Policy for Usage of a Company Credit Card

A credit card is a convenient way for a company to make payments but lacks the same control over expenditures possessed by other means of payment (bank transfers and checks).

The purpose of this policy is to arrange company credit cards for purchases for the company including the method of payments, the documents required, and the method of supervision of expenditures.

A company card is a credit card linked to the company's bank account that is issued in a specific person’s name. That person is responsible for the use of the card. Company credit cards will be issued only to **senior managers and the relevant employees** who are purchasing coordinators in various areas (development, materials, etc.).

These credit cards will be used to make payments to suppliers that cannot be made using bank transfers or checks. Payment by credit call will be capped at $\_\_\_\_\_\_\_\_\_ or the equivalent in NIS or the relevant foreign currency.

Payment by credit card for the purchase of materials for production and development will be documented by a purchase order no matter what the total amount of the purchase. In other areas, payment by credit card will be documented by a Priority purchase order from $\_\_\_\_\_\_\_ or the equivalent in NIS or the relevant foreign currency.

A purchase that takes place without opening an order in accordance with the policy requires email authorization by the manager before the payment takes place.

As the volume of payments increases, it will be possible to reconsider the amounts fixed in the policy with the authorization of the CFO. A company credit card can be used only by an employee who is an executive for expenses associated with travel, lodging and food in accordance with the policy for travel abroad.

The payment methods by credit card to suppliers:

1. Giving the credit card information to a supplier: This may be done only by a purchasing coordinator after the opening and authorization of an order in the system, according to the rules established above. The order must indicate that the means of payment is by credit card. Purchases that are not of materials whose amount is below the threshold set above require a manager's approval by email before making the purchase.
2. Payment by credit card on the supplier’s website: This may be done only by a purchasing coordinator after the opening and authorization of an order in the system, according to the rules established above. The order must indicate that the means of payment is by credit card. Purchases that are not of materials whose amount is below the threshold set above require a manager's approval by email before making the purchase.

The confirmation code provided by the website upon payment will be saved in the purchasing coordinator’s file for that supplier. If there is an order, it will be scanned into the order.

The purchasing coordinator is responsible for issuing a receipt in the system once the materials have been received or the service rendered. The purchasing coordinator is also responsible to pass the invoice to bookkeeping in accordance with the accepted process in the company.

When payment is made by credit card without opening an order, the invoice and the email containing the manager’s authorization should be sent to the bookkeeper.

Reconciliation

Once a week, the purchasing coordinator will reconcile the current actual debits as recorded by the credit card company with the purchase orders. The reconciliation will be performed on the following parameters: name of supplier, date, amount, and currency.

The bookkeeper responsible for bank reconciliation will perform an additional reconciliation using the bank debit statements once the payment is made to ensure that the recorded parameters match the credit card payments.

Differences in exchange rates will also be recorded by the bookkeeper. If an unidentified or mistaken debit is discovered, the purchasing coordinator will contact the credit card company for clarification and ensure the company’s account is credited pending the supplier’s provision of documentation that confirms the transaction. The invoice will be recorded in the reconciliation in accordance with the authorized order and with GR. If the amount is lower than the minimum for opening an order according to the policy, the invoice will be recorded as a journal entry as an expense against the related credit card.

Security

The credit card will be in the possession of the employee/purchasing coordinator at all times. Personal credit card numbers should not be given to a third party or any other company employee.

If a suspicion arises that a company credit card has been used by unauthorized parties or in breach of the regulations, the details will be given to the treasurer for follow-up and if necessary, the credit card will be blocked.