

Southside

HOUSING ASSOCIATION

Credit Card Acceptable Use Policy & Procedures

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Senior Responsible Owner:	Head of Finance
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Section	Contents
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1. Purpose
2. Scope of Policy & Procedures
3. Overview
4. Conditions of Use
5. Reconciliation of Credit Card Statements
6. Security
7. Acceptable Use of the Credit Card
8. Hospitality
9. Misuse and Fraudulent Use
10. Policy & Procedures Review

Appendix 1 – Business Case for Corporate Credit Card

Appendix 2 – Credit Card Expense Form

Appendix 3 – Credit Card Procedures for Online Accounts and non-Cardholders

CREDIT CARD ACCEPTABLE USE POLICY AND PROCEDURES

1. Purpose

To provide a guide to all employees of Southside Housing Association (SHA) on the policies and procedures in place for the appropriate use of the corporate credit cards, including the supporting documentation and authorisation required.

All employees are responsible for complying with the policy and procedures and must ensure corporate credit cards are used appropriately and the Association finances are safeguarded.

2. Scope

This policy and the associated procedures relate to purchases made on SHA corporate credit cards and should be used in conjunction with the Association's other relevant policies and procedures including the:

- Financial Regulations
- Code of Conduct for Employees
- Procurement Procedure Rules
- Delegated Authority Policy
- Anti Bribery Policy

By complying with these regulations, employees responsible for purchasing items on the credit card will gain assurance that they have followed the appropriate financial procedures.

3. Overview

SHA will hold one credit card account with an appropriate credit limit to meet business needs, as agreed by the Director and the Head of Finance. Credit cards for this account will be held by those staff who have a specific business need which cannot be accommodated through the Association's normal purchasing procedures.

Any requests for a corporate credit card must be made to the Head of Finance, outlining the business case for the request (Appendix 1). The Head of Finance and Director will approve the addition of new card holders.

As per the card issuers application form (terms and conditions) the business contact for the account will be the Head of Finance, with the account administrators being the Finance Team.

Corporate credit cards must only be used in circumstances where normal ordering procedures are:

- Not available
- Not suitable; or

- Improved value for money is evident.

The corporate credit card is only available for use by the named cardholder

No other employees should make purchases using the credit card or have access to the card details or PIN number. Employees should raise concerns with the Finance Team or Senior Management Team immediately if these conditions have been breached.

Employees are responsible for ensuring adherence to all processes and controls set out in this policy and procedures document. Failure to comply with this policy may result in card use being suspended or withdrawn.

Misuse of the corporate credit card may constitute gross misconduct. SHA reserves the right to require repayment from the relevant employee of any sums relating to their misuse of the card and to invoke SHA's Disciplinary Procedure. This may also result in criminal prosecution for theft or fraud.

Use of the credit card, the agreed credit limit and cardholder access will be reviewed on a continual basis to enhance security and minimise potential liabilities and costs. Credit cards that are no longer required will be cancelled with immediate effect.

4. Conditions of Use

The corporate credit card may only be used for the purchase of goods or services consistent with the operational requirements and needs of SHA (or SFARS Ltd), where normal ordering procedures are either not available (e.g. out of hours) or have been considered as inferior (e.g. more expensive or time consuming).

The cardholder, must ensure that any purchases made do not breach the agreed credit limit in place.

Employees must ensure that adequate SHA budgets are available to cover the cost of the expenditure **before** it is incurred.

The corporate credit card **must not** be used for purchases of a personal nature or for non-business related transactions under any circumstances.

The credit card must only be used for card payment transactions. Direct debits, standing orders or online banking facilities **must not** be used.

The credit card **must not** be used to obtain cash, either from an ATM or as part of 'cashback' during a card purchase transaction, **under any circumstances**. Other procedures are available where cash is required for emergencies or at short notice. For further advice, please contact the Finance Team.

Any purchases on behalf of SFARS Ltd must be recovered in line with the inter company agreement reconciliation.

The cardholder must provide full supporting documentation, along with a completed credit card expense form (Appendix 3) and accompanying statement, to the Finance

Team. The credit card expense form must be reviewed and authorised by the cardholder's line manager. The Finance Team will retain this information for all credit card purchases in order to provide an adequate audit trail to the expenditure incurred through the bank. This includes:

- The original purchase request details (where applicable), with authorisation at the appropriate level of delegated authority.
- Evidence and/or explanation of why the purchase of goods or services is required on the credit card and not through the normal order process:
 - Purchase is more cost effective
 - Purchase is required urgently
 - Purchase is being made out of hours
 - Supplier does not accept purchase through the normal order process
 - Purchase receipts, invoices and goods received notes including all relevant supplier details and the VAT Breakdown (where applicable).

If it is required that an online account has to be set up before an order can be placed e.g. Amazon, eBay, Supermarket etc. then only the Senior Office Administrator (SOA) is authorised to set up an account on SHA's behalf. All passwords and account details will be retained by the SOA and Head of Finance and must not be disclosed to any other persons. Procedures for requesting purchases via online accounts are detailed in Appendix 2.

Ad hoc requests for credit card purchases by staff who do not have a corporate credit card must also follow the procedure outlined in Appendix 2.

5. Reconciliation of Credit Card Statements

The Finance Team will reconcile credit card statements on a monthly basis. All cardholders must ensure they forward their approved credit card expense forms and supporting documentation to the Finance Team monthly, in line with the specified timescales.

The Finance Team will reconcile the monthly credit card statements ensuring:

- The credit card expense form is appropriately authorised
- All supporting documentation is attached and accurate
- Ordering & delegated authority procedures have been adhered to
- VAT has been correctly identified
- All relevant sums have been recovered from SFARS Ltd
- Expenditure has been properly coded

In the event that any unauthorised transactions occur on the account, the Finance Manager should report them to the Head of Finance and Director and the credit card issuer as a matter of urgency.

6. Security

Cards should be signed by the named cardholder as soon as they are received and set up of the card must be completed, prior to card usage, in line with the card issuer's guidelines.

The unique Personal Identification Number (PIN) that is received with the card should be changed to a more appropriate, memorable SHA PIN prior to card usage. The PIN number must be kept secret, must never be written down and should not be shared with anyone under any circumstances, including to other SHA employees.

In order to further safeguard card security, the following general principles should also be followed:

- Whilst making purchases, employees are not to lose sight of the card to reduce the chance of someone 'skimming' the details i.e. using a device to copy details from the card
- Look out for suspicious devices on key pads
- Check the receipt is correct in relation to the amount and type of goods/services purchased before the PIN is entered or payment approved, and request and retain all the relevant receipts
- Destroy any unwanted or expired cards by returning to the Finance Team and witness them cutting through the signature, magnetic strip and chip and disposing of as part of the confidential waste process.
- Report any lost or stolen cards to the Finance Team and card issuer immediately
- Do not send card details via email or written communication under any circumstances
- Telephone/online payments should only be made with established suppliers with a registered address and verified accreditation. Where there is uncertainty around the authenticity or appropriateness of a supplier, the Finance Manager should be consulted.
- The terms and conditions signed up to with the card issuer as part of the application form must be adhered to at all times.

In addition, the following needs to be considered when purchasing goods online in order to protect card details and prevent against unauthorised usage:

- Secure websites will start with https, not http. Secure sites have an added encrypted transaction layer and should be used in all circumstances for online purchases.
- Purchasers must ensure that a secure browser is used in all circumstances.
- Standard symbols show an intact key or padlock where a site is secure and a broken key or padlock where a site is unprotected.
- If the website gives you the option of using a secure checkout method you must accept this.
- Ensure that a single browser is open when submitting card and personal data.
- The SHA IT Manager will be able to provide further advice and guidance where required, in conjunction with the ICT Security Policy guidelines.

To ensure the controls in place for the use of the credit card are operating effectively, the procedures in place will be subject to Internal Audit who will report any findings to the appropriate level of management and Audit Committee.

The Head of Finance or Finance Manager will carry out a monthly sample check of credit card expenses.

7. Acceptable Use of the Credit Card

In accordance with the Employee Code of Conduct, employees must ensure that they use the Association's funds entrusted to them in a responsible manner and for the purposes of the business.

The corporate credit card is only to be used in circumstances where normal ordering procedures are:

- Not available
- Not suitable; or
- Improved value for money is evident.
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Though not exhaustive or mutually exclusive, use of the credit card is generally acceptable in relation to the following types of purchases:

- Goods/services needed **urgently**, such as;
 - Rail travel and accommodation
 - Emergency repairs equipment, tools and sundries
 - Emergency accommodation for tenants
- Goods/services that cannot be acquired through the normal ordering process, such as;
 - Suppliers who only accept payment via credit card e.g. online job, adverts
 - Online subscriptions
 - Telephone orders
- Goods/services that can be purchased more cost effectively, such as;
 - Payment of court fees
 - ICT equipment
 - Tenant-led budget purchases
 - Repairs equipment, tools and sundries
- Goods/services that are required out of hours or offsite, such as;
 - Hospitality to tenants, Board Members, employees and third parties as part of ongoing business requirements, in line with the requirements of the Code of Conduct for Employees and Financial Regulations
 - Emergency changes to travel or accommodation requirements
 - Reciprocation of modest hospitality received from third parties that is reasonable in all circumstances, in line with the Code of Conduct for Employees and Financial Regulations

Use of the credit card is **not** acceptable under any circumstances for the following:

- Personal or non-business related expenses, including expenses with later reimbursement i.e. creating a temporary employee loan
- Tips and gratuities
- To obtain cash, either from an ATM or as part of 'cashback' during a card purchase transaction
- To pay a fine
- Beyond the approved expenditure/credit limit
- In contravention of any SHA policies e.g. financial regulations, contract procedure rules etc.
- Where use has not been approved by the appropriate level of delegated authority.
- Where approval for use has not been properly requested, documented or evidenced. SHA retain the right to recover costs from individual employees **where the required evidence of purchase cannot be provided.**
- To pay suppliers where there is any uncertainty over their credibility or authenticity.
- To purchase gifts or prizes specifically for employees where there may be taxable benefit implications.
- To purchase gifts, prizes or offer rewards to a third party in contravention of the anti-bribery guidelines or the Code of Conduct for Employees.

Where there is uncertainty over the use of the card for a specific purpose, the Head of Finance should be consulted and he/she will have authority to confirm if it is acceptable credit card use or not.

Where a deviation from the policy is required in terms of the acceptable use of the card, approval must be obtained from the Head of Finance prior to use. Such circumstances should arise only by exception. In such cases the Head of Finance will make a judgement based on reasonableness and the basis of the request and approval must be documented.

8. Hospitality

The Association recognises that there are occasions when the credit card may be used in the course of business activities to provide a modest level of hospitality. The Association seeks to manage these expenses in an open and transparent manner to ensure value for money and to safeguard the use of public funds.

For the purpose of this policy, credit card expenditure in relation to hospitality must be able to demonstrate that it:

- Has been incurred necessarily and exclusively for the business of SHA
- Provides a benefit to SHA
- Is properly documented and evidenced
- Is managed in a consistent and cost-effective manner

- Is specific enough that a third party reviewer can understand the business purpose for which the expenditure occurred
- Is available for scrutiny by Internal and External Audit, and the SHA Management Committee and Audit Committee
- Will stand up to public scrutiny
- It is the responsibility of the SHA employee to act in a reasonable manner and be satisfied that the level of hospitality offered was appropriate, reasonable and not excessive.

The following supporting information must be provided with each receipt in order to fully evidence the expenditure:

- Business purpose
- Date of the event
- Location
- Person or persons entertained and their affiliated organisation
- Amount
- Full details of the purchases made

Hospitality expenditure should be kept to a minimum in all circumstances and where possible, SHA facilities and services should be used.

Though not exhaustive, the following should be considered:

- Food and drinks should be taken at the most reasonably priced establishments and where possible.
- Receipts for dining alone are not permitted to be charged to the credit card and should be claimed via employee expenses, in line with subsistence allowances. Credit card receipts by themselves do not represent appropriate supporting documentation. A detailed bill/receipt will be required to evidence all purchases and participants.
- Discretion should be exercised in relation to the purchase and consumption of alcohol at business events.

9. Misuse and Fraudulent Use

The Association will take any misuse or fraudulent use of the corporate credit card very seriously. Misuse or fraudulent use of the corporate credit card will constitute gross misconduct.

SHA reserves the right to require the person responsible for the misuse or fraudulent use to repay any sums relating to the misuse or fraudulent use of the card and to invoke SHA's Disciplinary Procedure.

Consideration will also be given to cancelling credit card usage and limiting or revoking the employees purchasing authority.

This may also result in criminal prosecution for theft or fraud.

'Misuse' is defined as using the card for any expenditure that is non-business related, including those activities falling within the excluded categories above. 'Fraudulent use' is defined as using the card for any dishonest purposes, including the incorrect reporting and claiming of expenditure. For example:

- Claiming personal expenditure as SHA expenditure
- Falsifying records or documentation
- 'Double dipping' – using a card for expenses, purchases or costs where those costs have been or will be reimbursed as part of an allowance or expenses claim.

Employees should report any suspected misuse or fraudulent use to the Finance Manager, Head of Finance or Director immediately.

10. Policy & Procedures Review

The Head of Finance will keep this policy & procedure under review and after appropriate consultation may make any recommendation to the Management Committee as he/she considers necessary.

APPENDIX 1

REQUEST FOR CORPORATE CREDIT CARD

<u>Requested By:</u>	Name: _____ Date: _____
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	Job Title: _____
<u>Proposed Cardholder:</u>	
Name	
Job Title	
Nature of Role	
<u>Business Case:</u>	
Type of activity that necessitates regular use of credit card:	
Are normal ordering/purchasing procedures:	Complete this section with reference to the volume and/or value of credit card activity.
Not Available?	Yes/No
Not Suitable?	Yes/No
Will the use of a credit card lead to improved VFM?	Complete this section with reference to the volume and/or value of credit card activity. Yes/No

<u>Corporate Credit Card Approved:</u>	<u>Finance Use Only:</u>
Credit Card Limit	Amount: £ _____
Head of Finance	Approved: _____ Date: _____
Director	Approved: _____ Date: _____

APPENDIX 2

CORPORATE CREDIT CARD PURCHASES

PROCEDURES FOR ONLINE ACCOUNTS & NON CREDIT CARD HOLDERS

1. As per the Corporate Credit Card Acceptable Use Policy & Procedures, the following conditions are not permitted:
 - a. Credit card holders must not set up, or purchase from, online accounts (e.g. Amazon, Tesco etc.). One off, online purchases are acceptable so long as an account is not required.
 - b. Non credit card holders must not make purchases, online or otherwise, with a corporate credit card issued to another staff member.

2. In order to accommodate purchases that require a credit card payment to an online account or for a staff member without a corporate credit card, the following procedure must be followed:
 - a. The Senior Office Administrator (SOA) will administer all online accounts. The SOA will set up online accounts and maintain the login and password details. The SOA and Head of Finance will hold this information.
 - b. Requests for online purchases will be made via a "*Credit Card Purchase Request Form*" and must be authorised at the appropriate level of delegated authority. This form should then be passed to the SOA.
 - c. Requests for credit card purchases by non-card holders should also be made via the Request Form detailed in (b.) above.
 - d. The SOA will process the purchase and ensure the receipt and order documents are attached to the Request Form for reconciliation and audit purposes. This documentation will be provided as supporting evidence along with the credit card expense form.

