



<b>Effective 2/11/2025</b>	<b>Policy</b>	<b>2/11/2025</b>
<b>Township Credit Card Usage Policy</b>		

### **PURPOSE:**

This policy is adopted in accordance with Michigan Public Act 266 of 1995 which requires that all municipalities have a written policy when authorizing the use of credit cards to purchase goods and services for the official business of the municipality.

### **GUIDELINES FOR CREDIT CARD USE:**

- A. Issuance of Credit Cards: Credit cards are issued to employees at the discretion of the Township Treasurer.
- B. Card Use: The use of credit cards for Township business shall be honored by any merchant or vendor who accepts said credit card. Any credit card shall have an authorized spending limit as approved by the Township Treasurer.

If a cardholder should experience a transaction denial when using a credit card, he/she is to contact the Township Treasurer, or their designee, with specific information concerning the date, vendor or merchant's name, dollar amount, and approximate time of transaction of attempted purchase. The Township Treasurer, or their designee, shall investigate the reason for such denial.

The Township Credit Cards shall be used only for the purchase of goods and services that are for the official business of the Charter Township of Madison, when the normal accounting procedures cannot be utilized (i.e. travel expenses (fuel, lodging, meals, conference registrations, etc.).

The preferred method of payment for Township business is check or ACH transactions through the establishment of an account with the merchant. Credit cards should only be used when there is a compelling reason to do so, such as time or if the vendor does not accept payments by check or ACH.

Credit cards shall not be used for any personal expenses, cash advances, or other merchant category exclusions (i.e. tobacco products or liquor).

All Charter Township of Madison employees issued a credit card shall sign an agreement to abide by the adopted credit card policies and procedures.

- C. Transaction Procedures: Credit card transactions may be performed in person, over the telephone, through the mail, or via secure online computer connections. When using a Township credit card, authorized employees are required to follow the below listed

procedures, in addition to procedures for management approval and payment of the charge(s):

1. If the transaction is in person, present the card to the vendor or merchant and advise that the item(s) is being purchased with a Township credit card. If the transaction is via telephone or mail order, the vendor or merchant shall be provided with the credit card account number and expiration date. If the transaction is performed via computer online service, please ensure the use of a secure website transmission. Do not provide credit card information on an unsecured website.
  2. Cardholders shall sign all purchase receipts for validation purposes. The cardholder shall be required to obtain the detailed register receipt for over-the-counter purchases. When ordering over the phone, the cardholder shall request that a detailed purchase receipt be emailed or post-mailed with the item shipped to the ordering cardholder's attention. When ordering via the internet, a printed copy of the completed order showing details of the item(s) purchased, shall serve as the purchase receipt.
  3. Normal internal control procedures established for approval, documentation and payment of accounts shall be followed at all times.
- D. Tax exemption. Notify the vendor or merchant that the credit card transaction is tax exempt for goods and services purchased in the State of Michigan (use appropriate Tax Exemption Certificate letter to verify Township's tax-exempt status).
- E. Credit Card and Transaction Limits. The standard card limit is \$5,000/month. Exceptions to this limit require more detail. The individual transaction limit is \$5,000. A request for a temporary increase in the individual transaction limit must be approved by the Treasurer. The splitting of a transaction into multiple smaller transactions in order to remain within the established maximum dollar limit per transaction is prohibited without approval from the Treasurer.
- F. Credit Card Security. The Township credit card should always be treated with a level of care that will secure the card and account number.
1. Storage of the credit card. Keep the credit card in an accessible but secure location.
  2. Credit card account number. Guard the credit card account number carefully. Do not write or post the number.
  3. Lost, stolen or misplaced cards. If the credit card is lost, stolen, or misplaced, immediately notify the Treasurer or issuing bank.
  4. Personal liability. The credit card will not impact the cardholder's personal credit reference. The Township issued credit card is a corporate liability card, not a personal liability card. The cardholder does have a responsibility to use the credit card properly and in accordance with these policies in an approved manner.
  5. Upon termination of employment or a job reclassification no longer requiring a credit card, the card shall be returned to the Township Treasurer.
- G. Procedures for Credit Card Payment: The Treasurer shall issue to each Department a credit card statement for all charges made in that department in the preceding month. The statement shall be reconciled and submitted for

approval using our standard accounts payable guidelines. The Department Head shall review and approve all charges made prior to their submission to the Township Treasurer for approval. The balance due on any credit card account shall always be paid in full by the date due listed on the credit card statement.

- H. Disputed Transactions: An incorrect, unrecognized, or questioned transaction may be disputed. The transaction should be disputed immediately and no more than thirty (30) days after the charge has been made. If a transaction needs to be placed in dispute, the Cardholder should notify the Treasurer.
- I. Lost or Non-Itemized Receipts: If the cardholder has lost receipts and a duplicate cannot be obtained from the merchant, or the cardholder cannot obtain an itemized receipt from the merchant, the cardholder must submit a written justification for not having a receipt or itemized receipt to be included with the monthly credit card statement. N.B., excessive lost receipts may result in suspension or loss of credit card privileges.
- J. Records of Warranty: The cardholder must submit any warranty record(s) for goods or services which are obtained and paid for with their credit card to the Treasurer.
- K. Penalty for Wrongful Use: Any employee of the Charter Township of Madison who violates the provision of this policy shall be subject to disciplinary action, up to and possibly including discharge, civil and/or criminal prosecution.



## CHARTER TOWNSHIP OF MADISON CREDIT CARD REQUEST FORM

Employee: \_\_\_\_\_

Department: \_\_\_\_\_

Credit Limit Requested: \_\_\_\_\_

I hereby request that a Charter Township of Madison Credit Card be issued in my name. The card will be used for official Charter Township of Madison purchases only.

For what type of purchases will the card be used: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

By signing this application, you agree to the terms of the Charter Township of Madison Policy and Procedures. You also agree to complete and sign the Cardholder User Agreement upon issuance and acceptance of the card.

\_\_\_\_\_  
Employee Signature Date

As the Department Director of the employee completing this application, I agree to follow the Charter Township of Madison Credit Card Usage Policy and request that a Township credit card be issued to the employee completing this application.

\_\_\_\_\_  
Department Director Signature Date

Approved: Yes \_\_\_\_\_ No \_\_\_\_\_

\_\_\_\_\_  
Treasurer Date



## CHARTER TOWNSHIP OF MADISON CARDHOLDER USAGE AGREEMENT

Employee: \_\_\_\_\_

Department: \_\_\_\_\_

The above-named employee (Card user) of the Charter Township of Madison has been issued a Township credit card. The Card user has been provided with a copy of the Township's credit card usage policy, and hereby agrees to comply with all terms and conditions set forth therein, including but not limited to:

1. **Official Use Only.** Charter Township of Madison credit cards are for official township use only. Charging personal expenses on township cards is a misuse of township funds and a serious breach of the township ethics ordinance. Doing so—even if the intent is to reimburse the township later—shall result in disciplinary action, up to and including termination.
2. **Timely, Accurate and Supported Payments.** Credit card payments will be processed on a timely basis, and adequate supporting documentation (such as vendor order forms, receipts, invoices and credit card receipts) will be retained for all charges and attached to monthly statements.
3. **Disputed Charges.** The Treasurer, the vendor, and the issuing bank will be notified immediately of any disputed charges.
4. **Lost or Stolen Cards.** The issuing bank and the Treasurer will be notified immediately of a lost or stolen card. Failure to do so could make the Cardholder responsible for any fraudulent use of the card.
5. **Surrender Upon Request or Separation.** The credit card will be immediately surrendered upon retirement, termination, upon request of the department head, or upon request by the Treasurer. Use of the credit card for any purpose after its surrender is prohibited.
6. **Credit Card Limit.** The credit limit of this card is \$ \_\_\_\_\_.
7. **Other Restrictions.** \_\_\_\_\_.

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date

*Original - Personnel File*

*Copies - Treasurer and Cardholder*