

# TOWN OF AMHERST



## CREDIT CARD POLICY AND PROCEDURES

Adopted by Board of Selectmen:

ED	<u>136</u>	JD	<u>JFD</u>
TG	_____	GI	_____
RP	_____	Date	_____

## **TOWN OF AMHERST CREDIT CARD POLICY**

### **I. PURPOSE**

To establish criteria for the use of credit cards issued to employees of the Town of Amherst for the purpose of conducting Town business.

### **II. OVERVIEW**

The use of credit cards has proven to be cost effective method of obtaining products and services for the Town. The use of credit cards also makes the Town more accountable by providing detailed purchase histories and other pertinent record keeping and time saving information. Some travel and training costs may also be handled best through the credit card process.

### **III. PROCEDURE**

For the credit card process to operate efficiently, a timely response to each of the elements of the procedure is required. Failure to do so will create problems for the Finance Department in preparing for the month's end closeout. Employee absences should be anticipated and arrangements put in place so that the process flow will not be delayed.

#### **A. Issuance of Credit Cards**

1. Credit cards will only be issued to a Department Head, based on a demonstrated need, as determined by the Town Administrator. Should unusual circumstances indicate an additional employee requires a Town credit card, authorization by the Town Administrator will be necessary.
2. The employee must sign documentation verifying agreement to the conditions of use.
3. The Town Administrator will review the enrollment form, verify all information, and submit an application for a credit card to the Financial Institution.
4. Each enrollment form will contain spending limits for each transaction, as well as a daily limit and a monthly limit. These limits will be set by the Town Administrator based on existing Town policy and the requirements of the specific Town employee.

5. The card will be issued in the name of the employee, in care of the Town of Amherst.

## **B. Use of the Credit Card**

1. The employee who is issued the card is the only person authorized to use that card. The Cardholder may make transactions on behalf of others in their Department, however the Cardholder is responsible for all use of his/her card.
2. The credit card is to be used in the conduct of the Town's business only. The use of a Town credit card to acquire or purchase goods and services for other than official use of the town is fraudulent use and will subject the employee to disciplinary action up to and including dismissal as specified in the Town's Personnel Policy. In addition, the fraudulent use will be reported to the appropriate law enforcement agency for investigation and possible prosecution.
3. The following restrictions will apply to purchase limits:
  - a. The total value of a transaction shall not exceed a Cardholder's single purchase limit. Payment for a purchase WILL NOT be split into multiple transactions to stay within the single purchase limit.
  - b. Spending limits for the day and month will be adhered to.
4. The Cardholder will retain vendor's receipts and/or records of telephone, Internet, and/or mail orders for future reconciliation of the credit card statement.
5. Nothing in this policy shall be construed as a means to circumvent the existing Purchasing Policy of the Town in regards to bidding requirements, both formal and informal.

## **C. Unauthorized Credit Card Use**

The credit card SHALL NOT BE USED for the following:

- a. Personal purchases or identification.
- b. A purchase that exceeds the Cardholder's single, daily, and/or monthly purchase limit.
- c. Cash advances.

A Cardholder who makes unauthorized purchases will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by

the Bank or card company in connection with the misuse. The Cardholder will also be subject to disciplinary action, which may include termination.

#### **D. Cardholder Record Keeping**

1. Whenever a credit card purchase is made, either over-the-counter or by other means, documentation shall be obtained as proof of purchase. Such documentation will be used to verify the purchases listed on the Cardholder's monthly statement of account.
2. When the purchase is made over-the-counter, the Cardholder shall retain the invoice and "customer copy" of the charge receipt. The Cardholder is responsible for checking that the vendor lists the quantity, fully describes the item(s), and includes any tax prior to the Cardholder signing the slip. Invoices for meals, hotel stays, etc will include an itemized list of all items and services purchased.
3. When the purchase is made on the Internet, the Cardholder shall print a copy of the receipt and order confirmation before exiting the site.
4. When a purchase is made over the telephone, the Cardholder shall have the vendor fax them a copy of the receipt.
5. When the purchase is made by mail, the Cardholder shall retain all confirmations and shipping documentation.
6. When an item is returned, the vendor shall issue the Cardholder a credit, which should appear on a subsequent statement. *Under no circumstances should the Cardholder accept cash in lieu of a credit to the credit card account.*
7. Each transaction shall also be added to the Cardholder's Transaction Log. The following information should be included:
  - a. Receipt date
  - b. Vendor name
  - c. Purchase amount
  - d. Total cost
  - e. Comments – "Comments" should include the purchase, whether there was an under/over shipment of quantity, if there are errors to be resolved, if goods were damaged, or if the purchase was for food, who it was for and why.

## **E. Review of Monthly Statement**

1. At the end of each billing cycle, the Cardholder shall receive his/her monthly statement of account that will list the Cardholder's transactions for that period.
2. The Cardholder shall check each transaction listed on the monthly statement against his/her invoices,, receipts, and shipping documents to verify that the statement is correct. . Only those purchases itemized on the statement should be recorded on the Transaction Log, and the original sales documents (packing slip, invoice, cash register tape, credit card slips, etc.) for each transaction MUST be neatly attached, in Transaction Log sequence, to the Transaction Log, and submitted with the statement to Accounts Payable within five (5) business days of receiving the monthly statement.

## **F. Payment of Credit Card Purchases**

1. The Cardholder will reconcile the monthly statement received from the Credit Card Company with the receipts and sign as correct. If an item is returned and a credit voucher received, the Cardholder shall verify that this credit is reflected on the monthly statement.
  - a. If purchased items are not listed on the monthly statement, the appropriate transaction documentation shall be RETAINED by the Cardholder until the next monthly statement. If the purchase or credit does not appear on the statement within 60 days after the date of purchase or return, the Cardholder shall notify the Town Administrator and the Finance Department.
  - b. If the item purchased by the use of the credit card is found to be unacceptable, the Cardholder is responsible for obtaining replacement or correction of the item as soon as possible. If the vendor has not replaced or corrected the item by the date the Cardholder receives his/her monthly statement, then the purchase of that item will be considered in dispute. The Cardholder should document the dispute on the Transaction Dispute Form and attach it to the statement.
2. The Cardholder will review the reconciled statement, sign, and forward with receipts and Transaction Log to Accounts Payable.
3. Accounts Payable will review the documents for correctness, charge the proper accounts, and process the statement for payment.

## **G. Cardholder Security**

1. It is the Cardholder's responsibility to safeguard the credit card and account number to the same degree that a Cardholder safeguards his/her personal credit

information. A violation of this trust will result in that Cardholder having his/her card withdrawn and disciplinary action.

2. If the card is lost or stolen, the Cardholder shall immediately notify the credit card company, representatives are available 24 hours a day. The Town Administrator and Finance Director should also be notified and the Lost/Stolen Card Notification form filled out.

3. A new card shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be destroyed, and the Town Administrator notified.

#### **H. Cardholder Separation**

Prior to separation from the Town of Amherst, the Cardholder shall surrender the credit card and current credit card proofs of purchase to the Town Administrator. Upon its receipt, the Town Administrator will follow the steps outlined under Review of Monthly Statement and Payment of Credit Card Purchases, and forward the card to Finance to be destroyed.

#### **I. Revocation of Credit Card Privileges**

1. The issuance of a credit card to an employee is done at the discretion of the Board of Selectmen/Town Administrator.

2. Failure to comply with proper record keeping procedures as outlined in this policy will be cause to revoke the employee's credit card privilege.

3. Repeated loss or theft of any issued credit card will be cause to revoke the employee's credit and privilege. Failure to immediately report the theft/loss of a card upon discovery may also lead to revocation of the credit card privilege.

**Town of Amherst  
Monthly Transaction Log**

***This form must accompany your batch when you submit your monthly credit card statement to the Finance Director. Please attach all receipts in Transaction Log sequence to this form.***

Cardholder: \_\_\_\_\_ Card No.: \_\_\_\_\_

Statement Closing Date: \_\_\_\_\_



***I hereby certify that this payment is for goods and services in accordance with all Town Policies and Procedures:***

Cardholder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Finance Department: \_\_\_\_\_ Date: \_\_\_\_\_

## Town of Amherst Lost/Stolen Card Notification

Cardholder's Name: \_\_\_\_\_ Card Number: \_\_\_\_\_

***Please Check One:***

Card was: \_\_\_\_\_ Lost  
 \_\_\_\_\_ Stolen  
 \_\_\_\_\_ Other (Describe) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Describe how card was lost/stolen: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Was a Police Report Filed (Circle):                      Yes                      No

If yes: Department: \_\_\_\_\_

Report Number: \_\_\_\_\_

***Cardholder Notified the Credit Card Company:***

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Cardholder's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Finance Director's Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## Town of Amherst Transaction Dispute Form

**Cardholder Information:**

Cardholder's Name: \_\_\_\_\_ Card Number: \_\_\_\_\_

Cardholder's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Vendor Name: \_\_\_\_\_

Statement Date: \_\_\_\_\_ Transaction Date: \_\_\_\_\_

Transaction No.: \_\_\_\_\_ Posting Date: \_\_\_\_\_

Amount Disputed: \_\_\_\_\_

**Dispute:**

The item referenced above is being disputed because:

\_\_\_\_\_ There is a difference in the amount I authorized and the amount I was billed. (A copy of your charge must be attached.)

\_\_\_\_\_ I only transacted one charge and I was previously billed for it. (Date of previous charge, \_\_\_\_\_.)

\_\_\_\_\_ The above transaction is mine but I am disputing the transaction. (Please state your reasons why in detail.) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ I do not recognize the above transaction.

\_\_\_\_\_ I have received a credit voucher for the above transaction, but it has not yet appeared on my account. (A copy of the credit voucher must be attached.)

\_\_\_\_\_ My account has been charged for the above transaction, but I have not received the merchandise. The details of my attempt to resolve the dispute with the merchant and the merchant's response are indicated below. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

***Attach the completed form to your monthly statement for review and approval by your Approving Supervisor and Accounts Payable.***

## Town of Amherst Credit Card Enrollment Form

### I. Employee/Cardholder Information

Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Department: \_\_\_\_\_

### II. Card Receipt:

Card Name: \_\_\_\_\_ Card Number: \_\_\_\_\_

Cardholder's Name as it Appears on the Card: \_\_\_\_\_

Cardholder's Signature: \_\_\_\_\_ Date Issued to Cardholder: \_\_\_\_\_

### III. Card Limits: Town Administrator Designates Maximum Purchase Limits (Circle)

<u>Transaction</u>	<u>Daily</u>	<u>Monthly</u>
\$ 250	\$ 500	\$ 500
\$ 500	\$1,000	\$1,000
\$ 750	\$1,500	\$1,500
\$1,000	\$2,000	\$2,000
\$1,500	\$3,000	\$3,000
\$3,000	\$4,000	\$4,000
\$5,000	\$5,000	\$5,000

### IV. Cardholder's Agreement

I understand that the use of the Town of Amherst's credit card for official purchases is an accepted practice of the Town. I will not permit another person to use the credit card issued to me. Any such purchases made with my card will be considered to be made by me and my responsibility. I will be responsible for the safe keeping of the credit card issued to me and if lost, I will report its loss immediately to my supervisor. I understand that my personal credit will not be affected by any use of the Town of Amherst's credit card.

The use of a Town credit card to acquire or purchase goods and services for other than the official use of the Town is fraudulent use. An employee guilty of fraudulent use will be subject to disciplinary action, up to and including dismissal. In addition, the appropriate law enforcement agency will be notified and requested to conduct a criminal investigation. I agree that any reimbursement owed the Town, as a result of this use, may be deducted from my wages or other moneys owed to me by the Town.

I have read, understand and agree to the conditions above:

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Department Head's Signature: \_\_\_\_\_ Date: \_\_\_\_\_