



# Town of Webster

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## **Credit Card Policy**

**Adoption Date: July 17, 2017**  
**Amended: June 4, 2019**

The primary advantages of establishing a Credit Card Program are the various ways that the Town and the Departments utilizing the program can establish limits and restrictions on individual purchases. These features allow the Town to tailor the program to fit its needs and to extend Credit responsibility to more individuals while maintaining or increasing accountability. Prompt payment to vendors enhances the Town's relationships with suppliers. In addition, the increased ability to track small purchase activity with vendors can allow the Town to negotiate discounts.

The success of the Town of Webster Credit Card Program relies on the cooperation and professionalism of all personnel associated with this initiative. The Cardholder is the most important participant and is the key element in making this program successful.

### **PURPOSE**

To establish those procedures under which departments will control the use of Credit Cards assigned to and utilized by Town employees for materials and services. These procedures are intended to accomplish the following:

1. To ensure that procurement with Credit Cards is accomplished in accordance with the policy and procedures established by the Select Board.
2. To enhance productivity, significantly reduce paperwork, improve controls, and reduce the overall cost associated with small purchases.
3. To ensure appropriate internal controls are established within each department procuring with Credit Cards so that they are used only for authorized purposes.
4. To ensure that the Town bears no legal liability from inappropriate use of Credit Cards.

### **SCOPE**

The Select Board will make all decisions regarding the issuing of individual cards and the establishment of any and all additional controls for their use.

### **APPLICABILITY**

This procedure applies to all departments of the Town of Webster.

### **USE OF CREDIT CARD**

The Credit Card is to be used for Town purchases only. Cash advances through bank tellers or automated teller machines are prohibited.

The Credit Card will not be used for personal purchases of any kind. Use of the Credit Card for personal purchases or expenses with the intention of reimbursing the Town is prohibited.

Each Credit Card is embossed with the Cardholder's name and shall not be lent to any other person. Cardholders are responsible for the security of their Credit Card. All precautions shall be used to maintain confidentiality of the Cardholder's account number and expiration date of the Credit Card.

A single purchase may comprise multiple items. Unless previously approved by the designated approving official, the total amount of each single purchase may not exceed the limit of \$1,000 as established by the Select Board. Purchases of \$1,000 or higher require the issuance of a Purchase Order (PO) approved by the Select Board unless a PO is not required as defined in the Town of Webster Purchasing Policy. Payments for purchases are not to be split in order to stay within the single purchase limit. Items purchased requiring delivery are to be delivered to a municipal address, not the Cardholder's home address.

When using the Credit Card, the Cardholder shall:

1. Ensure that the goods or services to be purchased are budgeted and allowable.
2. Determine if the intended purchase is within the Cardholder's Credit Card limits.
3. Tell the supplier/merchant that the purchase will be made using the Credit Card issued by Credit Card Issuer through the Town of Webster.
4. Inform the merchant that the purchase is tax exempt. The tax exempt number is 02-6000959. Review the receipt before leaving the store and request a credit if taxes were charged in error.
5. The Cardholder is responsible for managing any returns or exchanges and ensuring that proper credit is received for returned merchandise. The Cardholder should contact the vendor to obtain instructions for return and review the next card statement to ensure that the return was properly credited.

## **DOCUMENTATION, RECONCILIATION, AND PAYMENT PROCEDURES**

It is important to the success of the Credit Card Program that Cardholders adhere to the following procedures. Failure to keep adequate receipts or frequent abuse of these provisions will result in cancellation of the Cardholder's Credit Card.

1. Documentation - Any time a purchase is made using the Credit Card, the Cardholder is to obtain a customer copy of the charge slip, which will become the accountable document.
2. Missing Documentation - If the Cardholder does not have a receipt or documentation to submit with the statement, a reconciliation statement that includes a description of the item, date of purchase, merchant's name, and an explanation for the missing support documents must be submitted with the Cardholder's statement. Frequent instances of missing documentation will cause a Cardholder's Credit Card use privilege to be revoked.
3. Payment & Invoice Procedures - Purchases made by employees will be paid by the Finance Department once the Cardholder and approving official verifications have been completed and account numbers assigned for each transaction. Copies of Credit Card statements will be received by the Financial Administrator for reconciliation and payment. It is the department's responsibility to submit the credit card statement to the Financial Administrator in a timely manner for processing. If the statement is not submitted in a timely manner, the department using the card will be responsible for interest or late charges added for that item purchased from their department's expense lines.

## **APPROVAL**

The designated approving official for each department will review each transaction on the statement. At a minimum, the items, vendor and account number will be reviewed to determine if the purchase was made for Official Use and in accordance with policies and procedures.

If items purchased with the Credit Card are found defective or the repair or services faulty, the Cardholder has the responsibility to return the items to the merchant for replacement or credit. Cash refunds will not be permitted. If the merchant refuses to replace or correct the faulty item, the purchase of this item will be considered to be in dispute.

In addition to noting the disputed item on the statement, any support documents must be attached to the statement. The Financial Administrator will notify the Cardholder and designated approving official of the action taken on disputed items.

It is essential that the time frames and documentation requirements established by Credit Card Issuer be followed to protect the Cardholder's rights in dispute. Dispute policies and procedures issued by Credit Card Issuer will be provided at the time the Credit Cards are issued to Cardholders.

## **REQUEST FOR INITIAL, ADDITIONAL, OR CHANGES TO CREDIT CARD**

All requests for new Cardholders or changes to current Cardholders will be done by submitting a request to the Financial Administrator.

All requests for Credit Cards must be approved by the Select Board. The designated representative's name must be provided to the Financial Administrator and kept current.

When the Financial Administrator receives the Credit Card from the Credit Card Issuer, the Cardholder will be required to personally sign for their Credit Card.

## **MISUSE**

If for any reason the approving official questions the purchases, it is their responsibility to resolve the issue with the Cardholder. If it cannot be determined that the purchase was necessary for Official Use and in accordance with policies and procedures, the Cardholder must provide proof that the items have been returned for credit. Resolution for improper use of the Credit Card will be the responsibility of the approving official and the Select Board. Disciplinary action for misuse will also be the department's responsibility. Flagrant abuse of the Credit Card Program shall result in termination. Should it be evident that an unauthorized purchase was knowingly made, the Select Board will determine what action will be taken. This action could result in termination or legal action.

## **LOST OR STOLEN CREDIT CARDS**

It is the responsibility of the Cardholder to immediately notify the Financial Administrator of a lost or stolen Credit Card.

Failure to promptly notify the issuing bank of the theft or loss of the Credit Card could make the Town responsible for any fraudulent use of the card and result in loss of privileges for the Cardholder.

## **TERMINATION OR TRANSFER**

Upon termination of employment for any reason, a Cardholder must relinquish their Credit Card at the time of separation from the Town. The Select Board will notify the Financial Administrator of the termination. The Financial Administrator will notify the Credit Card Issuer and the Cardholder's card will be immediately deactivated. A Cardholder who fraudulently uses the Credit Card after separation from the Town will be subject to legal action.

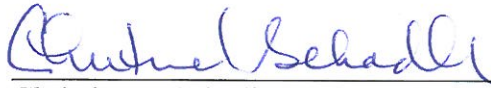
## **AUDITS**

Random audits may be conducted for both card activity and receipt retention as well as statement review by the Financial Administrator.

The Select Board reserves the right to waive any provision of this policy as circumstances warrant.

### **Webster Select Board:**

  
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Nanci A. Schofield, Chairwoman

  
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Christine L. Schadler

  
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