

## RESOLUTION FOR THE MINUTES

A RESOLUTION to amend the *Administrative Manual – By-Laws, Management and Personnel* by the addition of a new Chapter 9, entitled “Purchasing Cards,” and to update Chapters 5 and 6 for consistency with the new chapter.

WHEREAS, the Commission has determined that use of a purchase card (“P-Card”) system will: reduce costs and increase efficiency by reducing the need for manual expense reports and checks; provide better internal controls over expense approvals; eliminate employee reimbursement lag time for many or most expenses; and create opportunities for the payment of routine vendors through P-cards; and

WHEREAS, in addition to providing the above-described efficiencies, the Business Elite Credit Card Program offered by Wells Fargo, with which the Commission has a longstanding relationship, would cost the Commission less than our current credit card memberships and also provide cash rebates; now therefore,

BE IT RESOLVED by the Delaware River Basin Commission that:

The Commission’s *Administrative Manual – By-Laws, Management and Personnel* is hereby amended by:

- (a) the addition of a new Chapter 9, entitled “Purchasing Card,” the text of which is attached hereto as ATTACHMENT A.
- (b) the addition to Chapter 5, Section 5.13 B. “Causes for Disciplinary Action,” of a new paragraph 9, reading, “Failure to comply with the policies set forth in Chapter 9 relating to the employee’s use of a Purchase Card (P-Card).”
- (c) changes to Chapter 6 (“Travel Regulations”) consistent with ATTACHMENT B.

These amendments shall take effect immediately.

ADOPTED: September 13, 2017

## CHAPTER 9

### PURCHASING CARD

**Section 9.1 General.** The rules outlined in this chapter provide for the use of Commission-issued purchase cards (“P-cards”) for most purchases made in the course of normal Commission operations. Should needs arise for which the procedures described in this chapter are unsuited or inadequate, the employee shall notify the Commission’s chief financial officer (at the time of adoption of this Chapter 9, the Director of Finance and Administration), who will provide written purchasing instructions tailored to the circumstances.

**9.2 Permitted Uses.** Permitted uses include all Commission-related expenses consistent with approved budgets, individual purchase limits and other Commission policies. Examples of permitted uses are listed below; however, this list is not exhaustive.

<i>Allowable Use</i>	<i>Examples</i>
<i>Routine office expenses, including services</i>	<i>Office supplies Pest control Trash / waste removal Janitorial services Advertising</i>
<i>Other services</i>	<i>Licenses / permits Facility maintenance (snow removal, grass cutting) Subscriptions Membership fees Training and seminars Laboratory services</i>
<i>Travel expenses</i>	<i>Airfare Ground transportation (incl. rental car) Lodging Meals Fuel</i>

**9.3 Prohibited Uses.** P-cards should not be used for personal or non-Commission expenses. If the P-Card is used inadvertently for personal expenses, the financial officer should be notified promptly upon discovery of the use, and prompt reimbursement made in accordance with section 9.5D.3. If the P-card is used purposefully or repeatedly for personal expenses, the employee will be subject to disciplinary action, up to and including termination. Examples of prohibited uses are listed below. The list is not exhaustive. If an employee is uncertain of whether a particular use of the P-card is appropriate, the employee is directed to ask his or her supervisor or the chief financial officer for guidance.

<b>Prohibited Use</b>	<b>Examples</b>
<i>Personal expenses</i>	<i>Travel expenses for family members</i> <i>In-room movies</i> <i>Salon services</i> <i>Souvenirs</i> <i>Airline or hotel clubs</i> <i>Daily commute expenses</i> <i>Tobacco</i> <i>Alcoholic beverages</i> <i>Tickets for traffic violations</i> <i>Other fines/penalties.</i>
<i>The following services are not to be procured using the P-card:</i>	<i>Cash Advances</i> <i>Any form of personal identification</i> <i>Donations</i>

**9.4 P-Card Issuance**

9.4 A. *P-card Administrator.* The Executive Director shall designate as the P-card Administrator the Commission’s chief financial officer or other financial manager.

9.4 B. *Employee Request.* The procedure for P-card issuance shall be as follows:

1. Any employee may request a P-card by submitting a request to the P-card Administrator in such form as the P-card Administrator may prescribe, and to the employee’s supervisor. The approval of both the employee’s supervisor and the P-card Administrator shall be required prior to issuance of the P-card.
2. The P-card Administrator or his or her designee will create the cardholder profile and establish the P-card limit with the issuing bank (see sample portal screen provided as Figure 9.4-1).
3. The employee shall agree to the terms of issuance by signing an “agreement to accept” letter or equivalent (sample provided as Figure 9.4-2).
4. Upon furnishing a copy of the signed “agreement to accept” letter (or equivalent) to the P-card Administrator for DRBC files, the employee may be issued the P-card.

9.4 C. *Review.* The P-card Administrator shall review each request form for completeness and accuracy. If any fields are not complete, the P-Card Administrator shall return the form to the requester’s supervisor for completion and re-submission to the P-card Administrator.

9.4 D. *P-card Replacement.* P-cardholders are to report lost or stolen cards to the issuing bank and the P-card Administrator promptly when the loss is discovered. The missing card will be cancelled and a replacement card issued.

9.4 E. *Spending Limits.* Spending limits shall be set by the chief financial officer for each P-card, based upon the cardholder’s employee grade and position, including any unique purchasing needs associated with the employee’s responsibilities. A P-cardholder may request a

temporary (up to 14 days) adjustment to the cardholder's spending limits to accommodate short-term travel needs. Any short-term excess spending needs that do not involve travel should be coordinated with the chief financial officer.

## **9.5 Submission and Approval of Charges to the P-Card**

- 9.5 A. *Documentation.* The P-cardholder shall obtain a receipt for all charges placed on the P-card. Receipts shall be submitted to the cardholder's supervisor for review and approval in such form – including the use of particular software – as the chief financial officer may prescribe.
- 9.5 B. *Review.* The P-cardholder's supervisor shall review all P-card charges for sufficiency of documentation as to: (1) what was procured; (2) who was involved; (3) where the transaction took place; (4) why the transaction was necessary; and (5) whether the account ledger code is correct. Upon approval by the supervisor, an expense report shall be furnished to Accounts Payable. If a supervisor is not available to review and approve an expense report, the chief financial officer may delegate this authority to other senior management personnel.
- 9.5 C. *DRBC Compact Requirements.* The P-card system shall in no way affect adherence to Section 14.9 ("Purchasing") of the Compact, which shall remain controlling for all purchases covered by that section.
- 9.5 D. *Missing transaction receipt; personal charge.*
1. When a receipt is missing, the P-cardholder shall provide his or her supervisor with a completed "Missing Receipt Form."
  2. If a missing receipt is later found, the cardholder shall promptly submit it to Accounts Payable.
  3. The P-card is not to be used for personal expenses. If personal charges are incurred on the P-card, the cardholder shall submit a check payable to "DRBC" promptly for the sum of the personal charges.

## **9.6 Unprocessed Expense Aging**

- 9.6 A. *Account Reconciliation.* The commission finance group and the card-issuing bank will perform monthly reconciliations to identify open charges not yet processed (i.e., charges for which documentation has not been submitted). Each P-cardholder will receive an email notification regarding his/her unprocessed expenses aged 30 days or more.
- 9.6 B. *Consequences of Unreconciled Expenses.*
1. When charges go unprocessed for 45 days, the P-cardholder's account may be deactivated.
  2. When a P-cardholder's expenses go unprocessed for 60 days, P-card privileges may be revoked and the P-card deactivated.

3. A suspended P-card account may be reactivated upon submission to the P-card Administrator of a satisfactory written explanation for the delay in processing transactions.

**9.6 Waivers.** Any deviation, waiver or exception from the procedures set forth in this Chapter 9 shall require the prior written approval of the Executive Director. The P-card Administrator shall be responsible for maintaining a record of each waiver request and the corresponding determination. Any cardholder who receives a waiver also is responsible for retaining documentation of the waiver approval.

**9.7. Non-compliance.** An employee who violates or circumvents the practices set forth in this Chapter 9 may be subject to disciplinary action, including termination.

Figure 9.4-1 – Sample Agreement to Accept P-Card; Training Acknowledgement

**AGREEMENT TO ACCEPT  
THE WELLS FARGO BANK PURCHASE CARD FOR BUSINESS**

*The Delaware River Basin Commission is pleased to present you with this Purchase Card. It represents the DRBC's trust in you and your empowerment as a responsible agent to safeguard and protect the Commission's assets.*

*I, «**Employee Name**», hereby acknowledge receipt of a Wells Fargo Purchase Card for Business. I have reviewed and understand Chapter 9 ("Purchasing Card") of the Administrative Manual-By-Laws, Management and Personnel.*

*I agree to use this Purchase Card for DRBC-approved purchases **only** and agree **not to** charge personal purchases. I understand that DRBC will audit the use of this Purchase Card and report any discrepancies.*

*I further understand that improper use of this Purchase Card may result in disciplinary action up to and including termination. I understand that all posted transactions are required to be reviewed and approved within 60 days or a penalty of card termination will be enforced.*

*I understand that the DRBC may terminate my right to use this Purchase Card at any time for any reason. I agree to return the Purchase Card to DRBC immediately upon request or upon termination of employment.*

**Please complete and initial the following statement.**

*I have read and agree with Chapter 9 of the Administrative Manual – By-Laws, Management and Personnel setting forth procedures for issuance and use of a P-card.*

\_\_\_\_\_  
**(Print cardholder name)**

***(Please complete and sign the acknowledgement form below)***

*As an Authorized Cardholder, I have read, understand, and agree to comply with the terms and conditions of this Agreement and the P-card procedures set forth in the Commission’s regulations.*

\*\*\*\*\*

**Cardholder:**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Phone \_\_\_\_\_

**Approving Supervisor:**

Signature \_\_\_\_\_ Date \_\_\_\_\_  
«Approver Name»

Phone \_\_\_\_\_

**Limits for Assigned Purchase Card:**

Monthly Dollar Limits:                      «Monthly\_Dollar\_Limits»

Single Purchase Dollar Limits:            «Single\_Purchase\_Dollar\_Limits»



***P-Card Cardholder  
Acknowledgement of Training***

***I, \_\_\_\_\_, have read, watched, and listened to the***  
*(Clearly Print or Type Employee Name)*

***P-card training materials and have read and understand my  
responsibilities as outlined in the P-Card Cardholder Agreement.***

\_\_\_\_\_  
*(Signature of P-card Recipient)*

\_\_\_\_\_  
*Date*



## CHAPTER 6

### TRAVEL REGULATIONS

**Section 6.1 General.** These regulations are intended to cover most travel requirements which may arise in the normal operation of Commission activities. Should circumstances arise that are not covered by these regulations, the employee shall notify the Commission's chief financial officer (at the time of rule adoption, the Director of Finance and Administration), who will provide the employee with written instructions for the proper handling of travel costs under the special circumstances motivating the request. All questions relating to the interpretation of these regulations will be submitted to the chief financial officer for determination. Should the employee disagree with the determination of the chief financial officer, he or she shall have the right to appeal to the Executive Director.

*Official Station.* The official station of all Commission employees shall be the Commission's West Trenton, New Jersey headquarters building unless otherwise designated by the Executive Director. No travel costs between the employee's residence and the official station shall be reimbursable except as provided in Section 6.7 of this Manual.

#### **6.2 Travel Authorization.**

##### *6.2 A. Advance Approval Required.*

1. *Within Basin.* All travel within the borders of Basin states and to Washington, D.C. shall be considered Within Basin Travel. Travel within the Basin to conduct Commission business requires advance verbal approval by the traveler's supervisor.
2. *Outside Basin.* All other travel to conduct Commission business shall be considered Out-of-Basin Travel and shall require advance written authorization by the Executive Director.
3. *Conventions and Multi-day Conferences.* All convention and multi-day conference expenditures must be authorized in advance by the Executive Director.

*6.2 B. Emergencies.* Whenever travel has been undertaken without advance approval due to an emergency, the request for approval must be submitted immediately after the trip and prior to the submission of a request for reimbursement. In such cases, the request must contain a satisfactory statement of the facts constituting the emergency.

**6.3 Vehicles.** Official travel shall be in Commission-owned vehicles where possible. When it is in the best interest of the Commission, travel by other means may be authorized.

##### *6.3 A. Use of Commission-owned Vehicles.*

1. *Eligible Drivers.* Commission-owned vehicles shall be operated only by authorized Commission officials and employees possessing a valid driver's license.
2. *Fines.* Fines for traffic violations, including overtime parking, are not reimbursable and shall be paid by the operator of the vehicle responsible for the violation.
3. *Fuel, Supplies.* Insofar as possible, the purchase of all fuel and oil shall be handled through P-cards issued in accordance with Chapter 9 hereof or credit cards furnished

for this purpose. Except in emergencies, all other vehicle supplies and parts should be procured through the Commission.

4. *Emergency Purchases.* When emergency purchases are necessary, the employee should obtain the best quality at the lowest possible price under the circumstances. In such instances, the employee's reimbursement request shall be accompanied by an explanation as to the necessity for the purchases.

Where possible, such expenses may be charged directly to the Commission by the vendor (preferred), or executed with a P-card or Commission-issued credit card.

5. *Parking, Tolls.* Where travel is by use of Commission-owned vehicles, reasonable parking fees and toll expenses will be allowed.
  6. *Non-business Hours.* Where a Commission-owned vehicle is to be used at times other than normal work-day hours, verbal approval shall be obtained from the Executive Director or his or her designee. Cars may be taken home by authorized employees who are starting a non-local trip the following morning or who are returning from such trip after the normal work day.
  7. *Vehicles Not in Use.* When staff cars are not in use, they will be kept in the parking lot of the Commission's West Trenton headquarters building.
  8. *No smoking.* Except as otherwise authorized by the Commission, smoking within vehicles owned by the Commission is prohibited.
- 6.3 B. *Employee-owned Vehicle.* When the use of a privately-owned vehicle has been approved in advance, the officer or employee may be reimbursed for actual transportation expenses (including fuel, insurance and wear-and-tear) based on mileage, as well as for reasonable parking expenses and tolls.

To be eligible for reimbursement for the use of a privately-owned vehicle for Commission business, an employee must provide the chief financial officer in advance of such use with evidence that he or she has up-to-date liability insurance with minimum coverages of \$25/50,000 for personal injury liabilities and \$10,000 for property damage.

When an employee uses a personal vehicle for Commission business, the employee will be reimbursed for mileage at the rate established annually by the Internal Revenue Service.

- 6.3 C. *Air Travel.* Transportation by scheduled airlines may be authorized when cost or time considerations justify such travel. Class of travel will be "coach" or equivalent.
- 6.3 D. *Rail.* Transportation by rail may be authorized when cost or time considerations justify such travel.
- 6.3 E. *Taxicabs, Ride Services.* Taxicab or ride service charges will be permitted when justified.
- 6.3 F. *Travel Route.* All travel shall be by the most direct, economical, and usually-traveled route. Travel by other routes may be allowed when need is demonstrated in advance of such travel.

In case a person travels by an indirect route or uses a more expensive mode of travel for personal convenience, the extra expense will be borne by the individual, and reimbursement for expenses will be based only on such charges as would have been incurred by the most direct, economical and usually traveled route.

**6.4 Lodging.** Reimbursement for lodging expense shall be limited to the actual expenses incurred subject to maximum rates set by the Executive Director. The Executive Director may approve rates in excess of these maximums, if warranted.

**6.5 Meals.** Reimbursement or Commission payment for meal expenses shall be limited to the actual expenses incurred, including tips and gratuities, and shall be subject to maximum rates set by the Executive Director. The Executive Director may approve rates in excess of established maximums, if warranted.

**6.5 A. *Meals Eligible for Commission Payment or Reimbursement***

1. *Limited Travel.* Travel that does not require an overnight stay shall be considered limited travel.

*Lunch.* When conducting official Commission business spanning the lunch hour. Routine lunches among Commission employees are not considered official Commission business.

*Dinner.* When the employee is required to end travel after 8:00 p.m.

2. *Extended Travel.* Travel that requires an overnight stay shall be considered extended travel. Meal reimbursement or Commission payment will be authorized for all meals normally falling within the travel period.

**6.5 B. *Non-eligible Meal Expenses.*** The following are ineligible for reimbursement: (1) alcoholic beverages; (2) snacks; (3) “break” drinks (coffees, sodas, iced teas, etc.), except as part of eligible meals or as may be needed for field work hydration and safety.

**6.6 Other Travel Expenses.**

**6.6 A. *Communication Expenses.*** Reimbursement will be limited to the actual expenses incurred for the conduct of official Commission business.

**6.6 B. *Miscellaneous Expenses.*** Charges for necessary services for the conduct of Commission business will be eligible for reimbursement.

**6.6 C. *Travel Incident to Recall or Return from Leave Status.*** When an employee who is absent from the official station on leave of absence is ordered by the Executive Director to return to work, the employee is entitled to be reimbursed for all costs caused by the recall.

**6.7 Overtime Expenses.** Commission employees who are required to work overtime shall be entitled to the following:

**6.7 A. *Regular Work Day.*** When an employee works overtime on a regular work day and the overtime work causes the employee to arrive home after 8:00 p.m., the employee shall be entitled to reimbursement for dinner expenses as indicated in Section 6.5 of this chapter.

6.7 B. *Other than Regular Work Day.* When an employee works overtime on other than a regular work day, the employee shall be entitled to be reimbursed for travel expenses to and from work as indicated in Section 6.3 of this chapter. The employee shall be entitled to meal allowances as indicated in Section 6.5 of this chapter under the following circumstances:

*Lunch.* If the overtime extends beyond the noon hour.

*Dinner.* If the overtime causes the employee to arrive home after 8:00 p.m.

**6.8 Expense Report.** All claims for Commission payment or reimbursement of expenses shall be submitted on a properly completed Expense Report. Appropriate supporting data and receipts will be required. Where receipts are not available, a full explanation of the nature of the expenditure should be included with the Expense Report. Expense Reports shall be submitted for each pay period in which the employee has incurred expenses. Expense Reports shall be approved by each employee's direct supervisor or upper level supervisor.