator.

7.4. Unauthorized Account Usage

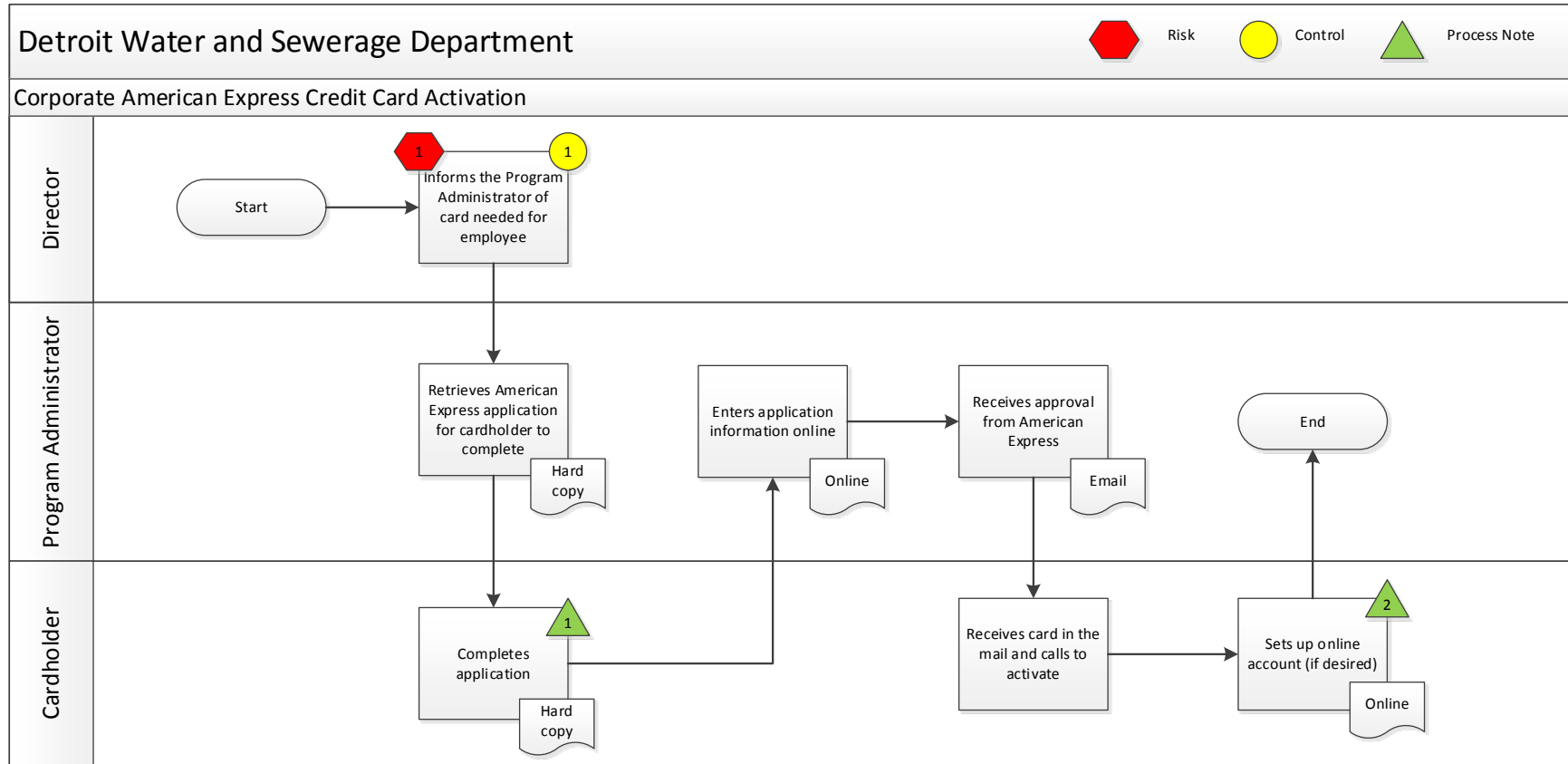
- 7.4.1. The Cardholder is responsible for keeping track of how the Card is used and for its safekeeping. Just like any credit Card, the Cardholder should protect against fraudulent use of the Card.
- 7.4.2. If the Cardholder detects or suspects that his/her Card has been used fraudulently, he/she should contact the credit Card provider immediately and notify the Program Administrator as soon as possible.


7.5. Cardholder Record Keeping Requirements

- 7.5.1. Cardholders must keep all original sales documents (receipts, packing slips, cash register tape, credit Cards slips) from purchases made on their Corporate Credit Card. These documents will be required to be submitted to the Program Administrator with the Cardholder's monthly account statement and expense report.
- 7.5.2. The Program Administrator will review all statements, expense reports, and receipts and submit payment online and forward to the Accounts Payable department for recording.
- 7.5.3. The Program Administrator will file all hardcopies of the statements, expense reports and receipts.
- 7.5.4. Refer to Exhibit A for the Corporate Credit Card process flowchart.

EXHIBITS

Exhibit A: Corporate Credit Card Process Flowcharts



 Process Notes

1. The employee must provide their name, phone number, birth date, social security number, and DWSD title.
2. If the cardholder would like to set up an online account instead of receiving paper statement, they may do so. The Program Administrator has access to all cardholder accounts online.

 Risks

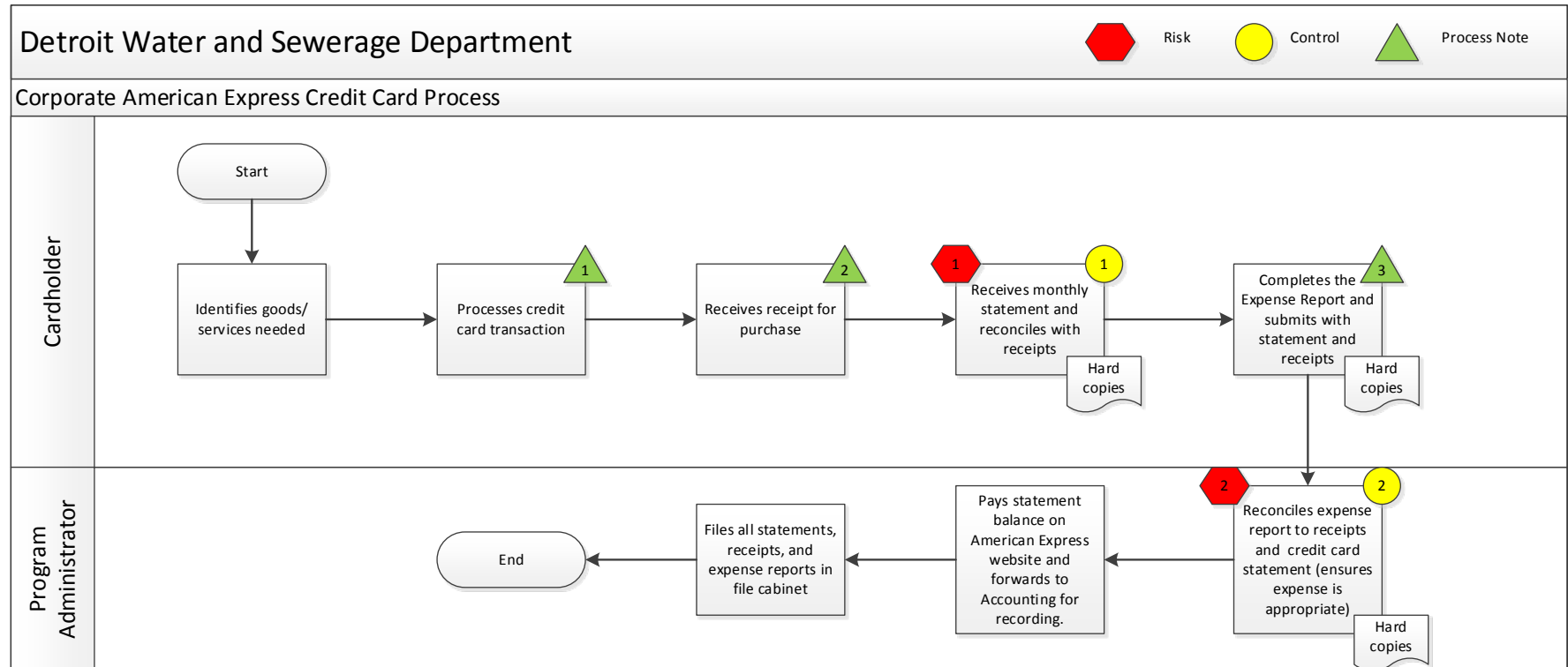
1. Risk # F.CC.1: Credit cards are issued to inappropriate employees.

 Controls

1. Control # F.CC.1: The Program Administrator may not issue a card to individual unless approved by the Director.

EXHIBITS

Exhibit A: Corporate Credit Card Process Flowcharts



Process Notes

1. Credit card purchases may be made via the internet, the phone, or in person.
2. If no receipt is provided, or is lost, the cardholder must print the American Express Transaction from the online account.
3. The expense report must show the date of purchase, the amount of purchase, the purpose of the purchase, and the GL string to charge the expense to. The statement, expense report, and receipts must be submitted to the Program Administrator by the 3rd of every month.



Risks

1. Risk # F.CC.2: Expenses are not reconciled with receipts and the monthly bank statement.
2. Risk # F.CC.3: Inappropriate expenses are being purchased with DWSD corporate credit cards.

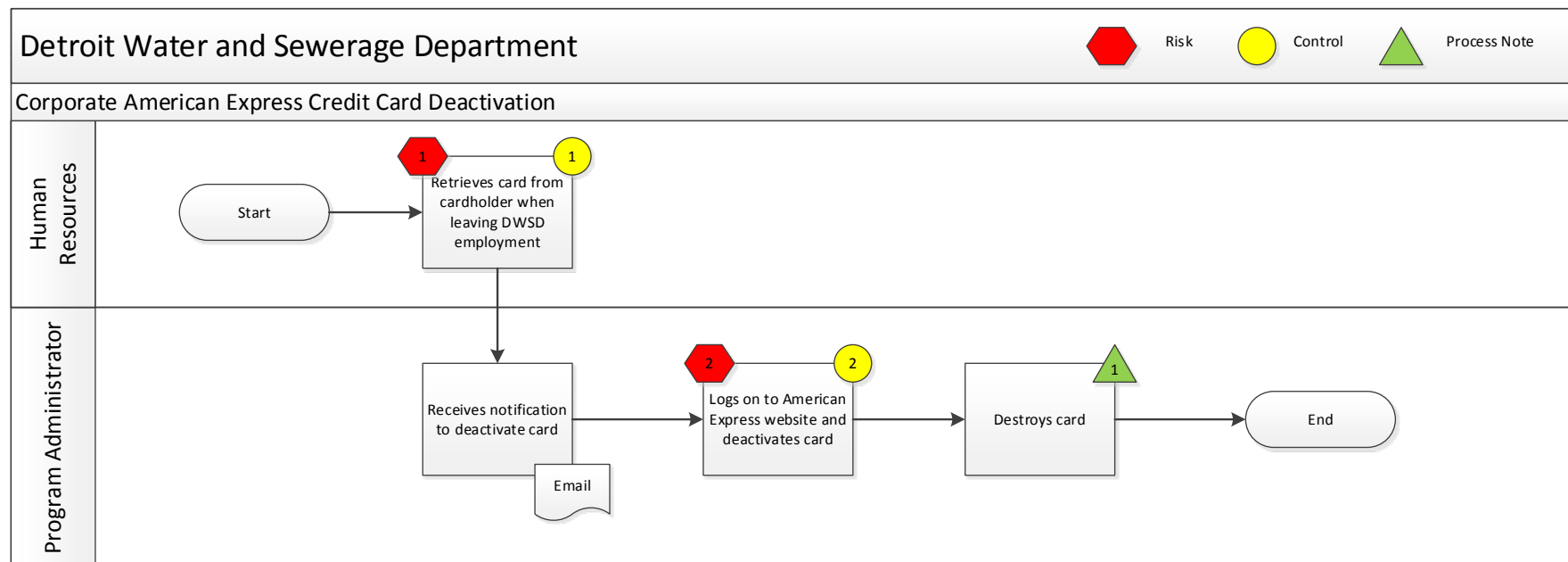


Controls

1. Control # F.CC.2: The cardholder submits receipts with their expense report and reconciles to the monthly bank statement. The Program Administrator also reconciles the bank statement, receipts, and expense report.
2. Control # F.CC.3: The Program Administrator reviews all statements, receipts, and expense reports and verifies that the purchase was appropriate for DWSD business.

EXHIBITS

Exhibit A: Corporate Credit Card Process Flowcharts



 Process Note

1. HR gives the Program Administrator the credit card through interoffice mail to destroy.



Risks

1. Risk # F.CC.4: Cardholders are still able to use the credit card after they are no longer employed by DWSD.
2. Risk # F.CC.5: Card is not deactivated after an employee is no longer employed by DWSD.



Controls

1. Control # F.CC.4: Employees are required to return the credit card to HR before they leave DWSD.
2. Control # F.CC.5: The Program Administrator deactivates the credit card immediately upon notification of employee termination.

EXHIBITS

Exhibit B: Corporate Credit Card Policy Acknowledgement Form



Purchasing Card Policy and Procedures Employee Acknowledgement

I hereby acknowledge that I have received a copy of the Corporate American Express Credit Card Policy and Procedure. I have read the policy and procedure and clarified any questions regarding its provisions. I understand that as a Cardholder I am responsible for all charges incurred on the Corporate Credit Card. I agree to comply with all the requirements contained therein and understand that appropriate disciplinary action will be taken if I am found in violation of the policy and that Detroit Water & Sewerage will require restitution if the credit Card is used improperly.

Employee name: _____

Signed: _____ Date: _____

Name of Manager: _____

Signature of Manager: _____ Date: _____