



TOWN OF DEWEY-HUMBOLDT ADMINISTRATIVE REGULATION

AR No 09-03

Subject: *Credit Card Procedures*

Effective Date: December 14, 2009

1. Scope. This policy applies to employees in all Town programs, agencies and authorities.
2. Purpose. To establish criteria for the use of credit cards issued on behalf of the Town of Dewey-Humboldt for the purpose of conducting Town business.
3. For the purpose of this policy the following definitions apply:
 - 3.1. Approving Manager This individual shall review and approve a Cardholder's monthly statement of account, reconciliation and backup receipts.
 - 3.2. Cardholder Individual who has been issued a credit card and who is authorized to make purchases in accordance with these procedures.
 - 3.3. Single Purchase Limit A dollar amount limitation of purchasing authority delegated to a Cardholder. This dollar limit may vary from Cardholder to Cardholder.
 - 3.4. Vendor A company from which a Cardholder is purchasing materials and/or equipment or services under the provisions of this procedure.
4. Overview. The use of credit cards has proven to be a cost effective method of obtaining low cost supply and service items 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.
5. 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 area to make the payment on time, and 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.
 - 5.1. Issuance of Credit Cards.
 - 5.1.1. The employee must sign documentation verifying agreement to the conditions of use.
 - 5.1.2. The Town Manager will determine the purchase authority of the employee and sign the enrollment form indicating approval.
 - 5.1.3. Finance will review the enrollment form and process for issuance of a credit card for the employee.
 - 5.2. Use of the Credit Card.
 - 5.2.1. If an employee receives a unique card with his/her name on it. ONLY that Cardholder is authorized to use that card. Upon authorization of Town Manager or Finance Director, the Cardholder may make transactions on behalf of others in the organization (such as publications). However, the Cardholder is responsible for all use of his/her card.
 - 5.2.2. All purchases will be made in accordance with the Principals of Sound Financial Management (Financial Policies), and AR No. 09-01 (Purchasing Procedures).
 - 5.2.3. 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 and/or criminal prosecution.

5.2.4. 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.

5.2.5. All items purchased over-the-counter must be immediately available at the time of credit card use. No backordering of merchandise is allowed.

5.2.6. Spending limits will be adhered to.

5.2.7. The Cardholder shall retain vendor's receipts and/or records of telephone, internet and/or mail orders and file for future reconciliation of the credit card statement.

6. Unauthorized Credit Card Use. The credit card SHALL NOT BE USED for the following:

6.1. Personal purchases or identification.

6.2. A purchase that exceeds the Cardholder's single, daily, and/or monthly purchase limit.

6.3. Cash advances.

7. Personal Responsibility. 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.

8. Making a Purchase. It is the Town's policy to seek competition and the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a credit card purchase the Cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery. Where possible the finance department will establish pricing agreements and identify the preferred suppliers.

9. Cardholder Record Keeping. 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.

9.1. 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 sales tax, prior to the Cardholder signing the slip.

9.2. When the purchase is made on the Internet the Cardholder shall print a copy of the receipt and order confirmation before exiting the site.

9.3. When the purchase is made over the telephone the Cardholder shall have the vendor fax them a copy of the receipt.

9.4. When a purchase is made by mail the Cardholder shall retain all confirmations and shipping documentation.

9.5. 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.

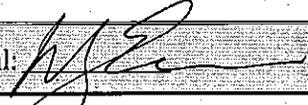
- 9.6. Comments. "Comments" should include the purpose of the purchase, whether there was an under/over shipment of quantity, if there are errors to be resolved, if goods were damaged, or if the purchase was for food, who it was for and why.
10. YEAR END. During the month of June, purchases will be restricted to facilitate the Fiscal Year end closing. It is imperative that careful planning is done to ensure that appropriate levels of supplies are on hand to last until the beginning of the new Fiscal Year.
11. Monthly Statement. 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.
- 11.1. The Cardholder shall receive his/her monthly statement of account that will list the Cardholders' transactions for that period.
- 11.2. 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 3 business days** of receiving the monthly statement.
- 11.2.1. Original receipts must be attached. More than two reminders of this routine will be grounds for revoking the employee's credit card privileges.
- 11.2.2. Cardholder must assign the appropriate expenditure account for each purchase.
- 11.3. If an item is returned and a credit voucher is received, the Cardholder shall verify that this credit is reflected on the monthly statement.
- 11.4. If any purchased items or credit is 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 31 days** after the date of purchase, the Cardholder shall notify the Finance Department.
12. Cardholder Security. 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.
- 12.1. If the card is lost or stolen the Cardholder shall immediately notify the credit card company, representatives are available 24 hours a day. Advise the representative that the call is regarding a credit card. The Approving Supervisor, Town Manager and Finance should also be notified and the Lost/Stolen Card Notification form filled out.
- 12.2. 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.
- 12.3. Any employee may have two cards replaced due to loss or theft after that they may have their credit card privileges revoked. If an employee is found guilty of theft due to negligent in care of security, replacement cards will not be issued.
13. Cardholder Separation. Prior to separation from the Town of Dewey-Humboldt, the Cardholder shall surrender the credit card and current credit card proofs of purchase to his/her Approving Supervisor. Upon its receipt, the Approving Supervisor 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.

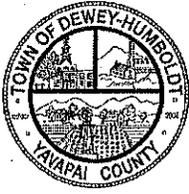
Forms.

Credit Card Enrollment Form

Transaction Dispute Form

Lost or Stolen Card

TOWN MANAGER APPROVAL	Initial: 
Notes: <i>this also applies to lines of credit, etc. WJZ Mar 25, 10</i>	



TOWN OF DEWEY-HUMBOLDT LOST / STOLEN CARD NOTIFICATION

Cardholder Information:

Name

Card Number

Card holder Signature

Date

Please Check One:

Card was: _____ Lost

_____ Stolen

_____ Other (Describe)

Was a Police Report filed? YES NO (Circle)

If yes:

Department: _____

Report Number: _____

IMPORTANT: It is imperative that you contact the Credit Card Company immediately for suspension of your card. You are responsible for all charges made on the card until it has been canceled.

You must also notify the Fiscal Responsibility Department.

Upon your telephone call, the bank will immediately suspend your credit card and issue a new card. The new card will be sent to the Fiscal Responsibility Department.