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| Owner: | <i>Dhannetta Brown: Deputy CFO</i> |
| Policy Area: | <i>Management & Budget</i> |
| References: | |

Credit Card Policy

POLICY

It is the policy of Detroit Wayne Mental Health Authority (DWMHA) to account for the proper usage of corporate credit cards for purposes of conducting Authority business. The Chief Financial Officer (CFO) shall be responsible for the issuance, accounting, monitoring, and retrieval of all credit cards issued to the Authority, and in general for overseeing compliance with this policy.

PURPOSE

The purpose of this policy is to set guidelines for the use of a corporate credit card issued to Detroit Wayne Mental Health Authority (Authority). In addition, the relevant cardholders responsibility statement issued by the financial institution and the cardholders agreement govern the use of the corporate credit card.

APPLICATION

1. The following groups are required to implement and adhere to this policy: DWMHA Board, DWMHA Staff
2. This policy serves the following populations: Adults, Children, I/DD, SMI/SEI, SED, SUD, Autism
3. This policy impacts the following contracts/service lines: MI-HEALTH LINK, Medicaid, SUD, Autism, Grants, General Fund

KEYWORDS

None

STANDARDS

Background

Michigan Public Act 266 of 1995 became effective January 8, 1995 (Act). The Act authorizes the use of credit cards by local governments for appropriate expenses. The Act also sets specific criteria, which must be followed by local governments in order to remain in compliance with the Act's provision.

The Authority currently uses both an American Express Corporate Card and a Capital One MasterCard. Presently, there are three corporate cards: one (1) American Express Corporate Card issued to the Office of the Chief Financial Officer (CFO) and one (1) issued to the President/Chief Executive Officer (CEO), and one

(1) Capital One MasterCard issued solely to the CFO. Both cards are used exclusively for official Authority business, including, but not limited to, travel expenses such as airfare and lodging. No credit cards shall be issued to other Authority employees without the authorization of the CEO, made in consultation with the CFO.

Conditions of Employee Use

Cardholders are responsible for ensuring that they adhere to this Credit Card Policy, thereby ensuring adequate controls are exercised to minimize the risk that corporate credit cards may be used for fraudulent or corrupt purposes.

The Capital One MasterCard is registered under the personal credit profile of the CFO, and therefore may only be used in the event that the vendor **does not** accept American Express. The Capital One MasterCard will remain in possession of the CFO at all times. Both credit cards can only be used for expenses related to official Authority business.

The conditions of use are as follows:

- Any expenses other than those specifically authorized in the Disbursement, Procurement and Travel Policies are not permitted to be paid for using the credit cards. In the event that a specific expense is not addressed in the aforementioned policies, the Authority shall refer to the Act and 2 CFR 225 - Cost Principles for State, Local and Indian Tribal Governments for additional allowable expenses eligible for credit card use. Charging personal transactions to corporate cards is not acceptable unless approved by the CEO and/or Chairperson of the Board of Directors. The Division of Management & Budget (M&B), in order to ensure compliance with this policy, will scrutinize all cardholder transactions.
- Any employee using Authority credit cards shall be responsible for submitting to the Division of M&B documentation, including, but not limited to, receipts, detailing the goods and services purchased, the cost of goods or services, the date of the purchase, and the official business for which such goods were purchased. An acceptable receipt is an original receipt. Failure by authorized employees to provide receipts or creditable explanation for the unsupported expenditure will result in disciplinary action and may result in the employee personally reimbursing the charges.
- Cardholders may not use their card to obtain cash advances from banks, credit unions or automatic teller machines. This prohibition similarly extends to cash equivalents such as bank checks, traveler's checks and electronic cash transfers.
- Each employee issued a credit card and/or authorized to use an Authority credit card is responsible for its physical protection and custody, and shall immediately notify the Division of M&B if the credit card is lost or stolen. Employees shall return any issued credit card, upon the termination of his or her employment or services, to the Division of M&B.

Infractions of the conditions of this policy will result in cancellation of the card and withdrawal of an employee's corporate credit privileges. Breach of this policy can lead to disciplinary action up through and including termination against the staff member concerned. In all cases of misuse, the Authority reserves the right to recover any monies improperly expended from the cardholder and/or employee. Cardholders and/or employees will be required to sign a declaration authorizing the Authority to recover, from their salary, any amount incorrectly claimed.

Division of Management and Budget (M&B) Responsibilities

The following are the responsibilities of the Division of M&B with regard to Authority credit cards:

- Issue and update the Credit Card, Disbursement, Procurement and Travel Policies as necessary.

- Enforce and audit credit card policies and procedures, including revocation of cards as necessary.
- Ensure that, at no time, does the combined authorized limit of all credit cards issued by the Authority exceed \$100,000.
- Establish proper controls, including the development of internal procedures with Authority guidelines identified herein, to ensure all purchases comply with this policy.
- Maintain budgetary controls over credit card usage. In this regard, the Division of M&B shall develop a procedure whereby credit card invoices are reviewed and scrutinized in advance of payment.
- Monitor the use of the credit card by Division and/or employee in accordance with official policies.
- Report abuse of credit card usage and corrective action taken to the Chairperson of the Board of Directors.
- Promptly reconcile expenditures within 10 business days of the statement date so that invoices, inclusive of balance and any interest, are paid within 30 days of the initial statement date.
- Work directly with the Division and credit card companies to resolve billing disputes.
- Maintain documentation of transaction evidence to support all charges.
- Report cards lost or stolen immediately to the credit card company.
- The CFO shall include all expenses related to the credit card activity in the monthly and quarterly financial statements presented to the Finance Committee and to the Full Board, respectively.

Card Termination

The financial institution, the CEO and/or the Michigan Department of Treasury for reasons, including the following, may terminate the Authority's credit cards:

- Failure to comply with the Act.
- Failure to comply with this policy.
- In the event the account has not been reconciled for 60 days.
- In the event the cardholder is no longer on the Authority's payroll; including resignation, extended leave of absence without pay, termination or retirement.
- In the event there is no account activity in greater than 22 months.

If an account is terminated for delinquency or use of the card for personal charges, the account cannot be reinstated.

Public Records

All documents related to the corporate credit cards may be fully disclosed as a public record to the extent provided for by the open records laws.

QUALITY ASSURANCE/IMPROVEMENT

DWMHA shall engage an independent auditor to provide reasonable assurance that the financial reporting controls of the Authority are reliable and prepared in accordance with Generally Accepted Accounting Principles along with the Authority's adherence to this policy.

COMPLIANCE WITH ALL APPLICABLE LAWS

DWMHA staff are bound by all applicable local, state and federal laws, rules, regulations and policies, all federal waiver requirements, state and county contractual requirements, policies, and administrative directives, as amended.

LEGAL AUTHORITY

1. 2 CFR 225 - Cost Principles for State, Local and Indian Tribal Governments
2. Generally Accepted Accounting Principles (GAAP)
3. Governmental Accounting Standards Board (GASB)
4. Michigan Public Act 266 of 1995

RELATED POLICIES

1. Disbursement Policy
2. Fiscal Control & Accountability Procedure
3. Procurement Policy
4. Travel Policy

RELATED DEPARTMENTS

1. Administration
2. Compliance
3. Legal
4. Management & Budget
5. Purchasing

CLINICAL POLICY

NO

INTERNAL/EXTERNAL POLICY

INTERNAL

Attachments:

No Attachments

Approval Signatures

| Approver | Date |
|---|---------|
| Dana Lasenby: Acting Chief Executive Officer | 01/2018 |
| Allison Smith: Project Manager, PMP | 01/2018 |
| Lorraine Taylor-Muhammad: Director, Managed Care Operations | 01/2018 |
| Rolf Lowe: Assistant General Counsel/HIPAA Privacy Officer | 01/2018 |
| Michele Vasconcellos: Director, Customer Service | 01/2018 |
| Eric Doeh: Compliance Officer | 01/2018 |
| Bessie Tetteh: CIO | 01/2018 |

| Approver | Date |
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| Jody Connally: Director, Human Resources | 12/2017 |
| Michael Rangos: Director of Procurement | 12/2017 |
| Julia Kyle: Director of Integrated Care | 12/2017 |
| Brooke Blackwell: Communications Director | 12/2017 |
| Maha Sulaiman: Director of Utilization Management | 12/2017 |
| Kip Kliber: Director, Recipient Rights | 12/2017 |
| Corine Mann: Chief Strategic Officer/Quality Improvement | 12/2017 |
| Jean Alce: Interim Medical Director | 12/2017 |
| Donna Coulter: Dir. of OPA | 12/2017 |
| Andrea Smith: Director of Clinical Practice Improvement | 12/2017 |
| crystal Palmer: Director, Children's Initiatives | 11/2017 |
| Darlene Owens: Director, Substance Use Disorders, Initiatives | 11/2017 |
| William Sabado: Chief of Staff | 11/2017 |
| Stacie Durant: CFO Management & Budget | 11/2017 |
| Dhannetta Brown: Deputy CFO | 11/2017 |

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