

WCHO		<i>Policy and Procedure ISSUANCE AND USE OF CREDIT CARDS AND PURCHASE CARDS</i>	
Chapter: Finance/Contract Management Author: James Colaianne		Local Policy Number (if used)	
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I. PURPOSE

The purpose of this policy is to control and monitor the issuance and use of credit cards and purchase cards.

II. POLICY

It is the policy of the Washtenaw Community Health Organization (WCHO) to issue credit or purchase cards to selected officers or staff for the purpose of increasing purchasing efficiency and decreasing the administrative costs associated with the purchase of allowable goods or services.

III. APPLICATION

This policy applies to all officers and/or staff of the WCHO who are authorized to use a credit card or a purchase card for official business of the organization.

IV. DEFINITIONS

Credit Card: A payment mechanism to facilitate allowable purchases of goods or services germane to the business of the Washtenaw Community Health Organization (WCHO).

Purchase Card: A payment mechanism used for purchasing a limited, specific list of items. This card is not intended to replace Employee Expense reports for reimbursement of business-associated expenses such as mileage or travel costs.

V. STANDARDS

The WCHO Executive Director shall be responsible for the issuance of credit cards. The WCHO Executive Director or the WCHO Finance Director is responsible for the issuance of purchase cards. The WCHO Finance Department shall be responsible for the accounting, monitoring, and retrieval of information adhering to standards set forth below:

- A. Purchase and credit cards are to be used for official agency business purposes. Credit and Purchase cards cannot be used to circumvent the WCHO purchasing process.
- B. The WCHO is a tax-exempt organization and will not reimburse cardholders for sales tax on purchases. It is the cardholder's responsibility to ensure sales tax is not charged on purchases.
- C. Only selected officers and/or staff authorized by the WCHO Executive Director shall be issued credit or purchase cards.
- D. The WCHO Executive Director shall determine the specific official WCHO business for which credit or purchase cards may be used and will set reasonable limits that will allow for the efficient use of the cards.
- E. The WCHO Finance Department shall establish a system of internal controls to monitor the use of credit or purchase cards and procedures to pay invoices promptly.
- F. The WCHO Finance Department shall establish a system that ensures compliance of officer and/or staff responsibility. The responsibilities of the cardholder will be provided in writing to all cardholders. Disciplinary action will be applied when compliance is violated, including but not limited to the following violations:
 - a. The officer and/or staff issued a credit or purchase card is responsible for its protection and custody, and shall immediately notify the WCHO Executive Director or Designee if the card is lost or stolen; only the staff person issued the card may use the card for purchases.
 - b. The officer and/or staff issued a card shall return the card upon the termination of employment or appointment;
 - c. The officer and/or staff is responsible to submit all receipts within five (5) working days of use or within one (1) working day upon return from an approved trip;
 - d. The officer and/or staff will be subject to applicable disciplinary and legal measures for the unauthorized use of a WCHO credit or purchase card.
 - e. All purchases must be preauthorized by the WCHO, and follow all other internal controls established by the WCHO Finance Department.

VI. EXHIBITS
None

VII. REFERENCES

Reference:	Check if applies:	Standard Numbers:
42 CFR Parts 400 et al. (Balanced Budget Act)	X	
45 CFR Parts 160 & 164 (HIPPA)	X	
42 CFR Part 2 (Substance Abuse)	X	
Michigan Mental Health Code Act 258 of 1974	X	
JCAHO- Behavioral Health Standards		
MDCH Medicaid Contract	X	
MDCH Substance Abuse Contract	X	
Michigan Medicaid Provider Manual	X	
General Accepted Accounting Principles	X	
OMB Circular A87	X	

VIII. PROCEDURES

WHO	DOES WHAT
WCHO Executive Director	Approves issuance of credit card. Approves allowable purchase categories. Sets reasonable credit limits.
WCHO Finance Officer	Approves issuance of purchase cards. Establishes accounting process to monitor all cards.
Cardholder	Is accountable for the use of the card. May not allow any other person to use the card. Must have pre-approval for all purchases