

Policy Code # A-FN-105-001/AG-001

Chapter 12: Credit Cards

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[Summary of Changes](#)



INTRODUCTION

1. The intent of this chapter is to provide background on each of the two available cards, the rules for obtaining and using the credit cards, and to outline the applicable expenditure controls for each card.
2. The use of credit cards to facilitate purchase and payment of goods and services is the preferred method of payment and should be utilized whenever feasible.
3. The following types of credit cards are available:
 - a. the designated National Bank of Canada (NBC) MasterCard also known as the NPP Corporate Credit Card (NPP CCC) which may be issued to a NPP Entity/Unit or a specific individual; and
 - b. the NPP BMO Diner's Club MasterCard Corporate Individual Travel Card (ITC) which is available to "Staff of the Non-Public Funds, Canadian Forces".

Note: Only one credit card per type may be issued in an individual's name.

NPP CORPORATE CREDIT CARD (NPP CCC)

4. The following is to be noted in the context of the NPP CCC:
 - a. Card Administrator – The Director of Accounting (or their designate) as the Card Administrator oversees the NPP CCC program;
 - b. Base Card Administrator – The local NPP Accounting Manager (NPPAM) or equivalent as the Card Administrator is responsible to receive and administer NPP CCC applications at the local level;
 - c. National Accounts Payable Office (NAPO) – ensures all NPP CCC's are reconciled on a monthly basis; and
 - d. NPP ID – A unique account identification number given to staff of NPP and customers, which maintains basic information on individuals and provides the ability to reimburse/charge individuals for amounts to be received/paid.

GENERAL

5. Introduced in July 1998, the NPP CCC program has been successful in meeting its objectives of reducing accounts payable costs and decreasing the requirement for petty cash for minor purchases. Petty cash funds will only be required for those cases where the item being purchased is of very low value and the vendor has a threshold amount for a purchase under which credit cards are not accepted. See [Chapter 31](#) (Accountable Advances) for more information.
6. NPP CCC can be issued to an individual or a department/entity. Departmental cards are issued in an entity or unit name vice an individual, alleviating the burden of issuing new cards as positions and/or personnel change. Departmental cards are linked to one individual who acts as the primary cardholder and primary cardholders can be changed as needed.

7. All NPP CCC's earn rebates based on usage which in turn is disbursed to the NPP entities that use the NPP CCC on a prorated basis (as detailed in paragraph 27 below);
8. The individual NPP CCC is issued in the name of the individual holder and is only to be used by that individual. Departmental NPP CCCs are issued in the name of the entity/unit and can be used by any authorized person within the entity/unit.
9. All NPP CCC's shall be secured at all times when not in use with accessibility limited to the authorized users.
10. The NPP CCC can be issued to the following individuals in their Non-Public Property (NPP) capacity:
 - a. Staff of the Non-Public Funds, Canadian Forces (NPF) employees;
 - b. CAF Members;
 - c. Public Servants; and
 - d. Volunteers within a NPP entity.
11. The use of the NPP CCC is to be maximized. No payments to suppliers shall be issued via cheque or electronic fund transfer if payment may be made by the NPP CCC.
12. NPP CCC transactions will be reconciled/processed and approved online via NBC's [Smart Data Website](#) and users will allocate expenses/purchases and applicable sales taxes (as per [Chapter 8](#) (Sales Taxes)) to the appropriate General Ledger (GL) accounts.

Note: Purchases made by NPP CCC are not considered "third party purchases" and thus PST exemptions for the purchase of goods and services for resale and internal use apply and GST/HST Input Tax Credits and QST Input Tax Refunds are claimable.

REQUESTING

13. As with petty cash and change funds, the NPP CCC is issued on the written authority of the appropriate delegated authority outlined in the [CDS Delegation of Authorities for Financial Administration of NPP](#).
14. In some instances, petty cash holders and NPP Corporate Credit Card holders are not delegated with financial authorities. They simply use their petty cash/credit card as a payment method. In these instances the completion of the NPP Certification Courses is not required.
15. In order to obtain a NPP CCC, or change primary cardholders, the applicant must complete the NPP CCC Request Form held at the local Non-Public Property Accounting Office or found at [Annex A](#), obtain written approval from appropriate delegated authority in accordance with the [CDS Delegation of Authorities for Financial Administration of NPP](#) and forward the approved application to the NPPAM or Base Card Administrator for action.

RESTRICTIONS – LIMITS AND USAGES

16. All card accounts are created with a standard dollar limit of \$5K, unless otherwise indicated. There is no daily transactions limit - the only limit is the limit of the card account. All accounts are reset to zero on the second business day of each month or the next working day (if the second day falls on a weekend or statutory holiday). Upon request, it is possible to have a lower card account limit and a daily transaction limit. Requirements for higher limits must be justified and approved as per para 28 below.
17. The NPP CCC is to be used as the primary payment method for expense items and merchandise for resale. When used to purchase merchandise for resale, the normal purchasing accountability procedures outlined in [Chapter 21](#) (Purchases) must be followed. When used to purchase fixed assets, the normal accountability procedures outlined in [Chapter 28](#) (Fixed Assets and Museum Collections) must be followed. The card shall not be used to pay salaries/commissions where

there are T4 implications such as payment for casual labour. However, contract for “services” such as “DJ Services” may be made using NPP CCC’s and do not require issuance of T1204 slips.

18. Cardholders are prohibited from using the card for personal expenditures of any kind. Any violation may result in immediate cancellation of the card and/or disciplinary action. Individual Travel expenses shall not be charged on the NPP CCC. In an emergency, please contact the Base Card Administrator. For individuals travelling on NPP business, the NPP BMO Diner’s Club MasterCard Corporate Individual Travel Card (ITC) is available. More details can be found at paras 33 to 45 below. For group CISM travel, CFO authorization is required to utilize the NPP CCC specifically for group travel.

FRAUD/SUSPECTED NPP CCC FRAUD

19. Suspected fraudulent expenditures that result from the credit card being compromised by a retailer are to be reported immediately to NBC via their Customer Service phone # 1-855-270-6677 and to the Card Administrator.
20. All suspected fraudulent expenditures (**including retailer fraud**) shall be reported to the Base Card Administrator and to the fraud hotline: fraud@cfmws.com immediately. Reports should include, as a minimum:
 - a. the identity of the person, company, or organization purported to have been involved;
 - b. a description of the alleged incident;
 - c. the NPP entity, funds or program(s) affected;
 - d. any relevant contract numbers;
 - e. date(s) of alleged wrongdoing(s);
 - f. how you were made aware of the incident;
 - g. the identity of any potential witnesses;
 - h. the identity of other persons who are aware of the fraud or suspected fraud; and
 - i. the location and availability of supporting evidence and/or documentation.
21. Appropriate action will then be initiated and, dependent upon the particular circumstances, the NPP CCC may be suspended pending results of an investigation. All fraud offenders will be prosecuted to the full extent of the law and are liable to reimburse the non-public property organization concerned for the financial loss incurred. Employees found guilty of fraud shall be subject to disciplinary action up to and including termination of employment.
22. Upon confirmation of cardholder fraud, the Base Card Administrator shall initiate action to charge the fraudulent expenditure(s) to the individual cardholder’s NPP ID, cancel the individual’s credit card, and in turn notify the National Accounts Receivable Office (NARO) of action taken.

CARDHOLDERS RESPONSIBILITIES

23. The NPP CCC cardholder shall:
 - a. read and sign the Corporate Credit Card “Cardholder Agreement” ([Appendix 1 to Annex A](#)) which shall be kept on file at the local accounting office;
 - b. obtain a sales slip/receipt for each expenditure made with the purchase card;
 - c. contact/liaise with the applicable supplier to resolve any discrepancies/billing problem and seek assistance from the NPPAM if necessary;
 - d. mask the credit card number (all numbers with the exception of the last four must be blacked out) on the supporting documentation before it is sent to the local NPP Accounting Office;

- e. reconcile their transactions in NBC's Smart Data website at least once a month and no later than the second working day of the following month. As part of this month-end process, the NPP CCC report, (also known as "CFMWS Monthly Recap") shall be produced, all supporting sales slips/receipts attached, and then forwarded for review, approval and signature to the appropriate approving authority IAW the [CDS Delegation of Authorities for Financial Administration of NPP](#). The approved/signed report along with supporting documentation is then submitted to the local NPP accounting office for accounting action;

Note 1: Cardholders are reminded that they cannot approve their own NPP CCC CFMWS Monthly Recap.

Note 2: The cardholder shall not make any payment on the NPP CCC. Payment is made by Canadian Forces Morale and Welfare Services/Finance Division through the National Accounts Payable Office (NAPO).

- f. notify the Card Administrator through the Base Card Administrator when there is a change to the information provided on the original application form (e.g. name, address, etc);
- g. if the initial approved card transaction credit limits are inadequate, a "change request" email must be sent to the appropriate authority for approval and then forwarded to the Base Card Administrator for action. The email must include the following:
 - i. substantiation/reason for the change request;
 - ii. cardholder's NPP ID;
 - iii. cardholder's last and given names;
 - iv. entity, outlet, profit center;
 - v. last four numbers (only) of the cardholder's NPP CCC; and
 - vi. details of change i.e. "permanent" or "temporary" (stating the inclusive dates) and the new credit limit amount.

Note: As per para 28 below, temporary credit card limit increases must have a short-term expiry date.

- h. when the card is no longer required (e.g. The cardholder is transferred or otherwise leaves the position) or when ordered to do so by the approving authority or the Card Administrator, return the card to the Base Card Administrator who shall ensure the card is destroyed and in turn advise the Card Administrator; and
- i. immediately report lost or stolen cards to the Card Administrator through the Base Card Administrator as well as reporting it to the National Bank of Canada Customer Service Phone 1-855-270-6677. The bank will cancel the missing card and issue a replacement card.

Note: as per para 9 above, the NPP CCC shall be secured at all times when not in use.

- 24. The NPP CCC Cardholder shall not :
 - a. use the card for any purpose, or in any manner, not authorized by proper authority; and
 - b. make any personal expenditure with the card.

RESPONSIBILITIES OF THE BASE CARD ADMINISTRATOR

25. The NPPAM or equivalent is the designated Base Card Administrator for their Base/Wing. As the Base Card Administrator, they shall :
- a. receive a completed NPP CCC Request Form ([Annex A](#)) for issue of card(s) as per the [CDS Delegation of Authorities for Financial Administration of NPP](#);
 - b. forward applications for new cards and changes in primary cardholders to the Card Administrator;
 - c. receive new cards from the Banking Institution and issue them to the authorized cardholders;
 - d. activate new cards once in cardholder's possession by emailing the Card Administrator at NPPMasterCard@CFMWS.com. The email must include the following:
 - i. Cardholder name
 - ii. Last 8 digits of the card number
 - iii. Card expiry date
 - e. train the Cardholder and the delegated authority (if required) on how to review and reconcile transactions in [NBC's Smart Data website](#), brief cardholders on their responsibilities as detailed in this policy, and obtain a signed copy of the "Cardholder Agreement for a Corporate Credit Card" ([Appendix 1 to Annex A](#));
 - f. based on information received from any cardholder, the Base Card Administrator will inform the Card Administrator of the cardholder's issue(s). The Card Administrator will liaise between the cardholders and the Banking Institution on any required cardholder changes; additions/deletions, cardholder information, or card limits. The Card Administrator will provide the changes to the Banking Institution at the telephone number or address listed in [Annex C](#);
 - g. ensure that the issue of the NPP CCC is annotated on the individual's pay record or an insertion is made in their NPF or DND civilian personnel file (using the format at [Annex B](#)). In addition, ensure that the issue of the NPP CCC is indicated on the employee's Personal Liability and Clearance Card (PLCC) if such a system is in place at the unit. These measures will help ensure that the card is returned when employment ceases or the cardholder is relocated;
 - h. upon return of the NPP CCC, notify the appropriate office(s) using the format at [Annex B](#) to have the annotation removed from the cardholders personnel file;
 - i. notify the Card Administrator, in writing, of all changes of Base Card Administrators;
 - j. ensure the cardholders are forwarding their monthly signed/approved CFMWS Monthly Recap report, along with all applicable source documents on a timely basis;
 - k. on a monthly basis review all documentation to ensure that it has been reconciled in [NBC's Smart Data website](#);
 - l. upon receiving reconciled NPP CCC CFMWS Monthly Recap reports for unapproved and/or correction transactions from cardholders, initiate appropriate accounting action;
 - m. annually review card usage through [NBC SmartData website](#) to determine if any cards are no longer required. Contact cardholder for confirmation before notifying Card Administrator; and
 - n. request cancellation of NPP CCC by the Card Administrator upon notification/confirmation that the card is no longer required, delinquency in reconciliation or misuse of card.

RESPONSIBILITIES OF THE CARD ADMINISTRATOR

26. As per para 28 below, approval of recurring/temporary monthly limits on individual cards rests with the CFO and Directors within the Finance division and cannot be delegated. The Director of Accounting (D Acct) or their designate will be the Card Administrator and shall:
- a. maintain a NPP CCC database with up-to-date cardholder information as provided by each Base Card Administrator;
 - b. create user ID Cardholder in [NBC's Smart Data website](#);
 - c. ensure that the following information is obtained for each cardholder:
 - i. Name;
 - ii. NPP ID (if a NPP ID is not in PROPHET, then one must be created);
 - iii. Work location;
 - iv. Work telephone number;
 - v. Work mailing address (where NBC will send correspondence);
 - d. receive the various detailed reports from the Banking Institution and review those reports to ensure compliance with the card restrictions;
 - e. maintain a file for each card issued, containing the approved card application and any changes to the cardholder's information; and
 - f. act as the national liaison between NBC and the cardholders using the address and numbers provided at [Annex C.](#)

NPP CCC REBATE

27. Effective fiscal year 2021/2022, NBC issues a rebate on a quarterly basis to CFMWS (1.42% of expenditures effective November 2021). This rebate is disbursed to the NPP entities that use the NPP CCC on a prorated basis. An increase in usage will yield a higher total rebate to the entity.

RECURRING/TEMPORARY CREDIT CARD LIMIT INCREASES

28. There may be occasions where a recurring/temporary limit increase is warranted. Temporary increases must be approved by the appropriate authority, documented, and must be for a finite period with an indicated expiry date. The Card Administrator must ensure that these temporary limits have a short-term expiry date. All requests for an increased monthly limit (temporary or recurring) will be submitted to the National Treasury and Financial Reporting Office for action.

Note: Approval for recurring/temporary monthly limits in excess of \$15K on individual cards rests with the CFO and Directors within the Finance division and cannot be delegated.

DISPUTED ITEMS

29. The Cardholder and the Base Card Administrator are expected to resolve all disputes with Merchants or Suppliers. The Card Administrator may be contacted for assistance should the need arise. Disputed items will be approved and coded to an account approved by the NPPAM. Subsequent refunds will also be approved and coded to the same account approved by the NPPAM.

FINANCIAL OVERSIGHT

30. **Managers** – The entity/unit fund managers must as a minimum:
 - a. establish a viable maximum limit for their entity/unit;
 - b. initiate a periodic review of expenditure totals to compare usage to credit limits; and
 - c. monthly verify, and approve their entity/unit's NPP CCC CFMWS Monthly Recap reports presented with the Credit Card slips for authorization to ensure that all expenditures are legitimate expenditures relative to the entity/unit's role and are supported with original sales slips/receipts.

Note: An individual cannot approve their own NPP CCC CFMWS Monthly Recap report.

31. **NPP Accounting Staff** – The Base/Wing/Unit accounting staff must as a minimum:
 - a. ensure that all submissions for payment are duly authorized/signed;
 - b. ensure that items submitted are authorized IAW the [CDS Delegation of Authorities for Financial Administration of NPP](#) ;
 - c. scrutinize the submitted receipts to determine if any “unusual” expenditures have been submitted, and if so, query the validity of the unusual expenditure(s);
 - d. take appropriate accounting action; and
 - e. notify the Base Card Administrator of misuse of the NPP CCC.

BANKING INSTITUTION CREDIT CARD REPORTS

32. Credit card reports are available to Base Card Administrators on the financial institution's website ([Sign In to Smart Data \(mastercard.com\)](#)).

NPP BMO DINER'S CLUB MASTERCARD CORPORATE INDIVIDUAL TRAVEL CARD

33. The purpose of the card is to provide a cost effective and convenient method of paying for official Non-Public Property travel expenses. The Staff of the Non-Public Funds, Canadian Forces travelling on NPP business are entitled to request and use the CFMWS-sponsored Individual Travel Card (ITC).
34. The ITC is intended to cover expenses related to temporary duty travel while away from the member's employment location such as but not limited to and in accordance with the NPP Travel Directive:
 - a. commercial lodgings;
 - b. vehicle rentals and related expenses;
 - c. meals; and
 - d. cash advance requirements.
35. The ITC will be issued in the name of the individual holder and is only to be used by the cardholder. The credit card shall be secured at all times.
36. Misuse and delinquencies of the ITC will not be tolerated. It is a cardholder responsibility to ensure timely reimbursement to the Bank of Montreal (BMO). Individuals are required to pay the current charges within 30 days before incurring interest charges for which the individual is personally responsible. For accounts that become delinquent over 30 days and/or cards that are

being misused, the Finance Division HQ staff will initiate recovery from the employee and additional administrative action up to and including dismissal, if warranted.

REQUESTING

37. If an employee requires an ITC, then the online [BMO Application Form](#) is to be completed. Within the online form, the requester will be asked to provide their manager's contact information and an electronic approval request will be sent to the manager.

RESTRICTIONS – LIMITS AND USAGES

38. The ITC is to be used strictly for NPP travel expenses as outlined in para 34 above. No other person is permitted to use the ITC for any reason. Cardholders are prohibited from using the card for personal expenses of any kind. Any violation will result in immediate cancellation of the card and may result in disciplinary action.
39. All card accounts are created with a standard dollar limit of \$5K, unless otherwise indicated. There is no daily transactions limit - the only limit is the limit of the card account. For credit limits greater than \$5K, requests are submitted to the Authorizing Officer at finance@cfmws.com for approval.

CARDHOLDER RESPONSIBILITIES

40. The CFMWS ITC cardholder shall:
 - a. read, understand, and sign the "Acknowledgement of Responsibilities and Accountability for the NPP BMO Diner's Club MasterCard Corporate Individual Travel Card (ITC) Holder" found at [Annex D](#). Once signed, it is sent to the Authorizing Officer at finance@cfmws.com;
 - b. immediately upon receipt of cardholder statement, review and submit payment directly to the BMO. Reimbursement for expenses made on the card are done through the TravelXpert software once completed, approved and then submitted to the local NPP accounting office for payment;
 - c. contact/liaise with the applicable supplier to resolve any discrepancies/billing problem and assistance may be sought from BMO via their Customer Service (Disputed Charges) phone # 1-800-262-2263;
 - d. notify the authorizing officer at Finance HQ or finance@cfmws.com when there is a change to the information provided on the original application form (e.g. name, address, etc);
 - e. when the card is no longer required (e.g. The cardholder is transferred where travel is not required or otherwise leaves the position) or when ordered to do so by the authorizing officer, return the card to the authorizing officer at Finance HQ who shall ensure the card is destroyed; and
 - f. immediately report lost or stolen cards to the authorizing officer at Finance HQ as well as reporting it to the BMO via their Lost or Stolen Cards phone # 1-800-361-3361. The bank will cancel the missing card and issue a replacement card.

Note: As per paragraph 35 above, The CFMWS ITC shall be secured at all times when not in use.

AUTHORIZING OFFICER RESPONSIBILITIES

41. The authorizing officer of the CFMWS Individual Travel Credit Card is responsible for:
 - a. receiving approved electronic [BMO Application Form](#);
 - b. reviewing completed applications to ensure that they are for an employee of the "Staff of the Non-Public Funds, Canadian Forces" in good standing;

- c. approving online applications, which notifies BMO to issue new cards;
- d. creating cardholder profiles in BMO Spend Dynamics platform;
- e. maintaining a database with the up-to-date cardholder information;
- f. maintaining the signed “Acknowledgement of Responsibility and Accountability for the NPP BMO Diner’s Club MasterCard Corporate Individual Travel Card (ITC) Holder” form, [Annex D](#);
- g. generating delinquent card reports and following up with cardholders;
- h. requesting cancellation of credit card upon notification the card is no longer required, delinquent in payment, or misused; and
- i. act as the national liaison between CFMWS and Individual Travel Card provider.

DISPUTED ITEMS

- 42. The designated cardholder is expected to resolve all disputes with merchants and suppliers as per para 40 c. above.

RECONFIRMATION/RECALL

- 43. The CFMWS ITC is subject to annual reconfirmation verification by the Finance HQ staff. This will establish the continued requirement for the card.

INSURANCE ON CAR RENTALS

- 44. As per section 3.3 of the [NPP Travel Policy](#), the CFMWS ITC covers collision damage waiver and/or loss damage waiver (CDW/LDW) for car rentals within North America. A ITC cardholders **must decline** the coverage when renting cars as CDW/LDW will not be a claimable travel expense.

CANCELLATION OF INDIVIDUAL TRAVEL CARD

- 45. The CFMWS ITC shall be cancelled when an employee no longer is employed by Staff of the Non-Public Funds, Canadian Forces, if the employee is taking an extended leave without pay for period greater than 6 months, or the card is no longer required or is misused.

ANNEXES

[Annex A - NPP CCC Request Form](#)

[Appendix 1, Annex A - Corporate Credit Card Cardholder Agreement](#)

[Annex B - Issuance/Return of NPP Authorized Credit Card – Payroll Note](#)

[Annex C - Credit Card Provider Information](#)

[Annex D - Acknowledgement of Responsibilities and Accountability for the NPP BMO Diner's Club MasterCard Corporate Individual Travel Card \(ITC\) Holder](#)