

CITY OF BOSCOBEL
CREDIT CARD POLICY
Adopted by the Common Council on SEPTEMBER 16, 2019

I. Purpose

This policy defines the procedures, responsibilities, and limits for the use of credit cards issued in the name of the City of Boscobel. The intent of these procedures is to ensure that purchases are in compliance with approved policies and to limit the city's risk due to loss or misuse of credit card information. This is a city-wide policy and applies to all departments using credit cards in the name of the City of Boscobel.

II. Policy Statement

The City of Boscobel shall authorize the issuance of credit cards in the name of the City of Boscobel to proper personnel based on department head recommendations. Online account access for account management, statement review and payment processing is preferred. Use of a credit card is not intended to replace City or departmental purchasing practices, statutory requirements, or contractual agreements. All credit card purchases must comply with the City of Boscobel Procurement Policy. Misuse of any credit card may result in revocation of the card and disciplinary action in accordance with City policy, up to and including termination.

III. Accountability

The City Administrator, or designee, shall maintain a listing of all authorized credit card users, as well as the names of the applicable credit card companies and the numbers of the credit cards those persons are authorized to use.

The following departments may have credit cards issued to their department:

- City Administrator
- Director of Public Works
- Police Department
- Library

Department heads having credit cards issued to their departments/employees are responsible for the proper administration of the credit cards. Receipts for credit card purchases must be submitted to be compiled with the monthly statement. The City Administrator, or designee, shall reconcile all credit card statements on a monthly basis and process for online payment in a timely fashion to avoid interest charges.

The department head is responsible for ensuring that credit cards are returned to the City Administrator to be cancelled when the employee's duties change or the employee transfers to another department or terminates employment. The department head is also

responsible to verify that the cardholder has notified the issuer and the City Clerk to cancel the card if lost or stolen.

It is expected that credit cards will generally be assigned to an individual cardholder and used primarily by that cardholder. However, it is understood that some departments may have need of a “departmental” card for employees to pick up parts or supplies from providers who will not direct bill the city. The number of individuals using a departmental credit card should be limited to the extent possible, as multiple users increases the city’s risk.

Departments using a “departmental” card shall store the card in a secure place and shall require the card and transaction receipts to be returned promptly after each use. All transactions must be traceable to the employee making the purchase. Prior to, and as a condition of card issuance, each employee assigned a credit card shall sign an Employee Credit Card Agreement acknowledging their responsibility. It is the cardholder’s responsibility to:

- ensure that purchases are authorized and in accordance with department and City policies;
- safeguard the credit card, the card number, and all receipts and other documents containing credit card information;
- obtain itemized receipts for all credit card transactions;
- promptly turn in all transaction receipts to department head or City Administrator;
- promptly return incorrect or defective merchandise for credit;
- ensure that internet purchases are made only from secure sites;
- inform vendors of tax exempt status and provide vendor with tax exempt number, if needed. Note: It is understood that some online purchases may not be exempt from sales tax. Such purchases are acceptable when the savings on the purchase price are sufficient to make the expenditure the best value for the City;
- immediately notify the card issuer and the City Administrator if the card is lost or stolen.

Procedures

1. Authorization and Issuance of Cards.

The City will identify a single source for all City credit cards. Fees, interest rates, and reward programs shall be considered in determining the credit card source. Any rewards accruing from card usage shall be redeemed at least annually.

The City Administrator will obtain the approved credit cards, provide each cardholder with a copy of this policy, and obtain the cardholder’s signature on the Employee Credit Card Agreement which shall be retained by the City Administrator. The cardholder shall also be provided with the necessary contact information to immediately cancel the card in the event of loss or theft and to notify the City Administrator of such loss. The City

Administrator shall maintain a record of all credit cards in the name of the City of Boscobel, including the cardholders and credit limits.

Occasionally, a unique situation may require a purchase that exceeds a cardholder's established limits. If a cardholder requires a different card limit, prior authorization is required from the City Administrator or Mayor. The City Administrator, or designee, will make contact with the credit card company to allow use of the card for the special purchase.

2. Use of Cards.

Cards shall be used only to purchase goods or services necessary to the department's operation and in accordance with standard City and department practices. Credit card limits are not to exceed \$5,000. Any amounts above that must have prior approval from the City Council. Any credit card charges submitted without proper documentation shall be deemed the personal obligation of the City employee.

The following uses are not permitted:

- Personal use.
- Cash advances.
- Gas, other than for city-owned vehicles.
- Alcohol beverages, drugs, pharmaceuticals or entertainment expenses.
- Telephone calls or services.
- Insurance.
- Hazardous materials.
- Parking tickets, speeding tickets or other vehicular tickets or fines.
- Cash refunds for returned items.
- Splitting purchases to avoid authorization limits set on the card or by City policy limits for bidding/solicitation.
- Capital equipment purchases of \$5,000 or more, unless specifically authorized by the City Council.
- Leases or rentals of facilities or property.
- Purchases that require a contract, unless contract has been pre-approved and signed by authorized City representative.
- Services from a "tax reportable" or "1099" vendor. A tax reportable or 1099 vendor is defined as an individual, sole proprietorship or limited partnership who is paid more than \$600 in a calendar year for services.
- Purchases from companies outside of the United States, unless specifically authorized by the Mayor or a member of the Finance & Progress Committee if the Mayor is not available.

This list is not all inclusive, nor is it intended to be. It is given as an example of inappropriate uses of the City credit card. Department heads and governing committees are encouraged to further limit credit card usage, in writing, to the specific needs of the

individual department. Proper use of a City of Boscobel credit card will be the responsibility of the cardholder or employee making the purchase.

Any person requesting to use a City of Boscobel credit card must first read the City of Boscobel Credit Card Policy and complete the Employee Credit Card Agreement.

3. Purchasing Checklists by Order Method

Cardholders should utilize the following checklists for the various methods of purchasing:

In Store Purchases ("over-the-counter")

1. Before visiting the vendor location, make sure the vendor accepts credit cards.
2. Inform the vendor that the City is tax exempt. The exempt number is CES 046449. At some stores you will need to go to customer service in order for tax not to be charged to your credit card.
3. Review cash register and credit card receipts *prior to* signing for purchase to ensure:
 - sales tax was not charged;
 - any discount offered was included; and
 - total purchase price is correct.
4. All items purchased "over the counter" must be immediately available at the time of purchase. No backordering of merchandise is allowed.
5. Retain documentation: cash register receipt or invoice and "customer copy" of the charge receipt showing detail of purchase.

Telephone Orders

1. When placing telephone orders, before a final purchase is made, *always* inquire about and confirm the following:
 - that the order is tax exempt;
 - if the goods or services are available and meet specifications;
 - the cost of shipping and handling to be applied to your transaction;
 - an estimated delivery date;
 - any special delivery requirements the vendor may require;
 - complete shipping address, including order number, that directs the purchase to your name, City building name, and phone number; *ask that this information be included on the shipping label and packing slips*; shipment to locations other than City building locations is strictly prohibited; and
 - request that an order acknowledgement and/or shipping notification be sent to your email address or faxed to you to provide additional documentation for your records.
2. Retain written documentation detailing vendor, date, name of person order was placed with and telephone number, line item detail of each item ordered, total cost including shipping, order number supplied by the vendor, and anticipated delivery date.

3. To ensure complete and compliant record keeping, details of the order acknowledgement/receipt must be given to the department head or City Administrator, or designee.
4. Advise the staff member who receives merchandise of the vendor's name, anticipated delivery date, number of boxes expected, carrier (UPS, FedEx, etc.)

Internet Orders

1. Only purchase items from companies that are reputable and creditable. **If** you know nothing about the company, refrain from ordering from them.
2. When entering credit card information, make sure you are on a secure site. For example, on Internet Explorer you should be able to see a little locked padlock in the lower right hand corner of your computer screen.
3. Remember, all City purchases are tax exempt. **If** tax is added onto your order prior to your checkout, you should cancel the order and call the company to arrange for a tax exempt purchase. Note: It is understood that some online purchases may not be exempt from sales tax. Such purchases are acceptable when the savings on the purchase price is sufficient to make the expenditure the best value for the City;
4. Make sure the information you enter into the vendor's shipping information will direct the purchase to your attention. Shipment to locations other than City building locations is strictly prohibited.
5. Make sure you receive an itemized receipt for your purchase.

Fax Orders

Fax orders are strongly discouraged as we have no control over the security at the building where the fax is being sent.

Mail Orders

Mail orders are strongly discouraged as we have no control over the security at the building where the mail is being sent.

Returns, Credits and Disputed Items

Retaining written documentation detailing vendor, date, name of person order was placed with and telephone number, line item detail of each item ordered, total cost including shipping, order number supplied by the vendor, and anticipated delivery date is important when following up with the vendor on any erroneous charges, disputed items, or returns. The cardholder should contact the vendor as soon as a discrepancy is noted to request resolution of the problem. Corrective steps may be applied to resolve the issue as follows:

- The vendor may issue a credit on your card account along with a credit memo for you to submit to your department head or City Clerk with the original order documentation.
- A cash refund or refund in the form of a check for any disputed items originally purchased with your credit card is *not* acceptable from the vendor.

All documentation regarding returns, credits or disputed items should be brought to the attention of the department head and/or City Clerk. Paperwork should be submitted to be included with all original charge information for further reference, ensuring the proper steps are taken to resolve the issue.

4. Reconciliation and Payment of Statements

Cardholders shall obtain an itemized invoice/receipt for all transactions that include the vendor, date, quantity, price, and description of the item(s) purchased. If, for any reason, a receipt cannot be obtained, cardholder shall document, in writing, the purchase information along with the reason a receipt could not be obtained. Items returned for credit shall be noted on the original receipt and a copy of the credit memo attached. Cardholders shall submit transaction receipts to department head, City Clerk, or designee, with the monthly statement. The department head is responsible to ensure that the required documentation is submitted by the designated date to avoid any late fees or finance charges.

5. Failure to Comply With Policy/Procedures

Misuse of any credit card, including inappropriate purchases or failure to safeguard the card and information, may result in revocation of the card and disciplinary action in accordance with City policy, up to and including termination. Cardholders shall be responsible for repayment of any inappropriate purchases.

Repeated failure to submit required receipts within the designated time frame may be grounds for revocation of the card by the Finance & Progress Committee or may result in disciplinary action.

Employee Credit Card Agreement

I acknowledge my responsibility as a cardholder and agree to comply with the following terms and conditions regarding my use of the City of Boscobel credit card:

- I will ensure that purchases are authorized and in accordance with department and City policies.
- I will safeguard the credit card, the card number, and all receipts and other documents containing credit card information.
- I will obtain itemized receipts for all credit card transactions.
- I will promptly turn in all transaction receipts to department head or City Clerk, as applicable.
- I will promptly return incorrect or defective merchandise for credit.
- I will ensure that internet purchases are made only from secure sites.
- I will inform vendors of tax exempt status and provide vendor with tax exempt number, if needed.
- I will immediately notify the card issuer and the City Clerk if the card is lost or stolen.
- I have been given a copy of the Credit Card Policy and understand the requirements for the card use.

Signature: _____ Date: _____