

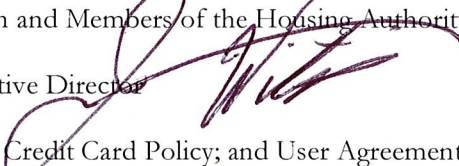


Berkeley Housing Authority

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Office of the Executive Director

Item 7C
NEW BUSINESS
April 13, 2023

To: Honorable Chairperson and Members of the Housing Authority Commission
From: James Williams, Executive Director 
Subject: BHA Credit Card; BHA Credit Card Policy; and User Agreement for BHA-Issued Credit Card

RECOMMENDATION

Resolution authorizing staff to apply for BHA Credit Card with individual limit of \$10,000 and an overall limit of \$20,000; and adopting the BHA Credit Card Policy and User Agreement for BHA-Issued Credit Card.

BACKGROUND

The BHA Finance Department is responsible in processing and paying accounts payable by using the Accounts Payable module of Elite Software. All payments are made by check or direct deposit. For transactions where payment by credit card is more efficient and sometimes the only acceptable mode of payment, staff had to use their personal credit cards first then request for reimbursement from BHA because BHA has no company credit card.

Many public housing authorities allow the use of credit cards to facilitate purchases necessary for the housing authority operations, lodging, and travel to approved PHA functions, and to facilitate other necessary transactions where the use of a credit card would expedite the transactions in an efficient manner.

FISCAL IMPACTS OF RECOMMENDATION

None. Credit cards shall be used to pay budgeted expenses only.

CONTACT PERSON

James Williams, Executive Director, (510) 981-5485
Jesy Yturralde, Finance Manager, (510) 981-5488

ATTACHMENT

1. Resolution
2. BHA Credit Card Policy
3. BHA User Agreement for BHA-Issued Credit Card

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 23-__

RESOLUTION AUTHORIZING STAFF TO APPLY FOR BHA CREDIT CARD WITH INDIVIDUAL LIMIT OF \$10,000 AND AN OVERALL LIMIT OF \$20,000; AND ADOPTING THE BHA CREDIT CARD POLICY AND USER AGREEMENT FOR BHA-ISSUED CREDIT CARD.

WHEREAS, the nature of the business of BHA requires purchases necessary for its operations, lodging, travel and training; and

WHEREAS, some establishments require a credit card guarantee or only accepts credit card as a mode of payment; and

WHEREAS, it has occasionally proved difficult for staff to transact business without having to use their personal credit card; and

WHEREAS, it is advisable to obtain an agency credit card for purposes of charging certain expenses relative to the business affairs of the Berkeley Housing Authority; and

NOW THEREFORE, BE IT RESOLVED, that the Executive Director is authorized apply for BHA Credit Card with individual limit of \$10,000 and an overall limit of \$20,000;

FURTHER RESOLVED, that the BHA Credit Card Policy approved;

FURTHER RESOLVED, that the User Agreement for BHA-Issued Credit Card is approved.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on April 13, 2023 by the following vote:

Ayes:

Noes:

Absent:

Attest: _____
James Williams, Secretary

BERKELEY HOUSING AUTHORITY
CREDIT CARD POLICY

The Berkeley Housing Authority (BHA) will have use of a credit card to purchase limited materials, supplies, and services, and to facilitate other necessary transactions where the use of a credit card would expedite the transaction in an efficient manner. Credit cards will be used only for the registration and **pre-approved** travel expenses related to conferences and/or workshops, and prepayments required by vendors where **no other form of payment is accepted**. **Personal use of the credit card is strictly prohibited.**

Purchases made via the credit card must comply with the BHA's procurement and financial policies and purchasing guidelines. A credit card is a method of payment and must conform to BHA's procurement and financial policies. In addition, all purchases made with the credit card must adhere to the approved operating budgets. **Cash advances using the credit card are strictly prohibited.**

It is the policy of BHA to minimize the number of credit cards that are maintained by BHA. As such, BHA will only use a major credit card that is accepted by virtually all merchants. The use of a merchant-specific credit card that cannot be used for purchases made at other stores is prohibited.

The Authority will establish a corporate credit card with an overall limit of **\$20,000**. Each card issued will have an individual limit of **\$10,000**. The card holder is solely responsible for all charges made to the credit card. Inappropriate use of the credit card will result in disciplinary action of the employee.

Points, rewards, or cash back earned using the BHA credit card belongs to the BHA or program budget that is charged and can only be used for housing activities associated with BHA or project. The credit card cannot be used as a payment method if a transaction or convenience fee is incurred.

BHA employees that are issued a BHA credit card are required to use the BHA-issued credit card for permitted BHA business. Use of a personal credit card for permitted BHA business is not allowed unless it is an emergency or prior approval has been obtained from the Executive Director.

CREDIT CARD PROCEDURES

The following credit card procedures are to be followed: 1) authorized credit card holder; 2) employee responsibility; 3) use of credit card; 4) return of goods/purchases; and 5) account reconciliation process.

Authorized Credit Card Holders

The administrator of the credit cards will be the BHA Finance Manager. Card holders will be required to complete a *Credit Card Use Agreement* form. The form provides a list of requirements accepted by the employee as well as providing an understanding of disallowed activities and costs. Credit cards will be issued to the following positions:

- Executive Director
- Finance Manager/Finance Department

Employee Responsibility

Employees are responsible for the purchases made on their credit card. The card holder may delegate use of the card to other individuals within their department, but the card holder is ultimately responsible for all charges against the card.

Card holders are responsible for the proper use and safeguarding of the credit card issued in their name. The card holder must immediately report any card that is stolen or that has fraudulent activity.

Inappropriate use of the credit card for transactions not related to BHA business may result in disciplinary action. The card holder will be responsible for any unauthorized purchases related to the misuse of the credit card.

BHA employees that are issued a BHA credit card are prohibited from using their personal credit card and seeking reimbursement unless it is an emergency or prior approval has been obtained from the Board.

Use of Credit Card

The card holder may make purchases in person, by phone, or on the Internet. Items must be shipped to the BHA business address. Telephone and Internet purchased must be made with reputable vendors only and the vendor must be notified at the time of purchase that BHA is tax exempt.

The card holder must retain all receipts, credit card slips, and other documentation supporting any charges against the card. These items must be submitted to the accounting staff as part of the reconciliation process.

The BHA's credit card may not be used for the following purchases:

- Office equipment
- Routine purchase of maintenance supplies, office supplies, or services that can be purchased using a purchase order, unless approved by the Executive Director
- Maintenance tools and equipment over \$250
- Personal items of any kind

Return of Goods/Purchases

Card holders are responsible for returns of goods purchased by the credit card and returns should be credited back to the card. Cash refunds are strictly prohibited.

Account Reconciliation Process

The card holder is responsible for submitting all credit card documentation to accounting for the monthly reconciliation of transactions. It is the responsibility of the card holder to investigate any discrepancies or erroneous charges to their card.

Credit card statements will be delivered to the finance department for verification of purchases and reconciliation of charges. Accounting will review the monthly statements and reconcile all charges to the documentation received by the individual card holders.

Executive Director or Board will ensure that any questionable charges are properly investigated and mitigated prior to payment of the credit card.

**BERKELEY HOUSING AUTHORITY
USER AGREEMENT FOR BHA-ISSUED CREDIT CARD**

The following user agreement must be signed by all employees of BERKELEY HOUSING AUTHORITY that are issued a credit card.

This Credit Card Use Agreement is between Berkeley Housing Authority (BHA) and (Employee Name as shown on credit card). By my signature on this Agreement, I will agree to comply with and be bound by the terms and conditions which follow.

1. I understand this Card is the property of BHA and I will be making financial commitments on behalf of BHA when using this Card. I agree that use of this Card is limited to business purposes authorized by BHA.
2. I agree this Card must not be used for any personal, unauthorized, or illegal charges and any such misuse will result in cancellation of this Card may further result in disciplinary action up to and including termination of my employment.
3. I will not use the card to obtain cash advances.
4. I understand that all purchases shall be made in accordance with the applicable BHA procurement, financial, and credit card policies and procedures.
5. I understand that I will be responsible for the timely reconciliation of all credit card transactions charged to my card.
6. I understand that I am responsible to provide appropriate documentation for credit card transactions charged to be card.
7. I understand that the credit card cannot be used as a payment method if a transaction or convenience fee is incurred.
8. I understand that any points, rewards, or cash back accrued from purchases made using the credit card belongs to the agency or program budget that is charged.
9. I understand that I am required to use the BHA-issued credit card for permitted BHA business. Use of a personal credit card for permitted BHA business is not allowed unless it is an emergency or prior approval has been obtained from the Board or Executive Director.
10. I will surrender the card to BHA in the event of my separation from the agency.
11. I understand that BHA may review and investigate the use of this Card and I have no expectation of privacy concerning any charges incurred. I will cooperate with any such review or investigation. I understand that any charges against the credit card that are not properly identified or not allowed by BHA shall be paid by me by check, United States currency or salary deduction. I further understand that any employee who has been issued a card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of BHA.
12. I will immediately report a stolen or lost card to BHA and to the Bank at the following number.

(Bank Telephone Number)

Please identify card as a ___(Visa, Mastercard, etc.) ___

I understand that any variance and/or violation of the above conditions will result in cancellation of my credit card. Misuse of the card could result in disciplinary action and/or personal liability for unapproved charges.

BHA shall have unlimited authority to revoke use of any credit card issued and upon such revocation shall not be liable for any cost subsequently charged to the credit card.

I HAVE READ AND I UNDERSTAND THE ABOVE CONDITIONS.

Name _____

Credit Card # _____

Signature _____

Date _____

