

# CITY OF BUCHANAN

## CREDIT CARD USE POLICY

### **Cardholder Responsibilities:**

- a. Ensure that the credit card is used in compliance with the City's Credit Card Policy.
- b. Only authorized employees of the City of Buchanan may use the municipal credit card. All employees with fill-out Attachment A "Credit Cardholder Agreement" and have this approved by the City Manager.
- c. A municipal credit card may be used for the purchase of goods or services for only official business of the City of Buchanan.
- d. The credit card must be returned to the City Treasurer as soon as possible after the credit transaction or business trip to reconcile against the monthly credit card statement and to avoid unnecessary interest charges
- e. The employee using the credit card must submit to the City Treasurer the receipts, documentation detailing the goods or services purchased, cost, date of the purchase and the official business explanation thereof.
- f. The Department Head/Director who is issued the card is responsible for its protection and custody and shall immediately notify the City Manager or Treasurer if the card is lost or stolen.
- g. The credit card users must notify vendors or merchants that the credit card transaction should be exempt from Michigan Sales and Use Taxes (IRS Tax Identification #38-6004527) if it is used for the purchase of goods or services in the State of Michigan.
- h. The credit card may not be used for alcoholic beverages, In-room movies, cash advances, personal use or any other type of purchase unrelated to official business of the City of Buchanan.
- i. Employees must immediately surrender the card upon termination of employment. The City reserves the right to withhold final payroll checks and payout of accrued leave until the card is surrendered.

### **Internal Control Procedures:**

The City Manager is the administrator of this policy and shall be responsible for the issuance and retrieval of assigned municipal credit cards to personnel and generally for overseeing compliance with this policy.

The City Treasurer shall be responsible for:

- a. Assisting and maintaining record of issuance and retrieval of municipal credit cards and overseeing compliance with this policy.
- b. Accounting and payment of expenses. All documentation must accompany invoices before payment is made.
- c. Ensuring accuracy of the statement and that activity and account information is noted on the credit card statement for each line of entry.
- d. The balance including interest due on an extension of credit under the credit card arrangement shall be paid for within 30 days of the initial statement date.
- e. Compliance with State of Michigan records retention requirements for safekeeping of statements and receipts for seven years.

**Limit Amounts and Issuance of Credit Cards:**

a. The City will have a Maximum of 5 cards on file. The Corporate cards will be in the possession of the City Treasurer and can only be checked out by having attachment A on file within the City Clerk's office. The chart below explains the limit amounts and who is issued a City Credit Card.

Staff Member	Limit Amount \$
City Manager	\$5,000.00
City Treasurer	\$5,000.00
Director of Public Safety	\$5,000.00
Corporate Card (to be kept in City Treasurer's Office)	\$2,500.00
Corporate Card (to be kept in City Treasurer's Office)	\$2,500.00

**Attachment A**  
**City of Buchanan**  
**Credit Cardholder Agreement**

Requirements for use of a Municipal Credit Card:

1. The credit card is to be used only to make purchases at the request of, and for the legitimate business benefit of, the City of Buchanan, Michigan.
2. The credit card must be used in accordance with the provisions of the Credit Card Policy established by the City of Buchanan

Violations of these requirements may result in revocation of use privileges. Employees found to have inappropriately used the credit card will be required to reimburse the City of Buchanan for all costs associated with such improper use through direct payment or payroll deduction. Disciplinary action(s) may be taken per the City's Personnel Policies, up to and including termination. The City of Buchanan will investigate and commence, in appropriate cases, criminal prosecution against any employee found to have misused the credit card or who violates the provisions of the cardholder agreement.

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

Received by: \_\_\_\_\_  
Name (Please Print)

Purpose: \_\_\_\_\_

City Treasurer Authorization \_\_\_\_\_

I acknowledge receipt of the attached Credit Card Policy and agree to abide by said Policy.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

*(Below, For Treasurer and/or City Manager's Office Use Only)*

**Credit Card Returned**

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_