




NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

TO: MEMBERS OF THE AUDIT COMMITTEE
FROM: CATHLEEN BAUMANN 
SUBJECT: UPDATE ON THE CORPORATE CREDIT CARD POLICY
DATE: 10/21/2022

At the HDC Audit Committee meeting held on October 5, 2021, the Members approved the adoption of a corporate credit card policy. The main purpose of the policy is to eliminate the financial burden on HDC staff who currently use their personal credit cards during HDC business related travel.

Since the meeting last year there have been a few minor changes to the policy. The main change is related to using a travel management vendor. The original policy presented to the Members stated that a travel coordination vendor will be used. However, upon discussions with the vendor it was determined that the costs related to using a travel management vendor were too high to justify the benefits. The amount of travel that HDC does each year is fairly low and does not meet the thresholds of the monthly charges of a travel management vendor. Among the benefits a travel vendor provides are tools to make travel arrangements, capture travel data and receipts for reporting, and integrate expenses into an accounts payable system. All of which are nice perks to have with the credit card but are not necessary, especially given the fact that HDC currently has systems in place to report and record travel. As a result, senior management has decided to forego a travel management vendor and continue to handle travel arrangements in-house.

The other minor changes to the policy are related to title changes since the last meeting to reflect promotions of senior staff.

Attachments to this memo include clean and blacklined versions to reflect the changes to the policy, and the original memo presented to the Members at the October 5, 2021 meeting.



CORPORATE CREDIT CARD POLICY

Purpose

HDC employees may require the use of a corporate credit card to pay for business-related expenses. The purpose of this policy is to detail controls and procedures to be followed for the appropriate use of the corporate credit card.

Eligible Employees

HDC will designate the following staff to have access to the corporate credit card:

- President
- First Executive Vice President
- Executive Vice President and Chief Financial Officer
- Senior Vice President Administration and External Affairs and Chief of Staff
- Executive Assistants to the President

The above-referenced designated staff who have access to the corporate credit card will not share any sensitive information related to the corporate credit card, including the credit card number and any other identifying information. If/when any of the above staff were to leave HDC's employment, the staff member will surrender the information related to the corporate credit card back to the Executive Vice President and CFO. The above-referenced staff shall sign an acknowledgement that they have received and reviewed the Corporate Credit Card Policy.

Approvals for Use

Any HDC employee who wishes to make a charge on the corporate credit card will need to obtain prior written approval by completing the Corporate Credit Card Transaction Request Form.

Eligible Uses

- **Purchasing**: HDC's Purchasing Procedures outline the protocols that must be followed when purchasing goods and services related to the engagement of HDC's business. The use of the HDC corporate credit card is allowed after the Corporate Credit Card Transaction Request Form has been completed and all proper approvals have been obtained. The corporate credit card should only be used when a credit card is the only form of payment accepted by the vendor, or if the time sensitive nature of the expense requires the use of a corporate credit card.
- **Travel**: For the booking of conference fees, travel, lodging, and other business-related travel expenses, the approval hierarchy must be followed and obtained by completing the

HDC Out-of-Town Travel Approval Request Form. All travel arrangements must be made by the Executive Assistants to the President .

****Personal expenses and cash advances are strictly prohibited.***

Separation of Duties & Approvals: As articulated above, all charges will typically be approved through HDC's customary approval hierarchy, or by the President and Executive Vice President & CFO. To ensure separation of duties and approvals for charges made by the President and Executive Vice President & CFO:

- Any charges made by the President, must be approved by the Executive Vice President & CFO and the First Executive Vice President
- Any charges made by the Executive Vice President & CFO must be approved by the President and the First Executive Vice President

Monitoring and Approvals

Designated personnel in HDC's Accounting division will monitor and review all corporate credit card activity. This will include the following reviews and monitoring activity:

- Review each transaction to ensure that all proper approvals have been received for each charge to the corporate credit card (including receipts, invoices, and completion of the Corporate Credit Card Transaction Form and/or the Out-of-Town Travel Approval Request Form)
- Review each transaction to ensure that all charges have been allocated to the appropriate budget codes and accounts
- Monthly review of the corporate credit card statement to check for accuracy
- Set up and monitor the corporate credit card provider settings to enable provider alerts to the Executive Vice President & CFO and the Senior Vice President & Controller for any charges over \$1,000, or to be notified of any suspicious transactions or activity.



CORPORATE CREDIT CARD POLICY

Purpose

HDC employees may require the use of a corporate credit card to pay for business-related expenses. The purpose of this policy is to detail controls and procedures to be followed for the appropriate use of the corporate credit card.

Eligible Employees

HDC will designate the following staff to have access to the corporate credit card:

- President
- [First Executive Vice President](#)
- [ExecutiveSenior Vice President and Chief Financial Officer-Treasurer](#)
- [Senior Vice President Administration and External Affairs and](#) Chief of Staff
- Executive Assistants to the President

The above-referenced designated staff who have access to the corporate credit card will not share any sensitive information related to the corporate credit card, including the credit card number and any other identifying information. If/when any of the above staff were to leave HDC's employment, the staff member will surrender the information related to the corporate credit card back to the [ExecutiveSenior Vice President and CFO-Treasurer](#). The above-referenced staff shall sign an acknowledgement that they have received and reviewed the Corporate Credit Card Policy.

Approvals for Use

Any HDC employee who wishes to make a charge on the corporate credit card will need to obtain prior written approval by completing the Corporate Credit Card Transaction Request Form.

Eligible Uses

- **Purchasing**: HDC's Purchasing Procedures outline the protocols that must be followed when purchasing goods and services related to the engagement of HDC's business. The use of the HDC corporate credit card is allowed after the Corporate Credit Card Transaction Request Form has been completed and all proper approvals have been obtained. The corporate credit card should only be used when a credit card is the only form of payment accepted by the vendor, or if the time sensitive nature of the expense requires the use of a corporate credit card.
- **Travel**: For the booking of conference fees, travel, lodging, and other business-related travel expenses, the approval hierarchy must be followed and obtained by completing the

HDC Out-of-Town Travel Approval Request Form. All travel arrangements must be made by the Executive Assistants to the President ~~through the HDC-approved travel coordination vendor.~~

****Personal expenses and cash advances are strictly prohibited.***

Separation of Duties & Approvals: As articulated above, all charges will typically be approved through HDC's customary approval hierarchy, or by the President and Executive Vice President & CFOSVP-Treasurer. To ensure separation of duties and approvals for charges made by the President and Executive Vice President & CFOSVP-Treasurer:

- Any charges made by the President, must be approved by the Executive Vice President & CFOSVP-Treasurer and the First Executive Vice President
- Any charges made by the Executive Vice President & CFOSVP-Treasurer must be approved by the President and the First Executive Vice President

Monitoring and Approvals


Designated personnel in HDC's Accounting division will monitor and review all corporate credit card activity. This will include the following reviews and monitoring activity:

- Review each transaction to ensure that all proper approvals have been received for each charge to the corporate credit card (including receipts, invoices, and completion of the Corporate Credit Card Transaction Form and/or the Out-of-Town Travel Approval Request Form)
- Review each transaction to ensure that all charges have been allocated to the appropriate budget codes and accounts
- Monthly review of the corporate credit card statement to check for accuracy
- Set up and monitor the corporate credit card provider settings to enable provider alerts to the Executive Vice President & CFOSVP-Treasurer and the Senior Vice President & VP-Controller for any charges over \$1,000, or to be notified of any suspicious transactions or activity.



NEW YORK CITY
HOUSING DEVELOPMENT
CORPORATION

MEMORANDUM

TO: MEMBERS OF THE AUDIT COMMITTEE
FROM: CATHLEEN BAUMANN 
SUBJECT: ADOPTION OF A CORPORATE CREDIT CARD POLICY
DATE: 09/28/2021

The Corporation is seeking the Members' approval of the adoption of a corporate credit card policy. The main purpose of the policy is to eliminate the financial burden on HDC staff who currently use their personal credit cards during HDC business related travel.

As described in the attached Corporate Credit Card Policy (Attachment A), significant controls will be in place to ensure the proper use of the corporate credit card.

HDC will designate a small number of executives and two executive assistants to have the credit card information. Prior written approval in the form of a completed Corporate Credit Card Transaction Request Form will be required for any HDC employee to use the corporate credit card.

All travel arrangements will be centralized and made by the executive assistants. The Corporation intends to use a travel coordinator in order to ensure the best rates. HDC staff further believe that centralized travel administration will be more efficient and provide strong oversight, transparency and monitoring of credit card use.

HDC's proposed Corporate Credit Card Policy is in compliance with the New York City Department of Investigation ("DOI") Citywide Recommendations regarding credit cards distributed to agencies on March 20, 2018.

Since the adoption by the HDC Board of a Policies and Procedures Recommendations Memo in 2003 that addressed certain policy and procedural changes designed to assure

oversight of the expenditures of the Corporation, the Corporation's Internal Audit department has annually audited petty cash, personal expense reimbursements and the President's office expenses. Internal audit findings in the years subsequent to the adoption of the Policies and Procedures Recommendations have been clean, and one of the recommendations in recent years has been to institute a corporate credit card policy to enhance transparency and oversight of employee expenses.

Upon approval of HDC's Corporate Credit Card Policy by the Audit Committee Members, it will be presented to the full HDC Board for ratification. If any changes to the Corporate Credit Card Policy are deemed necessary in the future, HDC staff will bring those changes to the HDC Audit Committee.

Recommendation and Action by Members

Staff recommends that the Members approve the adoption of the attached Corporate Credit Card policy.

(Attachment A)

Corporate Credit Card Policy



CORPORATE CREDIT CARD POLICY

Purpose

HDC employees may require the use of a corporate credit card to pay for business-related expenses. The purpose of this policy is to detail controls and procedures to be followed for the appropriate use of the corporate credit card.

Eligible Employees

HDC will designate the following staff to have access to the corporate credit card:

- President
- Executive Vice President
- Senior Vice President-Treasurer
- Chief of Staff
- Executive Assistants to the President

The above-referenced designated staff who have access to the corporate credit card will not share any sensitive information related to the corporate credit card, including the credit card number and any other identifying information. If/when any of the above staff were to leave HDC's employment, the staff member will surrender any information related to the corporate credit card back to the Senior Vice President-Treasurer. The above-referenced staff shall sign an acknowledgement that they have received and reviewed the Corporate Credit Card Policy.

Approvals for Use

Any HDC employee who wishes to make a charge on the corporate credit card will need to obtain prior written approval by completing the Corporate Credit Card Transaction Request Form.

Eligible Uses

- Purchasing: HDC's Purchasing Procedures outline the protocols that must be followed when purchasing goods and services related to the engagement of HDC's business. The use of the HDC corporate credit card is allowed after the Corporate Credit Card Transaction Request Form has been completed and all proper approvals have been obtained. The corporate credit card should only be used when a credit card is the only form of payment accepted by the vendor, or if the time sensitive nature of the expense requires the use of a corporate credit card.
- Travel: For the booking of conference fees, travel, lodging, and other business-related travel expenses, the approval hierarchy must be followed and obtained by completing the

HDC Out-of-Town Travel Approval Request Form. All travel arrangements must be made by the Executive Assistants to the President through the HDC-approved travel coordination vendor.

****Personal expenses and cash advances are strictly prohibited.***

Separation of Duties & Approvals: As articulated above, all charges will typically be approved through HDC's customary approval hierarchy, or by the President and SVP-Treasurer. To ensure separation of duties and approvals for charges made by the President and SVP-Treasurer:

- Any charges made by the President, must be approved by the SVP-Treasurer and the Executive Vice President
- Any charges made by the SVP-Treasurer must be approved by the President and the Executive Vice President

Monitoring and Approvals

Designated personnel in HDC's Accounting division will monitor and review all corporate credit card activity. This will include the following reviews and monitoring activity:

- Review each transaction to ensure that all proper approvals have been received for each charge to the corporate credit card (including receipts, invoices, and completion of the Corporate Credit Card Transaction Form and/or the Out-of-Town Travel Approval Request Form)
- Review each transaction to ensure that all charges have been allocated to the appropriate budget codes and accounts
- Monthly review of the corporate credit card statement to check for accuracy
- Set up and monitor the corporate credit card provider settings to enable provider alerts to the SVP-Treasurer and the VP-Controller for any charges over \$1,000, or to be notified of any suspicious transactions or activity.