

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 important 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 from those concerned. 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 as determined by the Town Administrator. Should unusual circumstances indicate an additional employee requires a Town credit card, authorization of 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, for a daily total, and for a monthly total. These limits will be set by the Town Administrator based on existing Town policy as well as 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 may subject the employee to disciplinary action up to and including dismissal as specified in the Town's Personnel Policy and/or criminal 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 and file for future reconciliation of the credit card statement.

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. An invoice for any meal will include an itemized list of items 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 against his/her purchasing log, receipts, and any shipping documents to verify the monthly statement. The original sales documents (packing slip, invoice, cash register tape, credit card

slips, etc.) for all items listed on the monthly statement 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, 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.