

## City of Bandera Internal Controls

**Department:**  
Finance

**Supervisor:**  
City Treasurer

**Staff Assigned to Function:**  
City Treasurer

### City Issued Credit Cards

#### **Purpose**

1. *To provide a clear framework to enable the use of City credit cards.*
2. *Provide staff issued with a City credit card clear and concise guidelines outlining its use*
3. *Reduce the risk of fraud and misuse of the City issued credit cards*

#### **Usage and Responsibilities**

Usage:

City issued credit cards are to be strictly used by the employee the card is issued to and only be issued when it is established that the anticipated usage of the card is warranted.

The following is the approved usage of a credit card:

City issued credit cards are used for travel related expenses and registration fees. Additionally, the credit card may be used for purchases where the City does not have an account with the vendor, the vendor will not accept a Purchase Order or for emergency purchases.

Employee Responsibilities:

1. Must ensure City credit cards are maintained in a secure manner and guarded against improper use. Credit card details are not to be released to anyone. Credit card purchases are to be through the cardholder.
2. Before receiving a City issued credit card the employee must sign Cardholder's Agreement (Attachment A)
3. City credit cards are to be used only for City of Bandera official purchases and activities, there is no approval given for private use.
4. The City is exempt from sales tax. An employee who is issued a City credit card must ensure that sales tax is not charged on purchases. In the event sales tax is charged employee will be responsible for reimbursing the City any sales tax charged on their City issued credit card.
5. All documentation regarding a City credit card transaction is to be retained by the employee who is issued the credit card and produced as a part of the reconciliation and payment procedures.

6. Monthly reconciliations of the credit card purchases are to be made and forwarded to the City Treasurer as soon as possible after receiving the statement to ensure no interest charges are incurred. Statements will be printed by the Treasurer and hand delivered to card holders.
7. Alcohol purchases are strictly forbidden.

### **Eligibility**

Allocation of a City issued credit card to a City employee can only be approved by the City Administrator.

### **Reconciliation**

Each employee who is issued a credit card will receive an individual monthly statement for their credit card that is hand delivered from the Finance Department. It is the responsibility of the employee to reconcile their credit card statement and attach the appropriate documentation to support the credit card charges and to code them appropriately within that department's budget.

Appropriate documentation is an invoice marked paid or receipt that clearly states what was purchased, date of the purchase and amount. The amounts must match each credit card transaction on the credit card statement.

A credit card statement cannot be paid unless all the appropriate back up is attached when submitted to accounts payable.

Incomplete credit card payment requests will be returned to the employee and given two days to rectify the issue. If not rectified during this time frame, the discrepancies will be reported to the City Administrator for appropriate action.

### Cardholder's Agreement

I will be expected to use the City of Bandera credit card issued to me as directed by the City Administrator and the City Internal Control policy for Credit Cards (copy attached) \_\_\_\_\_(initials)

I will not permit another person to use the City issued credit card issued to me. Any such purchases made with my credit card will be considered to have been made by me and will be my responsibility. \_\_\_\_\_(initials)

I will be responsible for safekeeping my City issued credit card issued to me and, if lost, I will report its loss immediately to the City Treasurer in writing. \_\_\_\_\_(initials)

I will be responsible for timely monthly reconciliations of the credit card statement for my issued credit card. I will ensure all documentation is attached as outlined in the Internal Control policy for credit cards. \_\_\_\_\_(initials)

I understand that my personal credit will not be affected by any use of the City issued credit card. \_\_\_\_\_(initials)

I understand that in the event of termination of my employment with the City, my final payroll check will be retained subject to the return of the credit card to the City Treasurer. \_\_\_\_\_(initials)

The use of my City issued credit card to purchase goods and services for other than official use of the City of Bandera may be considered fraudulent use and may be subject to disciplinary action and /or termination of employment as determined by the City Administrator, as well as legal action to recover losses incurred by such use.

I have read, understand, and agree to the conditions above:

Card Account Number: \_\_\_\_\_

Date Issued to Cardholder: \_\_\_\_\_

Cardholder's Signature: \_\_\_\_\_

Card Holders Name (Please Print): \_\_\_\_\_

City Administrator's Signature: \_\_\_\_\_

City Treasurer's Signature: \_\_\_\_\_

Date Card Returned: \_\_\_\_\_