

TOWN OF ASHLAND CITY CREDIT CARD POLICY

INTENT

The Town of Ashland City credit card program was designed to make the purchase of relatively small dollar items (under \$500) easier for the city and its departments. Use of the card is not, however, intended to replace the City purchasing (requisition/purchase order) policy, which is required for any purchase over \$500.

PERSONAL USE OF CARD PROHIBITED

All purchases made on the card should be for **official city business only**. Misuse of the card may result in disciplinary action up to and including termination, with possible filing of criminal charges.

CUSTODY OF CARD

The credit card shall always be kept in the custody of the assigned employee. The assigned employee is the only person authorized to use the card.

GUIDELINES FOR USE OF THE CARD

- No purchases shall be made outside of the intent or purchasing policy.
- Receipts for each purchase shall be turned in to the Finance Department within 24 hours of purchase.
- Prior approval on all expenses greater than \$500. Do not make multiply purchases to avoid the \$500 limit.

TRANSACTIONS NOT PERMITTED

The following transactions are not permitted, and shall be considered to have been made in violation of this policy:

- Splitting of total purchase cost, singly or between cardholders to avoid transaction limits.
- Personal purchases.
- Non-municipal use.
- Cash advances, money orders, bank drafts etc.
- Temporary help (not an official employee).
- Maintenance contracts, long term agreements, rental or leasing of equipment.
- Recurring Monthly payments

VIOLATIONS

Any willful, intentional abuse or misuse involving fraud, theft, or purchase of items for personal use may result in disciplinary action up to and including termination in accordance with Town of Ashland City personnel policy, in addition to any criminal penalties that may apply. The employee shall reimburse the City for any such purchases and any incidental costs. The privilege of using the credit card may be suspended or revoked at the discretion of the Finance Director at any time with or without notice.

The following actions are examples of violations:

- Attempting to make single-item purchases that exceed limits. It is the responsibility of the cardholder to ensure all “extra” charges such as freight handling, set up, etc. are considered before a card transaction is made. A vendor’s willingness to honor a transaction exceeding the limit does not authorize a cardholder to make such purchases.
- Attempting to make more transactions to avoid the limit.
- Knowingly making a purchase from a vendor that creates a conflict of interest.
- Multiple transactions to circumvent the pre-determined limits.
- Purchase of prohibited goods or services.
- Failure to consistently produce proper documentation and receipts by established deadlines.
- Failure to properly report a lost or stolen credit card.
- Failure to provide a tax-exempt information at time of purchase.

USER RESPONSIBILITIES

Each user shall recognize and accept the following responsibilities upon receipt of a credit card:

- Use the credit card in accordance with this policy and the Purchasing Policy.
- Ensure purchases are made in accordance with their signing authority, area of responsibility and department budget.
- Ensure proper coding of expenditures.
- Report a lost or stolen credit card to the Finance Department and document the incident.
- Ensure purchases follow Purchasing, Resolution, Charter and Municipal Code.
- Ensure each vendor is aware the purchase is tax-exempt, and sales tax is not charged for purchases.

FINANCE DIRECTOR RESPONSIBILITY

The Finance Director or designee shall:

- Act immediately upon receipt of advice that abuse, or irregularities are known or suspected.

- Maintain all records.
- When required, notify the Financial Institution of transactions errors/disputed charges, and follow up on outstanding items on a periodic basis.
- Ensure all card statements are reconciled on a regular basis.
- Perform audits to detect possible violations. The audit selection criteria would include, but not be limited to, excessive tipping on food, splitting of purchases, miscellaneous/unusual/unique transactions, and random samples.
- Follow up to investigate unusual transactions.
- Follow up with the Financial Institution on lost/stolen cards to confirm the card has been cancelled.



I _____, hereby acknowledge receipt of the Town of Ashland City Credit Card Policy.

I agree to accept responsibility for the protection and proper use of my credit card in accordance with the Credit Card Policy. I understand that my use of the card is subject to audit.

I agree to immediately notify Finance Department if my credit card is lost or stolen. I also agree to immediately notify the same if my card has been used for any unauthorized purchases.

The improper or unauthorized use of the card by me may result in disciplinary action up to and including termination in accordance with Town of Ashland City personnel policy, in addition to any criminal penalties that may apply. The employee shall reimburse the City for any such purchases and any incidental costs. The privilege of using the credit card may be suspended or revoked at the discretion of the Finance Director at any time with or without notice.

I agree to surrender the card immediately upon retirement, termination of employment, termination of cardholder privileges, or upon the request of Finance Department.

Card Holder: _____ Date: _____

Department: _____

Finance Director: _____ Date: _____

