

Subject: Credit Card Policy
Policy No.: 200-0007
Effective Date: Revised 04/23/2012

1.1.0 Introduction

The City's credit card is a purchase card system benefiting City Departments through prompt payment to suppliers and designates responsibility for low value purchase authority to those making the commitment.

2.1.0 Policy

Credit cards are issued at the discretion of the City Manager and Chief Financial Officer (CFO) to assist Departments in expeditious purchases and maintaining proper accountability. As such, Departments are granted a formal delegation of purchasing authority from the Chief Financial Officer. This entrustment of authority governs the use of the credit card as a tool for purchasing materials and services of less than \$500 and for travel related expenses of less than \$5,000. The Department, and subsequently its individual employees, agrees to comply with all applicable City policies and procedures and the cardholder agreement.

2.1.1 Compliance with Policy, Violations and Consequences

Department and/or employee violations of the policy or cardholder agreement will be investigated by the Finance Department and may result in either one or more of the following actions: written warning, revocation of credit card privileges and cancellation of delegation of purchasing authority, disciplinary action, termination and/or criminal prosecution. The CFO may take into consideration human error and extraordinary circumstances when investigating and dealing with any violation to this agreement.

Credit Card violations include but are not limited to:

- Purchase of items for personal use
- Purchase of items in violation of the travel policy
- Use of the credit card for cash advances
- Use of the credit card for purchase of more than \$500 by splitting purchases into more than one transaction
- Failure to return the credit card upon request
- Failure to turn in receipts and/or other back up documentation for reconciliation purposes when requested.

2.1.2 Ownership and Cancellation of the Credit Card

The credit card remains the property of the financial institution. It may not be transferred to, assigned, or used by anyone other than the designated Department or employee. The Department is accountable for the activity on the credit card. The bank or CFO may suspend or cancel Cardholder privileges at any time for any reason. The Cardholder will surrender the credit card upon request to CFO or any authorized agent of the Bank.

2.1.3 Spending Limits

Each credit card has a pre-set limit that may not be exceeded under any circumstances. Modification to the card's limit can only be by the City's CFO or delegate upon CFO approval.

2.1.4 Department and Individual Cards

Credit cards, both department and individual, will be maintained in their respective departments.

3.1.0 Receipts and Reconciliation

Each time the credit card is used, it is the Department's responsibility to obtain transaction receipts from the merchant. Receipts are to be attached to periodic statements and submitted along with an accounting reconciliation of the credit card for monthly payment. Each Department Head and the CFO will be responsible for review and approval of monthly statements and reconciliation. The Department must keep a copy of statement data and proof of reconciliation, including receipts and packing slips, on file for a period consistent with the record retention requirements of the law (currently 7 years).

3.1.1 Department Responsibility

Each individual Department is responsible for:

- Ensuring that these procedures are in place for all cards before employees are given card privileges.
- Perform timely reconciliation
- Maintain proper record keeping
- Perform the following administrative duties:
 - Know the credit card's limitations and restrictions
 - Develop and implement internal procedures in accordance with this policy that govern the use of the credit cards
 - Monitor card usage to ensure that internal policies and procedures are being followed

3.1.2 Disputed Items

It is the Department's responsibility to notify CFO or delegate of any erroneous charges, returns or adjustments to ensure proper credit is given on subsequent statements.

3.1.3 Protecting the Credit Card

The credit card is valuable property which requires proper treatment by the Department/employee to protect it from misuse by unauthorized parties.

Validation and Safekeeping

Sign the credit card immediately upon receipt. The credit card should always be treated with the same care as personal credit cards, bankcards, cash and checks. Keep your card(s) in an accessible, but secure location. When using the credit card for internet purchases, cardholders should ensure that the site utilizes industry recognized encryption transmission tools.

When the expiration date is passed and/or after you have received a new credit card, cut the old credit card in half and dispose of it. Make sure the credit card is returned to the Department after each charge and verify that the returned credit card has the correct name on it.

3.1.4 Lost or Stolen Credit Cards

If the credit card is lost or stolen, contact the Bank's 24-hour toll-free number immediately and notify the CFO or delegate.

Basic Procedures for Credit Card Use

Basic Procedures for Credit Cards

1. Complete and submit Credit Card Purchase Requisition in Docefill.
2. Purchasing will provide a Credit Card Purchase Order (PO) upon final approval.
3. Original receipts and credit card POs must be attached to Credit Card Bill Recap form and submitted with monthly statements.
4. Departments will be responsible for reconciling statements for department cards.

Exceptions

Exceptions may apply and will be reviewed on a case by case basis. The CFO or Purchasing Manager should be contacted with any exceptions, questions or inquiries.