

CREDIT CARD POLICY

TOWN OF BROOKLINE

1. Purpose

- 1.1. To establish the Policy and Procedures for the use of Town credit cards by department heads or their designee. These procedures are intended to accomplish the following:
- 1.2. To ensure that the procurement with credit cards is accomplished pursuant to the policy and procedures established by the Board of Selectmen, Police Commission or Library Trustees as may be appropriate.
- 1.3. To enhance productivity, significantly reduce paperwork, improve internal controls and reduce the overall cost associated with approved purchases as listed below.
- 1.4. To ensure appropriate internal controls are established within each department procuring with credit cards so that they are used for authorized purposes only.
- 1.5. To ensure that the Town bears no legal liability from inappropriate use of credit cards.

2. Scope

- 2.1. The Board of Selectmen will make all decisions regarding the issuance of individual cards and the establishment of any and all additional controls of their use. The limit on each card shall be \$5000.00.

3. Policy

- 3.1. Town credit cards may be used for the following purchases:
 - 3.1.1. Fuel, Materials, supplies, and equipment. Only if a purchase order cannot be issued. Charges for supplies and equipment shall not exceed \$250 per item without approval from the Administration or their designee.
 - 3.1.2. Registrations
 - 3.1.3. Travel and/or training expenses Other items specifically authorized by the Administration or their designee.
- 3.2. The credit card will not be used for personal purchases of any kind. Use of credit cards for personal purchases or expenses with the intention of reimbursing the Town is prohibited.
- 3.3. Splitting of charges to avoid the transaction limit set for the credit card is prohibited.
- 3.4. Use of the card for meals is limited to travel outside of the town where at least one overnight stay will occur or when the meal is for business purposes only at the convenience of the town. Meals to promote goodwill or to boost morale are not considered at the convenience of the town. There will be no charges allowed for alcohol or entertainment.
- 3.5. Department heads are required to authorize payment of the charge on their receipt. This includes charges made by any designated individual.
- 3.6. No cash advances (ATM, traveler's checks, money orders, etc.) are allowed using the credit card.
- 3.7. The credit card is not to be used to pay invoices or statements of any kind.
- 3.8. All purchases made with credit cards shall be paid for within the grace period so that no interest charges or penalties will accrue.

- 3.9. Any incentive program benefits derived by the use of Town credit cards will be the property of the town. The Administration will determine the use of such incentive program benefits.
- 3.10. All cardholders should take all measures necessary to ensure the security of the credit card and the card number. Cardholders shall not give their card or their card number to others to use on their behalf.
- 3.11. Lack of proper documentation or authorizations may result in loss of credit card privileges and/or personal liability.
- 3.12. Misuse of a Town credit card by an authorized employee may result in loss of the credit card and/or disciplinary action against the employee, up to and including termination of employment.
- 3.13. The cardholder will provide all information required by the financial institution issuing the card in order to receive a Town credit card, including social security information as required by the Federal Patriot Act.

4. Procedure

- 4.1. Each authorized cardholder must sign an Agreement to Accept Town Credit Card prior to issuance of the credit card. Forms will be kept on file in the Finance Department.
- 4.2. When using the Town credit card, the cardholder should:
 - 4.2.1. Ensure the goods or services are budgeted and allowable.
 - 4.2.2. Determine if the intended purchase is within the cardholder's credit card limits.
 - 4.2.3. Tell the merchant or supplier that the purchase will be made using the credit card issued through the Town of Brookline.
 - 4.2.4. Inform the merchant that the purchase is tax exempt. The tax exempt number is 99-9999999. Review the receipt before leaving the store and request a credit if taxes were charged in error.
- 4.3. The cardholder is responsible for managing any returns or exchanges to ensure proper credit is received for returned merchandise. The cardholder should contact the vendor to obtain instructions for returns and make sure that proper credit is received.
- 4.4. All receipts related to the purchase need to be approved by the department head and forwarded to the ?????? (Finance Director?) within (3) three days of the purchase. If the cardholder does not have receipt or proper documentation to submit, a reconciliation statement that includes a description of the item, date of purchase, merchant's name and an explanation for the missing support documents shall be submitted within (3) three days of the purchase. Frequent instances of missing documentation may result in the cardholder's privileges being revoked.
- 4.5. The ?????? will reconcile the credit card statement to the receipts forwarded by the departments making purchases. Exceptions will be forwarded to the department involved for resolution. The ?????? will verify the general ledger code designated for the transactions and will adjust, if necessary.
- 4.6. It is the cardholder's responsibility to submit the receipts and other documentation within the time frame stated above. If the information is not submitted in a timely manner, the department that has not submitted the information will be responsible for the interest and/or late charges.
- 4.7. If a credit card is lost or stolen it shall be reported to the ?????? immediately after discovery.

4.8. Upon separation of employment, cardholders shall surrender their town credit card to the ?????? on or before their last day of work and prior to issuance of final compensation to the cardholder.

5. Audits

5.1. Random audits will be conducted for both card activity and receipt retention as well as statement review by the ??????. The detailed activity is also reviewed annually by the town's independent auditing firm.

6. Authority

6.1. These policies are adopted by the Board of Selectmen in accordance with RSA 31:39 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

APPENDIX I

**ADMINISTRATIVE REGULATION
AGREEMENT TO ACCEPT TOWN CREDIT CARD**

I, hereby acknowledge receipt of a Town of Brookline Credit Card, number _____.

As a Cardholder, I agree to comply with the terms and conditions of this Agreement and the applicable provisions of _____ Credit Card Policy, as may subsequently be revised. I acknowledge receipt of the Policy and I have read and understand its terms and conditions. I understand the Town of Brookline is liable to the financial institution for all charges made by me.

As the holder of this credit card, I agree to accept responsibility for the protection and proper use of this card as outlined in the regulations. I understand that the Town will audit the use of this credit card. I understand that I am responsible for retaining all receipts for processing to the ?????? and that failure to provide receipts may result in personal liability. I understand that I cannot use the credit card for personal use even if the intent is to reimburse the Town. I understand the use of the card does not circumvent the Town's Purchasing Policy.

I further understand that improper use of this credit card may result in disciplinary action, up to and including termination of employment and in accordance with applicable Collective Bargaining Agreement and/or Town Personnel Policy. I also agree to allow the Town of Brookline to collect any amounts owed by me even if I am no longer employed by the Town.

If the Town initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay all legal fees incurred by the Town in such proceedings. I understand the Town may terminate my rights to use this credit card at any time for any reason.

I agree to return the credit card to the Town of Brookline immediately upon request or upon termination of employment.

Cardholder Date

Department Head Authorization (If cardholder is designee) Date

Board of Selectmen Date