

NOTICE OF CONNECTICUT STATE AGENCIES

Paid Family & Medical Leave Insurance Authority

Notice of Policy Change

In accordance with sections 1-121 and 31-49h of the Connecticut General Statutes, notice is hereby given that the Board of Directors of the Connecticut Paid Family and Medical Leave Insurance Authority (“hereinafter the CT Paid Leave Authority”) intend to adopt the following policy relating to the usage of credit cards by employees of the CT Paid Leave Authority, including the Credit Card Use Agreement and Lost Receipt Certification form.

All written comments regarding these procedures must be submitted by January 21, 2021 to the CT Paid Leave Authority via email at PFMLIAComments@ct.gov.

CREDIT CARD POLICY

Policy brief & purpose

The Paid Family and Medical Leave Insurance Authority (the “Authority”) may provide employees with credit cards that can be used for business-related expenses. Having these cards helps us track and process our expenses, prevent fraud, and make payments more efficiently. We want to make sure that employees who hold Authority credit cards will use them properly and will know their limitations and responsibilities.

Scope

This policy applies to all employees who are eligible to use an Authority card. It also applies to employees who have the right to approve the use of an Authority card for their team members.

Policy elements

Here we outline our general rules about Authority credit cards.

How does an Authority credit card work?

Usually, the Authority will take out a credit card in your name. You will be able to use it for business-related expenses and the Authority will pay the card bills.

Employee credit card agreement

When the Authority gives you a credit card, you will need to sign and abide by a credit card agreement. This is to acknowledge that the credit card belongs to the Authority and that we can process and investigate charges as we see fit. It will also refer to your responsibilities and the consequences for incorrect use.

Apart from the agreement, you can consult this policy every time you need more information about the use of the Authority credit card.

Who can hold an Authority credit card?

Authority credit cards may be given to those individuals authorized by the Chief Executive Officer (CEO).

Sometimes, employees who do not hold an Authority credit card need to pay for large business-related expenses (e.g. plane tickets for work travel). In these cases, please ask your manager for approval and ask the Controller to coordinate with an individual who has an Authority credit card to pay on your behalf. Alternatively, you can pay for the charge yourself and expense it via our Business Travel & Related Expenses Policy. If it meets our requirements, the expense will be reimbursed.

We have the right to withdraw an Authority credit card from an employee at any point.

What expenses are allowed on an Authority credit card?

You can use an Authority card to pay for work-related expenses only. This includes:

- Expenses involved in meeting with clients, board members, vendors, or other appropriate business partners (e.g. dinner, printed material)
- Hotel or similar accommodations during work-related travel
- Legal document expenses (e.g. Visa)
- Air, train, ship, or other transportation fares
- Local transportation during work-related travel (taxi fares, rental cars etc.)
- Other minor or per diem expenses that have been approved by your manager (e.g. meals, business materials)
- Training and educational material approved by your manager
- Other expenses allowed under the Business Travel & Related Expenses Policy

You must not use an Authority credit card for non-authorized or personal expenses. Any personal expenses must be reimbursed to the Authority within thirty days of the charge. Never withdraw cash using the Authority's credit card or use it to purchase traveler's checks. You are also not allowed to purchase alcohol, drugs, weapons, pornography or any illegal material or substances or incur charges for any kind of adult entertainment.

All receipts for purchases made with the Authority credit card must be submitted to the Authority no more than 30 days after the charges are incurred.

Exceptions

You may apply for an exception to this policy if absolutely necessary. Inform the CEO and your manager about the expense you want to make – you might receive authorization in special cases. If you fail to obtain special authorization, you will be responsible for any expenses you incur and you may also face further disciplinary action, up to and including termination.

The limits of the Authority credit card

The card limits depend on a number of factors, including your position within the Authority, your job functions and responsibilities and the frequency or type of the expenses you incur. You will usually see your card's limits on the employee agreement, but, as a general rule, the monthly limits are:

- \$5,000 in cards used by non-executives.
- \$10,000 in cards used by executives.

We may adjust these limits based on your job's specific needs. If you are not sure about the limits of your Authority credit card, ask our accounting department.

Your responsibilities

If you have an Authority credit card, we expect you to:

- **Protect it to the best of your ability.** Do not leave it unattended or give it to unauthorized people (e.g. friends, family, colleagues) even just to hold. Keep it in accessible but secure locations, and make sure that account numbers on Authority credit cards are not posted or left in conspicuous places.
- **Report it stolen or lost as soon as possible.** If, for example, there's a break-in at your home and your Authority card is taken, you need to immediately report it to the card issuer, inform the CEO, and file a police report if appropriate. Statistics on stolen charge cards indicates that unauthorized use of stolen cards is greatest in the first few hours after the theft.
- **Use it only for approved reasons.** Follow the instructions in this policy and the employee card agreement, and do not use the card for personal or unauthorized expenses, even if you intend to compensate the charges later. Authority credit cards must NOT be used to pay for personal vacation or travel.
- **Document all charges to an Authority card and submit on an expense report.** Please keep receipts and submit documentation with the date and purpose of the expense. All purchases must be supported by an invoice and documentation of the goods/services purchased and, if applicable, related to a specific event, meeting, or project. Receipts for all expenditures must be kept in good order and to furnish those receipts promptly (within 30 days of the transaction), together with such additional documentation that may be required by IRS and good business practices, including but not limited to person, place, purpose, and account to which each expense should be charged. The credit card statement is not considered adequate documentation for a purchase. If a receipt cannot be provided, then a Lost Receipt Certification Form must be completed and signed in its place.

If you are responsible for authorizing and approving credit card invoices, please do so within the time limits to avoid late fees.

Use of Authority credit card policy

When you are using the Authority credit card, you should:

- Confirm that the particular expense is allowed under this policy and the Business Travel & Related Expenses Policy.
- Mind the credit card limit and the transaction limit so you can plan business expenses properly.
- Keep the credit card number and physical card secure.
- Use the card sensibly and avoid unnecessary expenses even if they are allowed under this policy and the Business Travel & Related Expenses Policy.

Violating this policy

We expect you to comply with this Authority credit card policy and the employee agreement and we may need to take action if you violate them – see the Progressive Discipline Policy and Standards of Conduct sections of the Employee Manual. All transactions processed on an Authority credit card are subject to examination by internal and external auditors. The Authority has the right to review your credit card use and withdraw permission to use the credit card if there is any instance or pattern of inappropriate or unauthorized use. For example:

- Using the Authority credit card for personal use or unauthorized expenses is prohibited. If you incur personal or unauthorized expenses, they will be repaid by you immediately, deducted from future reimbursement, or considered a personal loan to be repaid through payroll deduction. If you do this consistently, you may face disciplinary action, up to and including termination.
- If you lose a receipt, you will need to inform the accounting department in writing immediately. We may find a solution if this happens rarely, including the completion of a Lost Receipt Certification Form, but if you fail to submit receipts consistently, you may lose the right to hold an Authority card.
- If you fail to submit expenses on time, and the Authority incurs late fees as a result of your failure to adhere to the credit card policies, you will be responsible for paying the late fees. Doing this repeatedly will mean loss of the Authority credit card privileges and may lead to further disciplinary action.
- Giving an Authority credit card to unauthorized people or abusing the expense limits may result in suspension or termination of the card and subject you to disciplinary action, including termination.
- Making prohibited purchases as mentioned previously (e.g. weapons, drugs) will result in immediate termination, and possibly legal action.
- Intentional misuse or fraudulent abuse of any Authority credit card may result in disciplinary action, up to and including dismissal and/or criminal or ethical sanctions. In addition, the authorized card holder shall promptly reimburse the Authority for any improper or unacceptable purchases, and has personal liability for misuse.
- Honest inconsequential improper use of the card (you make an honest error) that is brought to the attention of the CEO and quickly remedied will not be considered misappropriation of funds, but may result in temporary suspension of card usage.

The Paid Family & Medical Leave Insurance Authority does not accept liability for the following:

- Unauthorized use of Authority credit cards.
- Account numbers that are fraudulently used.

Authority responsibilities**• Review of credit card statements/purchases**

Your immediate supervisor is responsible for reviewing all expenses submitted on your expense report, including those made by credit card. In addition,

the Controller will review credit card activity no less than quarterly, and the Chief of Staff will do a secondary review no less than every six months.

If there is any suspected irregular or potentially inappropriate use, this should be brought to the CEO's attention immediately. Any confirmed cases of inappropriate use of at least \$1,000 should be brought to the Board's attention at the next regularly scheduled meeting.

- **Inventory of credit cards**

No less than annually, the Controller will verify the cardholders are in possession of their cards to proactively identify any inadvertent cases of loss.

- **Cancellation of cards**

Any cards to be cancelled or suspended because the card is lost, stolen, misused, etc. will be done so immediately by the Controller.

(continued)

CREDIT CARD USE AGREEMENT

This Credit Card Use Agreement (“Agreement”) is between the Paid Family & Medical Leave Insurance Authority (“Authority”)

and

Employee Name (Print)

Credit Card Number (last four digits on card)

I am the employee named above and I received the above-listed credit card associated with the commercial credit account of the Authority (“Card”) and I confirm all my information is correct. By my signature on this Agreement, I will agree to comply with and be bound by the following conditions:

1. I understand this Card is Authority property and I will be making financial commitments on behalf of the Authority when using this Card. I agree that use of this Card is limited to business purposes authorized by the Authority. 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 and may further result in disciplinary action up to and including termination of my employment.
2. I understand the Authority may review and investigate 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 agree to be held personally liable for the total dollar amount of any improper charges incurred plus any administrative fees assessed in connection with misuse of this Card. I agree that any personal, unauthorized, or illegal charges made by me, including any administrative fees, finance charges, and/or late fees assessed in connection with such charges, and paid for by the Authority on my behalf, will be repaid immediately, deducted from future reimbursement, or considered a personal loan to be repaid through payroll deduction. I understand that a payroll deduction on my loan will be subject to the limits set forth by applicable law. If such deductions are not permitted by law or are insufficient to fully reimburse the Authority, I will repay the Authority these amounts plus finance or other charges due in connection with the misuse of this Card and the Authority may take appropriate legal action to collect the monies owed. If the Authority is required to take legal action to collect monies owed, I agree that I may be liable for improper charges that result from allowing others to use this Card.
3. I agree to reconcile my expenses and timely submit an expense report from which the Authority will pay the charges incurred in connection with this Card. The expense report will be submitted using the Authority’s standard expense reporting system and shall be supported by appropriate documentation as required by the Authority. If I fail to timely submit accurate and complete expense reports, the Authority will consider the unsupported charges incurred in connection with this Card to be a personal loan and may collect those amounts from me as described herein.
4. I agree to return this Card immediately upon request by management or upon termination of my employment for any reason (including retirement) with the Authority. I understand that this Agreement is revocable by me at any time upon written notice to my immediate supervisor at the Authority. If revoked, I understand I must stop using the Card immediately and return it

to the Chief Executive Officer (CEO) with my revocation notice. I understand that if revoked, I remain responsible for any misuse and remain indebted to the Authority for any personal, unauthorized, or illegal charges made prior to the revocation and return of the Card.

5. I agree to immediately notify the CEO upon discovering this Card has been lost, misused, or stolen or this Card has been the subject to fraud, unauthorized use or misuse. I agree to cooperate with any investigation concerning the loss, theft, or suspected misuse of this Card.
6. I acknowledge that I have received, read, and will follow the Authority's Credit Card Policy.

Date: _____
Employee Signature

Received:
Date: _____ By: _____

(continued)

LOST RECEIPT CERTIFICATION FORM

If an original receipt is lost, the traveler or requester must ask the vendor for a duplicate. If the vendor is unable to provide a duplicate, the traveler or requester must indicate that they attempted to secure a copy of the lost receipt. A "Lost Receipt Certification Form" must be completed for each lost receipt and attached to the expense report submitted for reimbursement.

This certification attests to the following:

- a. No original receipt is available for this expense. Please check applicable statements below.
 - o A duplicate receipt obtained from the vendor is attached.
 - o The vendor is unable to provide a duplicate receipt.
 - o Proof of payment is attached (i.e., credit card statement, cancelled check)
Note: This is required.
- b. The expense was incurred on behalf of the Authority.
- c. The item and amount of the expense are accurate.
- d. No reimbursement of this expense has been or will be sought or accepted from another source.

Please provide a brief description of the expense.

Amount \$	Date Expense Incurred
Vendor	
Description of Expense	

Please provide signatures.

Requester/Traveler Signature	Date
Approver (typed or printed)	
Approver's Title (typed or printed)	
Approver's Signature	Date
