

## FOUNDATION OF ADMINISTRATIVE JUSTICE

Policy D-2

*Last Updated: November 7, 2006*

### Credit Card Policy

#### **POLICY OBJECTIVE**

The credit card policy has been established to provide an efficient and economical method of purchasing and payment for regular supplies and prescribed services, where the total price does not exceed the delegated authority.

#### **USE OF CARD (Delegated Authorization)**

Pursuant to this policy, the credit card may be used to purchase:

- Supplies for FAJ use;
- Travel expenses subject to the FAJ Expense Policy;
- Registration fees to attend conferences and seminars as approved by the Board;
- Hosting and working sessions of the Board;
- Services provided to FAJ;
- Deposits on hotels for Society seminars, conferences and workshops;
- Membership fees for organizations the Society joins as approved by the Board; and
- Fees for training and development courses approved by the Board.

#### **PROHIBITED TRANSACTIONS (see Appendix A)**

The credit card must **not** be used for the purchase of:

- Cash Advances
- Personal Use
- Fee-for-Service or Personal Services Contracts
- Expenses for vehicles
- Parking/Traffic Fines
- Training and Development Credit Courses
- Hosting/working expenses greater than \$500.00 unless approved by the Board.

#### **ELIGIBILITY**

A Credit card will be issued to the Director or Executive Director responsible for purchasing supplies and prescribed services on a regular basis.

#### **AUTHORIZATION and LIMITS**

The individual named on the credit card is authorized to make certain business purchases (within delegated authorization) on behalf of the Society up to \$10,000.00. A Cardholder must never "split" the cost of one single item (whether goods or services) into multiple payments in order to circumvent the limits. The credit card limit should not exceed \$15,000.00.

## **COMPLIANCE**

All transactions must be reconciled and approved within 28 days of the billing date each month. Failure to use the credit card in compliance with this policy may result in the suspension or revocation of the credit card and possible filing of criminal charges.

## **MAKING A PURCHASE**

Only the individual whose name is imprinted on the card can make purchases.

Transactions may be declined by the automated system based on the following criteria:

- Over card limits (transactions, monthly);
- Cash withdrawals/advances restrictions;
- Merchant restrictions;
- Country restrictions.

When a transaction is authorized, the Cardholder receives the goods. The Cardholder must retain itemized, detailed receipts for the purchase. Cardholders must make every effort to obtain original, detailed receipts.

## **DOCUMENTATION (see Appendix B)**

The Society requires sufficient documentation for all purchases. Sufficient documentary evidence includes an original detailed/itemized receipt and an explanation of business purpose. Supporting documentation must always include:

- Detailed business purpose of the expense

### **And**

- Cash register receipt or
- Copy of the order form or
- Web receipt or email order acknowledgement from merchant

**Appendix A: Prohibited Transactions**

<b>Prohibited Transaction</b>	<b>Description</b>
Cash Advances	Cash advances include wire, transfer, money orders, automated teller machine and traveller's cheques. Cash advances are not permitted under any circumstances.
Fee-for-Service or Professional Service Contract	A Fee-for-Service or Personal Service Contract is when an individual or company is retained to provide a specific service. An employer/independent contractor relationship exists. They include temporary help contracts as well as rentals and maintenance agreements that require ongoing payments (weekly, monthly, annually).
Parking/Traffic Fines	Parking and traffic fines includes fines for excessive speed, parking violations, etc.
Personal Use	Do not purchase any goods or services that are primarily for personal use.
Training and Development Courses for Credit	Training and Development courses that result in the participant receiving credit (pass or fail) are prohibited.
Vehicle Expenses	Expenses for vehicles.

**Appendix B: Supporting Documentation for Transactions Form**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Organization: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

All receipts for transactions listed below are attached: \_\_\_\_\_ YES \_\_\_\_\_ NO

<b>Date of Transaction</b>	<b>Amount of Transaction</b>	<b>Reason and Description of Transaction</b>
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
<b>Totals:</b>	\$	<b>Number of Transactions:</b>

\_\_\_\_\_  
Signature of Cardholder

\_\_\_\_\_  
Date Submitted