

# **KITSAP PUBLIC FACILITIES DISTRICT**

## **CREDIT CARD PROGRAM**

**Last modified: June 23, 2022**

### **Introduction**

The Kitsap Public Facilities District ("KPF") recognizes that the use of credit cards is a customary and economical business practice to improve cash management, reduce costs, and increase efficiency.

The KPF also recognizes the use of credit cards to be an appropriate and useful means of making payment for a variety of types of purchases; some examples may include travel expenses, office supplies, subscriptions, online purchases, and recurring vendor payments (where appropriate).

The Executive Director shall implement and administer the following procedures and processes related to the use of credit cards by the KPF, in furtherance of RCW 43.09.2855:

### **Distribution**

A KPF credit card may be directly issued to its Executive Director, whose job responsibilities could be more easily facilitated by the use of a credit card and would benefit the KPF.

### **Approval Process**

1. The Executive Director shall complete the KPF Credit Card Application Form (see Exhibit A) and sign the KPF Credit Card User Agreement (see Exhibit B).
2. The KPF Board review and approves the application, as appropriate.
3. The Executive Director will process the application with issuing bank and setup any necessary training online.
4. Once online training is completed, the Executive Director is authorized to use the credit card.

### **Authorization & Control**

#### **Issuing Bank**

Kitsap Bank (the "Bank") is the issuer of the KPF Credit Card. The Bank provides an online portal at: [www.kitsapbank.com](http://www.kitsapbank.com) in which authorized users may review their credit card transactions within 2 days after the purchase is made. The Executive Director will also use this portal to print and reconcile their monthly statements by the 5<sup>th</sup> business day of each month. (Review Exhibit C for detailed how-to instructions)

### **Approved Uses for Credit Card Purchases**

The KPF will have one credit card with a credit limit of \$10,000. Such credit card shall be used for business-related purchases not to exceed \$2,000. Examples of allowable purchases may include advance payment of approved travel expenses, lodging, conference registration fees, and seminar tuition, and for pre-approved one-time or recurring purchases from vendors not exceeding \$2,000.

The Executive Director may use the credit card to purchase meals while in travel status. However, those meals must fall within the per diem rates set within the KFPD Expenses and Reimbursement Policy. If less than three meals a day is to be paid, then the user must limit the meals to the applicable rate. All meals charged must have the original receipt showing what was specifically purchased. If the receipt does not show the detail or if the meal is over the rate, the user will be responsible to reimburse the City for this purchase.

When considering use of the KFPD card:

1. Identify goods and services required to perform job-related task.
2. Determine if purchase is within credit card limits.
3. Ensure that the items are not on the exception list.
4. Obtain pricing and in-stock availability and only order items that are immediately available.
5. Ensure that the vendor immediately authorizes the purchase with credit card and forwards you a detailed copy of the credit card purchase receipt.
6. Retain all receipts, packing lists and backup authorizing documents for reconciliation of the monthly statement.

When involved in any aspect of purchasing, the Executive Director is acting as an agent of the KFPD, acting in the best interest of the KFPD. Actions and decisions must not show, or appear to show, personal favoritism to a vendor at the expense of the KFPD.

### **Disallowed Charges**

The following uses are not authorized credit card purchases:

- Capital Equipment
- Personal Items and Services
- Cash Advances of any kind
- Alcoholic Beverages
- Money Orders / Travelers Checks / Gift Cards
- Charges made without pre-approval

The KFPD issued credit card shall not be used for non-KFPD business or personal use. Unauthorized or personal use may be subject to disciplinary action. Disallowed charges, or charges not properly identified, will be paid by the card user before the charge card billing is due. If a situation arises where the card user is responsible for charges and the timing of the payment may result in interest and / or late fees, then the Board Chair must be informed immediately. These charges are considered liens against any amount owed by the KFPD to the card user. The KFPD may withhold any amounts from funds owed to the card user in default.

At the discretion of the KFPD Board Chair the KFPD credit card can be canceled or suspended at any time.

## **Credit Limits**

Dollars per Transaction = \$2,000.

Total Transaction Dollars per Month = \$10,000.

If an increase or decrease to these transaction limits is deemed necessary by the Executive Director, the request must be submitted in writing to the KPF Board for approval.

## **Receipt of Goods & Services**

The Executive Director is responsible for ensuring the receipt of the goods and services as ordered and any follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods. Should any item(s) need to be returned to the vendor, the cardholder will follow the vendors return policy and also be responsible to ensure that proper credit is posted for said return item(s). In most cases, returns and errors can be resolved directly between the cardholder and the vendor.

If for any reason the Executive Director is unable to reach agreement with the vendor, the Executive Director must contact Kitsap Bank and explain the dispute and the reason behind it. In addition to contacting Kitsap Bank, the reporting cardholder will also inform the KPF Board.

## **Payment of Bills**

Monthly Billing statements will be retrieved on the 5th business day of the month by the Executive Director via the online portal provided.

## **Card Security**

The KPF credit card should always be treated with great care and should be kept in a secured location. The credit card shall not be lent to another person.

The credit card number(s) should be kept confidential and not available to others.

The Executive Director shall immediately report a lost or stolen credit card. The KPF may be liable for all transactions until the card is reported lost or stolen. A cardholder must report a lost or stolen credit card to the KPF Board Chair. Verbal reports of lost or stolen credit cards must be followed up in writing to the KPF Board. A replacement card will be sent within 10 days after the report is filed.

## **Renewal of an Existing Credit Card**

A renewal credit card will be sent automatically to the KPF Executive Director by the issuing bank approximately 30 days prior to the expiration date of the card.

## **Audits & Enforcement**

To ensure the continued success of the KPF Credit Card Program, as well as adherence to the policies as outlined, the Executive Director credit card account will be open to internal audit requirements and periodic examination by the state auditor's office pursuant to RCW 43.09.

Statement Reconciliations not received by due date or without complete receipt detail – The credit card limits will be set to ZERO until reconciliation is received. For continual late or defective reconciliations, the credit card may be cancelled at the discretion of the Board Chair.

## **Personal Use**

Personal use of the KPFD credit card is prohibited and may result in:

- Disciplinary measures that may include termination and/or legal action;
- Permanent revocation of the card ; and/or
- Direct payroll deductions for any unauthorized or personal charges made on the city credit card .

## **Termination**

The KPFD credit card must be returned to the KPFD Board Chair when the Executive Director's employment is terminated or is on extended leave.

## **Resources**

Who to Call

[ADD CARD NAME]

|                       |
|-----------------------|
| General Support _____ |
|-----------------------|

Documents:

KPFD Credit Card Application – see Exhibit A

KPFD Credit Card User Agreement – see Exhibit B

Credit Card Web Portal How-To Instructions – see Exhibit C

City Credit Card Application – Exhibit A

**PURCHASE CARD  
APPLICATION**

**Please forward application to:**

**EXECUTIVE DIRECTOR INFORMATION**

First Name

Middle Name

Last Name

Business Address

Business Phone

Date of Birth

Social Security Number (Last Four Digits Only)

**KPFD INFORMATION**

Company Name

Company Address

City

State

Zip

**APPROVAL INFORMATION**

Monthly Credit Limit (\*,\*\*\*)

Single Transaction Limit (\*,\*\*\*)

Card Type (Individual or Department)

\*Individual Limits \$2,500 Monthly / \$1,000 Single

Name on Card

**EMPLOYEE / APPROVAL SIGNATURE**

Printed Applicant Name

Signature of Applicant / Date

Printed Credit Card Administrator

Signature of Credit Card Administrator / Date

KPFD Credit Card User Agreement – Exhibit B

## KPFD CREDIT CARD USER AGREEMENT

Your signature below verifies that you have read and understand the KPFD Credit Card Program terms listed below and agree to comply with them.

1. I understand the KPFD Credit Card is intended to facilitate the purchase of business-related goods and services for the conduct of KPFD business and is not for my personal use.
2. I understand that my card and/or privileges may be revoked at any time based on change of assignment or location and that use of this card is not an entitlement nor reflective of title or position. I also understand that the Card is the property of the KPFD and must be surrendered upon termination of employment or demand of surrender by the KPFD Board Chair. At that point, no further use of the account will be authorized.
3. I understand that if I am issued a card with my name specifically, I am the only person authorized to use the card and am responsible for all charges made against the card.
4. I understand that improper use of the card can be considered misappropriation of KPFD funds, which may result in disciplinary action, up to and including termination.
5. I understand that all charges are billed directly to and paid by the KPFD. Any personal charges on the card could be considered misappropriation of funds since \_\_\_\_ Bank cannot accept any payment from me directly.
6. I understand that I will be required to provide detailed receipts to reconcile monthly statements and to comply with internal control procedures designed to protect the KPFD assets. This may include being asked to produce the credit card to verify its existence and providing assistance in an audit review of its use.
7. I understand that I am responsible for resolving any discrepancies that may occur by contacting the vendor and / or the \_\_\_\_ Bank directly.
8. I will safeguard use of the issued credit card and use appropriate security whenever and wherever I use the card. If my card is lost or stolen, I agree to immediately notify the KPFD Board Chair.
9. I understand that the card in my name or the department has a set credit limit and single transaction limit. Individual named credit cards have a \$\_\_\_\_\_ and \$\_\_\_\_\_ credit and single transaction limit respectively.
10. The credit and single transaction limits cannot be changed unless approved by the KPFD Board.

I hereby acknowledge receipt of the KPFD Credit Card (ending in last 4 digits) \_ \_ \_ \_

As a Corporate Cardholder, I agree to comply with the terms and conditions of the agreement, including the KPFD's Credit Card Program.

**I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS**

Cardholder/Authorized User: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Phone Ext: \_\_\_\_\_

## Bank Web Portal How-To Instructions – Exhibit C

- Log onto: \_\_\_\_\_
- Type in where indicated the following
  - User Name = specific to the user
  - Password = specific to the user
  - Organization ID = specific to account
- To Review Transactions:
  - Choose Transaction Maintenance at the top right
  - Choose Transaction Management
- To Review / Print Statements:
  - Choose Transaction Maintenance at the top right
  - Choose Statements
  - Search for the specific card