

Credit Card Policy

Policy Purpose

The purpose of this Credit Card Policy is to facilitate purchases necessary for Town operation and to facilitate other necessary transactions where use of a credit card would expedite the transaction in an efficient manner. The purpose of the use of these cards is not to override the procedures set forth in the Town's Purchasing Policy, but to provide an alternative method of purchase for necessary goods and services.

Overview

It is the policy of Town of Chesterfield to permit use of Town credit cards by employees designated by the Selectmen for charging legitimate Town expenses.

Policy

Town credit cards will be issued to the Town Administrator, Police Chief, Road Agent and the Recreation Director with the approval of the Selectmen.

Credit cards will be used only for business purposes. **Personal purchases of any type are not allowed.** The following purchases are not allowed:

- Alcoholic beverages/tobacco products/controlled substances
- Capital equipment and upgrades
- Construction, renovation, or installation
- Items or services on term contracts
- Maintenance agreements
- Personal items or loans
- Telephones, related equipment, or services
- Cash advances
- Any other items deemed inconsistent with the values of the Town

Cardholders will be required to sign an agreement indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action as stated in the Town's Personnel Policy. Misuse of Town credit cards is considered a misuse of government funds and will be treated as such.

Procedures

1. Credit cards may be requested by the above stated Department Heads by written request to the Town Administrator.
2. Detailed receipts must be retained and copies submitted to the Town Bookkeeper with the credit card statement to be paid, no less than two weeks prior to its due date.
3. All monthly statements submitted for payment must have the appropriate account number(s) and the associated amounts clearly written on the statement. Multiple purchases charged to the same account number must be subtotaled. Cards may be designated to have all expenses charged to a specific account number.
4. Cardholders should make every effort to ensure that purchases do not include sales tax. Tax-exempt certificates are available through the Selectmen's Office. Sales tax may be paid for minimal expenditures from one-time vendors who refuse the exemption, but sales taxes should not be paid where the purchases are for more substantial expenditures or are repetitively incurred (select another vendor).
5. Card numbers should not be distributed beyond the cardholder or his/her designee and should not be saved in online accounts.
6. The cardholder is responsible for ensuring the credit card purchases are within budget and properly approved.

Eligibility

Only personnel specifically authorized by the Selectmen are provided with Town credit cards.

Card Number Security

The person whose name the Town credit card is in is solely responsible for all purchases on the card and ensuring that their credit card number is not used by unauthorized personnel. As such, the cardholder shall NOT share their card number with anyone.

Tax Exemption

All municipal entities are exempt from state sales tax. The documentation is available upon request from the Selectmen's Office. All purchasers should provide this information to vendors at the time of purchase and do what is feasible to ensure that they are not paying state sales tax on purchases.

Termination

Upon the termination of employment of a cardholder for any reason, all cards and supporting documentation must be returned to the designated person, along with any other company owned items.

Statements

Credit card statements are mailed directly to the finance department. The finance department then scans the statements and emails it to the card holder and their designee.

Credit Card Limits

Town credit cards shall have an authorized maximum limit of \$2,500.

Receipts

The credit card holder is responsible for receiving, printing and retaining all receipts related to credit card purchases. This includes receipts related to online purchases. The cardholder or their designee shall label all receipts with a description of what it is, to ensure proper coding by the bookkeeper. Original receipts must be sent/delivered to the Bookkeeper (with a copy retained by the card holder or their designee). Credit card receipts will be routinely audited for correct usage.

Credit Card Transactions

Credit Card transactions are hereby authorized for the following methods of acquisition:

- In person: the employee shall present the credit card for purchases of goods and services not practically procured through normal purchasing practices. The employee shall obtain a receipt for all purchases and credits, and submit the receipt to the Bookkeeper for reconciliation with the credit card invoice as indicated under PROCEDURES (2) above.
- Via telephone or mail order: the employee shall provide the vendor or merchant with the credit card number, expiration date, and other pertinent data necessary to complete the transaction. The employee shall take necessary precautions to ensure that the transaction is valid prior to providing pertinent credit card data. The employee shall properly document the transaction with a printed receipt (sent by the vendor) and submit this documentation to the Bookkeeper for reconciliation with the credit card invoice.
- Via the Internet: the employee shall provide the vendor or merchant with the credit card number, expiration date, and other pertinent data necessary to complete the transaction. The employee shall

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take necessary precautions to ensure that the transaction is valid prior to providing pertinent credit card data. The employee shall properly document the transaction with an on-line printed receipt.

Policy Violations

Violations of this policy may result in a warning, cancellation of the card privileges, or termination, depending on the severity of the violation. Violations will be dealt with in accordance with the Town's Personnel Policy manual.

Approved and Adopted by the Board of Selectmen the 9th day of March, 2016.

Chesterfield Board of Selectmen

Jon McKeon

Brad Roscoe

Dan Cotter

Chesterfield Cardholder Agreement

I _____ hereby acknowledge receipt of the following

credit card: _____ - _____ - _____ - _____
(Type of Credit Card) (Card Number)

I understand that improper use of this card may result in disciplinary action, as outlined in the personnel policy, as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement, including the attached Town Credit Card Policies and Procedures agreement.

I acknowledge receipt of this Agreement and Policies/Procedures and confirm that I have read and understand the terms and conditions. I understand that by using this card, I will be making financial commitments on behalf of the Town and that the Town will be liable to TD Bank for all charges made on this card.

Signature _____ Date _____