
 GUAM WATERWORKS AUTHORITY	STANDARD OPERATING PROCEDURE	No.	SOP-2000-FIN-005
	Credit Card Usage	Effective Date	12/20/2023
		Final Approver	 <small>Digitally signed by Christopher M. Budasi Reason: for General Manager Miguel C. Bordallo, P.E. Date: 2023.12.20 16:34 +1000</small> Miguel C. Bordallo, P.E. General Manager
		Revision Letter	B

1.0 Purpose

This Standard Operating Procedure (SOP) establishes the requirements and procedural flow for the use of a GWA credit card (**Attachment 1**). A corporate credit card is a purchasing tool to promote greater efficiency such as making purchases over the phone or online. A credit card is a form of payment and, in some cases, may be the only form of payment accepted by a vendor.

2.0 Scope

This SOP covers the purchase of goods or services, and miscellaneous fees using a GWA credit card. This SOP applies to all users of the GWA credit card.

3.0 Policy

All purchases of goods and services using the GWA credit cards shall be performed according to Guam procurement laws, Rules and Regulations, and approved policies and procedures¹ applicable to GWA as authorized by the CCU².

All GWA credit cards must earn travel benefits to comply with Title 5 of the Guam Code Annotated (GCA) § 23111 (The Senator Edward J. Cruz Medical Referral and Education Mileage Program).

4.0 Definitions

- 4.1. **Accrued Mileage:** Miles accrued by GWA through the use of its credit card.
- 4.2. **Custodian:** A GWA employee to whom the GWA credit card was issued (e.g., CFO and Assistant CFO).
- 4.3. **Direct Payment:** Payments for purchases less than \$500 for which normal procurement procedures and the creation of a purchase order is not practicable, to include but is not limited to subscriptions, dues, postage, late fees, court and other government charges, etc.
- 4.4. **Purchaser:** GWA employees purchasing goods or services or paying government fees.

5.0 Roles and Responsibilities

5.1.	General Manager (GM)	Approves all changes in this SOP. Approves the use of the GWA credit card for payment of GWA expenditures of more than \$10,000 if the CFO or ACFO is unavailable.
5.2.	Chief Financial Officer (CFO)	Oversees the development, revision, and implementation of this SOP as the Policy Owner. Approves the use of the GWA credit card for payment of GWA expenditures.

¹ GWA SOPs on Procurement.

² GWA Resolution No. 40-FY2023 Relative to the Amendment of the Credit Card Policy for the Guam Power Authority and the Guam Waterworks Authority

		<p>Executes payment using a GWA credit card.</p> <p>Transmits credit card usage reports to the GM monthly and to the CCU as required.</p>
5.3.	Assistant Chief Financial Officer (ACFO)	Approves and executes the use of the GWA credit card for payment of GWA expenditures.
5.4.	Controller	<p>Reviews this SOP annually and makes necessary changes to be presented to the CFO for consideration. Ensures that the SOP is updated under the applicable prevailing laws, rules, and regulations.</p> <p>Submits a monthly report to the CFO of all credit card purchases.</p> <p>Monitors implementation of this SOP.</p>
5.5.	Accounts Payable Supervisor	<p>Ensures compliance with this SOP.</p> <p>Keeps track of the credit card usage and reports to the Controller.</p>
5.6.	Accountant I (Accounts Payable) Purchaser	<p>Strictly abide by the contents of this SOP and conduct activities accordingly.</p> <p>When confronted by a situation not covered by this SOP or requiring clarification, seek the manager's, administrator's, or supervisor's assistance.</p>

6.0 Procedure Description

6.1. **Authorized Use of Credit Card:** The GWA credit card is authorized as a form of payment for goods or services. In some cases, vendors may not accept purchase orders, or it would be expedient or more efficient to use a credit card as a form of payment. Examples may include:

- 6.1.1. The purchases of airline tickets and associated fees for authorized off-island travel;
- 6.1.2. Registration fees for conferences, seminars, or training where GWA employees, consultants, or CCU Commissioners are in attendance;
- 6.1.3. Payment of government, annual membership, and miscellaneous fees approved by management (e.g., court fee, etc.);
- 6.1.4. The purchase of software, technical manuals, and subscriptions to technical publications;
- 6.1.5. Urgently needed items;
- 6.1.6. Emergency purchases; and
- 6.1.7. Other purchases/payments deemed necessary and approved by the management.

Appropriate procurement or travel procedures must be followed.

- 6.2. **Unauthorized Use of GWA Credit Card:** In no event, unless otherwise stated below, shall the credit card be used for any of the following purposes:
 - 6.2.1. Food, meals, or beverages, except for GWA-sanctioned events or as authorized by the General Manager; and
 - 6.2.2. Personal items.
- 6.3. **Processing of the Purchase Order (PO) or Travel Authorization (TA):** For non-travel procurement, once a need is identified, the purchaser prepares the Order of Requisition (OR) to initiate the processing of the PO by the assigned Procurement Division Buyer following Guam Procurement Law, Regulations and applicable GWA Policies and Procedures. For travel-related expenditures, a TA should be prepared and routed as called for in the relevant SOP.
- 6.4. **Required Documents to Justify the Use of GWA Credit Card:** Once the PO or TA has been issued, the purchaser or traveler should email a copy together with supporting documents, for review and approval of the use of the GWA credit card by the finance office. For items less than \$500, a direct payment request can be made with supporting documents attached.
- 6.5. **Review & Execution of Purchase with Credit Card:** The CFO or ACFO for purchases up to \$10,000 will review the purchasing or travel information and its supporting documents and shall approve or disapprove the use of the GWA credit card. If the use of the GWA credit card is approved, the CFO or ACFO for purchases up to \$10,000 will execute the payment using a GWA credit card, email a copy of the payment confirmation to the purchaser, and forward the original/main copy to Accountant I – Accounts Payable for record-keeping.

Two (2) approving authorities (CFO, ACFO, or GM) for purchases of more than \$10,000 will review the purchasing or travel information and its supporting documents and shall approve or disapprove the use of the GWA credit card. If the use of the GWA credit card is approved, either the CFO or ACFO will execute the payment using a GWA credit card and email a copy of the payment confirmation to the purchaser and forward the original/main copy to Accountant I – Accounts Payable for record-keeping.
- 6.6. **Automatic Renewal:** Immediately after the execution of the credit card online payment, the CFO or ACFO shall ensure that the credit card information is deleted from the online account used in the payment or the “Automatic Renewal” or “Automatic Payment” option is turned off.
 - 6.6.1. **Exception:** In case automatic renewal is necessary to obtain the service, 1) the end user must submit supporting documents to Finance for approval, and 2) to ensure that purchase order is in place to cover the period of the service.
- 6.7. **Credit Card Payment:** Upon receipt of a statement from the credit card company, the Accounts Payable Supervisor shall reconcile each line item on the statement with the supporting documents on file. If online access is available for review, then the Accountant I (Accounts Payable) shall review charges at least weekly to ensure there are no unauthorized charges and to notify the cardholder to initiate an immediate dispute. Payment will only be made for items for which proper documentation exists.

Payment in full should be made as soon as practicable to prevent interest and late fees.

- 6.8. **Reporting:** Each month the CFO shall provide a report to the GM detailing the nature and amounts of all credit card payments. For any month in which credit card expenditures exceed \$10,000, the report will also be provided to the members of the Consolidated Commission on Utilities (CCU).
- 6.9. **Credit Card Limit:** GWA is authorized to enter into a credit card agreement with a limit of \$100,000 only after the determination of the low bidder based on the amount of the annual fee, interest rate, and mileage earning program. GWA is authorized to extend the contract as appropriate, however, the contract must be put out to bid no less frequently than every five years.
- 6.10. **Mileage Earning Program:** To comply with the Senator Edward J. Cruz Medical Referral & Education Mileage Program³, the following processes should be observed:
 - 6.10.1. All accrued mileage shall be maintained and be available under the Rules and Regulations promulgated by the Superintendent of Education or applicable law; and
 - 6.10.2. A statement of available accrued mileage will be sent to the Superintendent of Education semi-annually for his information (Quarter ending June and September of each fiscal year) by the CFO with copies to the GM and CCU Members.
- 6.11. **Amendments.** The General Manager is authorized to make any amendments, alterations, or modifications to this policy.

7.0 Document Approvals

Role	Position	Name of Approver	Approval Signature	Date Approved
Author	Controller	Sandra J. Santos	Approval on File	On File
Owner	Chief Financial Officer (CFO)	Taling M. Taitano, CPA, CGFM, CGMA	Approval on File	On File
Final Approver	General Manager	Miguel C. Bordallo, P.E.	Page 1	Page 1

By existing Guam and Federal laws, the contents of this SOP were reviewed thoroughly by its Policy Owner and were found to be:

- appropriate for publication on the GWA website without compromising the security of GWA's system or the public's health and safety.
- not appropriate for publication on the GWA website because it might jeopardize the security of GWA's system or the public's health and safety.

8.0 Records of Revisions

All suggestions for improvement shall be directed to the Policy Owner indicated below. The Policy Owner will consider the input received, develop recommendations on how to address the suggestions and obtain authorization to make the recommended changes. Updates, revisions, corrections, and waivers to this SOP shall be made in writing and approved by the GM.

³ 5 GCA 23 Section 23111

8.1. Policy Owner: Chief Financial Officer (CFO)

8.2. Authorization: General Manager

Effective Date	Revision Letter	Document Author	Description of Change
Page 1	B	Controller	Amendment Policy/Procedure

9.0 References

- 9.1. CCU Resolution 40-FY2023 – Relative to the Amendment of the Credit Card Policy for the Guam Power Authority and the Guam Waterworks Authority, August 29, 2023
- 9.2. CCU Resolution 2008-37 – Relative to the Establishment of a Credit Card Account and the Adoption of a Credit Card Policy for the Guam Power Authority and the Guam Waterworks Authority, December 9, 2008.
- 9.3. GPA AP-067 – Credit Card Usage Policy, April 5, 2019.
- 9.4. DOE SOP 200-034 – Accounts Payable and Cash Disbursement Procedures.
- 9.5. Title 5 of the Guam Code Annotated (GCA) § 23111-The Senator Edward J. Cruz Medical Referral and Education Mileage Program.
- 9.6. OPA Report on GWA Credit Card Usage, May 2023.

Attachment 1: Flowchart for GWA Credit Card Usage

