



Park Board of Trustees of the City of Galveston – Credit Card Policy

I. Purpose

- The purpose of this policy is to establish guidelines for the issuance, use, and management of credit cards to ensure responsible and transparent expenditure of public funds.
- Conditions set out in this policy and the relevant cardholder's responsibility statements issued by the bank govern the use of any Park Board credit card.
- Cardholders and their supervisors and department heads are responsible for ensuring they adhere to the Park Board Credit Card Policy, thereby ensuring adequate controls are exercised to minimize the risk that Park Board credit cards are not used for fraudulent or corrupt purposes. Cardholders, their supervisors, and department heads should contact the Controller, CFO, and/or CEO for further information on their role in relation to fraud and corruption prevention.

II. Scope

- This policy applies to all employees and officials of the Park Board who have a credit card issued in their name or are otherwise authorized or granted permission to use a Park Board issued credit card.

III. Eligibility, Issuance, and Control

- The Park Board Controller and employees who have a Park Board issued credit card, and their managers, supervisors, and department heads are responsible for the issuance, monitoring, retrieval, and general oversight of compliance with this Park Board Credit Card Policy.
- Authorization: Credit cards shall be issued only to employees and officials who have received proper authorization from their Department Head, Controller, Chief Financial Officer (CFO), and Chief Executive Officer (CEO). The CFO and/or CEO can revoke a Park Board issued credit card for any reason at any time.
- Staff requesting a Park Board credit card's issuance will submit the request in writing to their Department Head. If the Department Head is in support of the request, they will forward it to the Controller, CFO, and CEO for consideration. The request must be approved by the applicable department head and will contain the following:
 - Business reason/justification for the issuance
 - Approval of the employee's supervisor and department head

- Approval of the CEO, CFO, and Controller
- Cardholder Agreement: Employees must sign a cardholder agreement acknowledging their understanding and acceptance of the policy terms.

IV. Limits

- Credit Limits: Each card shall have a predetermined credit limit based on the employee's role and the nature of their duties. The credit limit amount shall be determined by the Controller and/or the CFO. The CFO and CEO can change the credit limit on a Park Board issued credit card for any reason at any time.

V. Conditions for Use

- Park Board issued credit cards should be used primarily for business-related travel and operations. Park Board issued credit cards **WILL NOT** be used to:
 - Obtain cash advances.
 - Purchase gift cards – only the CEO can authorize the purchase of a gift card. The authorization must be in writing and be received **BEFORE** the purchase.
 - Avoid the accounts payable process (obtaining a check or ACH payment).
 - Vendor payments should be made through accounts payable whenever possible – i.e., if a vendor accepts checks or ACH as payment, the vendor **MUST** be paid with a check or ACH. *See exceptions section below.
 - Cover expenses other than those incurred by the assigned employee named on the card. *See exceptions section below.
 - Pay for personal or non-business-related expenditures.
- Credit cards may only be used to purchase tangible goods, registrations, memberships, subscriptions, business-related meals, approved travel expenses, and repairs to Park Board vehicles and equipment. *See exceptions section below.
 - Use of the credit card for any other purpose is prohibited unless approved by the CEO and CFO **BEFORE** the purchase is made.
 - In instances where the purchase of any goods or services listed above that would be allowable uses of a Park Board issued credit card but can be paid through the accounts payable process (i.e., check and ACH payments), then the use of a Park Board credit card is prohibited, and a check/ACH payment **WILL** be obtained. *See exceptions section below.
- The Park Board credit card is to be used only for official Park Board business, not personal expenditures. Charging personal transactions to the business credit card is not acceptable under any circumstance. Cardholder transactions will be scrutinized to ensure compliance with this policy. In case of an accidental use of the Park Board credit card, repayment must be made

to the Park Board in the amount of the accidental transaction within five (5) business days upon realizing the accidental use has occurred.

- Cardholders and users ***WILL NOT*** use their Park Board credit card to obtain cash advances from banks, building societies, credit unions, or automatic teller machines. This prohibition similarly extends to cash equivalents such as bank checks, traveler's checks, prepaid gift cards, electronic cash transfer, etc.
- Use of personal accounts when using a Park Board credit card is prohibited. Park Board credit cards may not be linked to or otherwise associated with any personal accounts. Examples of personal accounts include, but are not limited to, Amazon Prime, Sam's Club, Costco, Staples, Home Depot (Supply Works), PayPal, etc. In many instances the Park Board already has accounts for these vendors. If the Park Board has an account with a vendor, that account will be used to facilitate the purchase.
- Delivery of tangible goods and services to personal addresses is prohibited. All deliveries will occur at/on Park Board property unless delivery to another address is approved in writing prior to the purchase by the cardholder's department head. *See exceptions section below.
 - Employees who have a card issued in their name and work full-time offsite (offsite means the employee's primary place of work is outside Galveston County), may have items delivered to their personal address. The employee must receive written permission from their department head before having the items delivered to a personal address.
- Violations of the policy could result in the cancelation and withdrawal of the Park Board-issued credit card privileges. Violations may also result in disciplinary action against the employee concerned, up to and including termination. In all cases of misuse, the Park Board reserves the right to recover any monies from the cardholder, whether the cardholder or someone other than the cardholder is responsible for the misuse, including withholding the amount owed to the Park Board from the employee's compensation to the extent permitted by law.
- Cardholders will be required to sign a declaration authorizing the Park Board to recover from their salary any amount incorrectly claimed.

VI. Exceptions

* Exceptions may be made in emergency or business necessity situations prior to purchase with written documentation concerning the emergency, business necessity, vendor and cost. Cardholder's and next level approver's written, dated and signed approval is required before the purchase is made and must be attached to the reconciliation. In all instances, the cardholder is responsible for ***ALL*** activity on the card issued in their name.

- Examples of an emergency or business necessity could include:
 - Procurements made because of a public calamity that requires the immediate purchase of goods and/or services to preserve the Park Board's property. An example of this would be a broken pipe that occurs outside normal working hours (M-F, 8:30 a.m. to

5:00 p.m.). Waiting until the next business day to obtain a check or ACH payment would cause additional damage and increase the cost of repair. In this case, use of a Park Board credit card to purchase repair parts would be allowable, even though a check could be obtained.

- Procurement is necessary to preserve or protect the public health or safety resulting in unforeseen damage to public machinery, equipment, or other property. An example of this would be a broken gas line at Dellanera RV Park. Immediate repairs are necessary to preserve the public health (employees and visitors to the park), and use of a Park Board credit card in this instance would be acceptable.
- When exceptions are granted, written permission must be included in the reconciliation that is submitted to the Accounting Department. The purpose of this is so the Park Board knows who was using the card, who authorized that use, and what was purchased. A Credit Card Checkout Form should be completed, and a copy must be included with the reconciliation.
- Department Heads reporting to the CEO may give written permission for their card to be used by members of their team without obtaining next level (CEO) approval.
 - An example of this would be an employee seeking permission to use a department head's card for an allowable purchase. In this instance, the department head's written permission is sufficient, and the CEO's approval is not necessary.
- Written permission may be conveyed via email, memo, or other medium so long as it is clear who gave the permission, who is using the card, and what is being purchased.

VII. Credit Card Purchases, E-reqs, Payment, & Reconciliation

- Procurement policies in effect by the Park Board are to be followed for all Park Board issued credit card purchases. ***Prior to making purchases over \$1,000***, an E-Req is to be submitted for approval. No purchase is to be made until an approved purchase order is issued, unless the purchase is for \$1,000 or less. Purchases under \$1,000 do not require the issuance of an e-req or Purchase Order (PO).
- To avoid paying interest and penalties, Accounting will issue payments when a statement is received. ***No additional payments will be made unless the controller and the CFO agree, and the supporting documentation for all posted and pending transactions is submitted to Accounting.*** Statements will be forwarded by Accounting to employees for reconciliation within two (2) business days of receipt of statements. Failure to submit reports and reconciliations by the due date will result in the card associated with the reconciliation being frozen and will be kept frozen until the reconciliation and supporting documents are received and reviewed by Accounting.

Credit card reconciliations are required to be prepared monthly and saved to DocsVault by the 25th of the month. If the 25th falls on a weekend or Park Board recognized holiday, the report will be due the next business day. A reconciliation of the credit card statement will be performed by the card holder, reviewed in detail and approved by the cardholder's immediate supervisor and department head, and audited by the Accounting Clerk. The credit card reconciliation will include sufficient documentation that

describes what was purchased, the nature of the expense, appropriate account coding, and justifies the use of public funds. When preparing credit card reconciliations, consider the following:

- All receipts must be original. If original receipts are not available, a copy of the original receipt is acceptable. Manipulated or adjusted receipts will not be accepted.
- All receipts for travel must be accompanied by proof of a scheduled event. This could be flyers, calendar invitations, or other documentation.
- Any purchases made for a specific event must be accompanied by proof of the scheduled event. This could be flyers, calendar invitations, or other documentation.
- Receipts for goods and services must be itemized. If the receipt is itemized, but the detail is not sufficient to determine the nature of the expense and justify the use of public funds, additional documentation must be obtained. This could include pictures and/or written descriptions of items purchased. An example of itemized receipts with insufficient detail would be receipts that only show a part number or UPC code - such as is found on a Wal-Mart receipt.
 - ***Non itemized receipts will not be accepted.*** The cardholder will be required to reimburse the Park Board for the value of the non-itemized receipt, regardless of who made the purchase. The reimbursement can be in the form of a check issued by the cardholder or a deduction from the cardholder's compensation as a Park Board employee.
- Receipts for meals must be itemized, include all attendees' names, business purpose of meeting and scheduled proof of the meeting.
 - ***Non itemized receipts will not be accepted.*** The cardholder will be required to reimburse the Park Board for the value of the non-itemized receipt, regardless of who made the purchase. The reimbursement can be in the form of a check issued by the cardholder or a deduction from the cardholder's compensation as a Park Board employee.
 - If a meal meeting is not incidental to operational need or if the meeting did not need to be a meal meeting (i.e., the meeting could have occurred without a meal), then the use of a Park Board credit card to purchase the meal is prohibited. For purposes of this policy, meal means breakfast, lunch, dinner, or any other food, or beverage.
- Uniform purchases must indicate which employee or individual the uniform is assigned to.
- Tangible goods and services purchases should be made through accounts payable to avoid paying sales tax. As a local governmental agency, the Park Board is not required to pay sales tax.

- Services, memberships, and registrations should be paid by check through accounts payable whenever possible. If that is not possible, support must include justification for not using accounts payable. **Poor planning is not an appropriate justification.**
- All statement reconciliations, and receipts will be saved to DocsVault for processing. Reconciliations must be turned in prior to the receipt of the next statement or the account will be frozen.

VIII. Approval of Credit Card Purchases, Statements, Reports, and Reconciliations

Credit card reconciliations will be submitted, reviewed and approved using Adobe Acrobat. -The approval hierarchy of credit card purchases, statements, reports, and reconciliations is as follows:

- Employees with a Park Board issued credit card will have their credit card purchases, statements, reports, and reconciliations approved in writing by their immediate supervisor **AND** their department head. Written approval will be in the form of a verifiable electronic signature through Adobe Acrobat. In instances where Adobe is unavailable or can't be used, a wet ink signature is acceptable.
- Supervisors and managers with a Park Board issued credit card will have their credit card purchases, statements, reports, and reconciliations approved in writing by their immediate supervisor (if applicable) **AND** their department head. Written approval will be in the form of a verifiable electronic signature through Adobe. In instances where Adobe is unavailable or can't be used, a wet ink signature is acceptable.
- Department heads with a Park Board issued credit card will have their credit card purchases, statements, reports, and reconciliations approved in writing by the CEO. Written approval will be in the form of a verifiable electronic signature through Docsvault. In instances where Adobe is unavailable or can't be used, a wet ink signature is acceptable.
- The CEO's Park Board issued credit card will have their credit card purchases, statements, reports, and reconciliations approved in writing by the CFO. Written approval will be in the form of a wet ink signature or in a verifiable electronic signature.
- The CFO's Park Board issued credit card will have their credit card purchases, statements, reports, and reconciliations approved in writing by the CEO. Written approval will be in the form of a wet ink signature or in a verifiable electronic signature.

No signature stamps will be used. Approvers of credit card purchases, statements, reports, and reconciliations must provide approval via verifiable electronic signature through Adobe Acrobat or via wet ink signature if Adobe is otherwise unavailable. Approval responsibilities **WILL NOT** be delegated to other employees – employees responsible for approving credit card purchases, statements, reports, and reconciliations **MUST** provide approval themselves.

IX. Cardholder Responsibilities

- Cardholders must retain transactional evidence to support all charges. An acceptable receipt for reimbursements of claimable business expenses on the credit card is an original itemized receipt. Any additional documents (order slips, photos, travel itinerary, registrations, etc.) that justify the purchase must also be retained and submitted with reconciliation.

- Cardholders will sign the reconciliation attesting to the accuracy and appropriateness of each transaction included in the reconciliation.
- Park Board credit card purchases without receipts are ultimately the responsibility of the cardholder. Any purchase that does not have a corresponding itemized receipt and justifying documentation will be disallowed and will require repayment to the Park Board by the cardholder, regardless of who used the card.
- Reimbursement for return of goods and/or services must be credited directly to the card account. No cash should be received by the cardholder.
- Lost or stolen Park Board credit cards must be reported to Accounting and cancelled immediately.
- Cardholders must ensure every purchase is an appropriate use of public funds. This includes ensuring all purchases covered by Hotel Occupancy Tax and Beach User Fees adhere to Chapter 351 of the Local Government Tax Code, and Section 31 of the Texas Administrative Code, Subsection 15.8, respectively.
- Cardholders are responsible for safeguarding their credit cards and reporting any loss, theft, or unauthorized use to their supervisor (if applicable), department head, CEO and CFO immediately.
- Cardholders must review and reconcile their monthly credit card statements, ensuring all charges are accurate and properly documented.
- Cardholders must comply with all applicable Park Board policies, applicable laws, and regulations regarding expenditure and financial reporting.
- Report any issues, missing receipts, misuse, theft, lost, or stolen cards, etc. to their supervisor immediately.
- Failure to adhere to the cardholder responsibilities will be considered a violation of this policy and could result in disciplinary actions including revocation of the Park Board issued credit card and termination from employment.

X. Manager, Supervisor, Department Head and Credit Card Purchase Approver Responsibilities


Any employee that reviews and approves credit card purchases, statements, reports, and reconciliations of another cardholder has the following responsibilities:

- Review, in detail and by item/transaction, each credit card purchase to ensure that it had a valid business purpose, adheres to Park Board procurement policy, and any applicable law(s).
- Must ensure every purchase is an appropriate use of public funds. This includes ensuring all purchases covered by Hotel Occupancy Tax and Beach User Fees adhere to Chapter 351 of the Local Government Tax Code, and Section 31 of the Texas Administrative Code, Subsection 15.8, respectively.
- Ensure the value of each purchase on the credit card statement is reconciled to the receipt and supporting documentation. Total each item on the receipt to ensure it matches the total value of the receipt.
- Ensure the purchases are coded to the appropriate fund, cost department, and account. Accounting staff will also help with this function.

- Review the monthly credit card statements, ensuring all charges are accurate and properly documented.
- Ensure all purchases comply with all applicable Park Board policies, applicable laws, and regulations regarding expenditure and financial reporting.
- Report any issues, missing receipts, misuse, theft, lost, or stolen cards, etc. to their department head, CEO, and CFO immediately upon realizing this has occurred or the next regular business day. Failure to do so will be considered a violation of this policy and could result in disciplinary actions including revocation of the Park Board issued credit card and termination from employment.

XI. Records Management and Audit

- All documentation associated with the payment of a Park Board credit card will be maintained by the accounting department in DocsVault.
- Cardholders should keep copies of receipts and statements for audit purposes or for future questions that may arise.
 - While original receipts are preferred, photos or digital copies of original receipts are acceptable. However, staff are expected to make every effort to obtain and retain original receipts.
- Audits of cardholder purchases will occur at the end of the fiscal year by external auditors. In addition, the controller and CFO, or their delegates, may conduct random audits. Additional third-party audits may also be performed.

Approved by:  _____

Kimberly Danesi, Chief Executive Officer

Effective Date: 11/21/2024

Board Approval Date: 11/12/2024

Park Board of Trustees

Approved

Schel Heydenburg






Credit Card Policy for signature

Final Audit Report

2024-11-21

Created:	2024-11-21
By:	Schel Heydenburg (pbadm@galvestonparkboard.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAD0DtcNMdfcP2NNVXtT-XfO9cNJKZrG3J

"Credit Card Policy for signature" History

-  Document created by Schel Heydenburg (pbadm@galvestonparkboard.org)
2024-11-21 - 4:28:43 PM GMT
-  Document emailed to Kimberly Hill-Danesi (kdanesi@galvestonparkboard.org) for signature
2024-11-21 - 4:29:01 PM GMT
-  Email viewed by Kimberly Hill-Danesi (kdanesi@galvestonparkboard.org)
2024-11-21 - 4:40:57 PM GMT
-  Document e-signed by Kimberly Hill-Danesi (kdanesi@galvestonparkboard.org)
Signature Date: 2024-11-21 - 4:41:13 PM GMT - Time Source: server
-  Agreement completed.
2024-11-21 - 4:41:13 PM GMT