



# Credit Privilege Policy

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### **Credit Card Fundamentals**

Issuance of Town of North Topsail Beach credit privileges to designated staff members is an effective tool to help departments maintain a consistent and timely flow of day-to-day operations. Town credit privileges may be used to acquire budgeted goods and services online or in person, when it is not possible or practical for the charges to be billed or paid by check.

In general, credit cards are assigned to department heads by name with credit limits up to \$3,500, as determined by the town manager. Additionally, credit cards may be assigned to a department anonymously, for use by staff for one-time departmental purchases under the direct supervision of the department head and kept in a secure area within the department office when not in use.

With town manager approval, the finance officer may also make a separate town credit card available to employees and elected officials to pay for expenses incurred during out-of-town travel on town business. Lodging and conference or workshop registration fees will have been pre-paid for this purpose and are not the responsibility of traveling staff.

In-store lists may also be kept, allowing purchases by authorized departmental staff at specific supply houses without a credit card.

All rules and procedures of the North Topsail Beach Purchasing Policy apply, including preaudit requirements, when buying goods and services on credit. Purchase requisitions are required in advance of all credit transactions, and purchase orders are required in advance of all credit transactions greater than \$500.

The use of credit privileges to acquire or purchase goods and services other than for official town business is strictly prohibited. Town credit cards should not be shared and cardholders should not delegate use of the card to another employee without proper approval from the town manager.

The credit user is responsible for maintaining all vendor receipts and/or records until such time as the receipts/records are due to the finance department. Credit cardholders are responsible for all purchases made on an assigned card, regardless of who used the card, unless the transaction occurred fraudulently after reported loss or theft. Users of in-store credit privileges are responsible for all purchases made under his or her authorization.

## **General Rules and Procedures**

### Credit Card Authorization

The finance officer acquires, assigns, and administers credit cards for staff members upon the authority of the town manager. In addition to being issued a card in his or her name, a department head may also have responsibility for a card assigned to the department for general use, not for that of a specific person.

Cardholder credit limits and duties are listed and attested to on a credit card authorization form when the card is issued, wherein cardholders agree to abide by the Town of North Topsail Beach Credit Privilege Policy. The agreement remains in force until the terms are changed by the town manager, the card is returned to the finance officer upon employee termination, or the card is reported lost or stolen.

Employees using anonymous departmental credit cards are required to abide by the Town of North Topsail Beach Credit Privilege Policy, attested to by their signatures on the department's credit card log, under the administration of staff delegated by the department head. The card can be signed out one day prior to use and must be returned within one day after, accompanied by receipts for all charges.

### Temporary Credit Card Users

On occasion, other employees and elected officials will personally incur travel expenses as appropriated in the budget. The finance officer will issue a temporary credit card for this purpose.

Temporary cardholders are required to abide by the Town of North Topsail Beach Credit Card Policy, attested to by their signatures on the finance officer's credit card log. The card can be signed out one day prior to travel and must be returned within one day after, accompanied by receipts for all charges.

Details about credit cards assigned to employees for travel will be identified on corresponding travel authorization forms, including last four digits, description of usage, and applicable limits. Details about credit cards assigned to elected officials for travel will be similarly identified on corresponding purchase requisitions, which will not require a subsequent purchase order unless usage exceeds \$500.

### In-Store Authorized Credit Users

In concert with the department head, the finance officer may request credit privileges be extended at specific supply houses for use by authorized employees without a credit card. Each store is responsible for confirming staff IDs for comparison to the list of authorized users, requiring the employee to sign his or her receipt of goods purchased, and for sending copies of the signed transaction receipts with a monthly statement.

The department head is responsible for supervising proper usage of in-store credit privileges, will exercise discretion about his or her authorization of such privileges, and will notify the finance officer when changes occur.

#### Reconciliation of Credit Charges

All credit transactions are subject to the rules and procedures of the Town of North Topsail Beach Purchasing Policy.

Department heads are responsible for collecting and cataloging receipts for charges conducted under their authority each month, whether incurred on their own cards, by department staff using anonymous department cards, or by employees exercising in-store credit privileges.

The catalog must contain the following information regarding transactions for submission to the finance department for reconciliation and payment of a monthly credit statement, one per merchant:

- Card type and last four digits of the card number
- Transaction date
- Brief description
- Pre- and post-sales tax amount
- County in which the transaction occurred
- Department head signature

If a receipt has been lost, the card user must make a diligent attempt to obtain a duplicate receipt from the vendor. Completion of a lost receipt form submitted to the finance officer is required, if this effort is not successful. The Town of North Topsail Beach has the right to seek reimbursement from an employee for undocumented or unauthorized purchases.

If a charge is above the credit limit level approved for the cardholder, the cardholder must submit a written request to the town manager requesting a change prior to making any purchase. If approved, an amended authorization form will be completed by the finance officer to permanently change the authorization level. Charges are not allowed to be split to avoid low transaction limits without prior authorization from the town manager.

#### Inappropriate or Fraudulent Use:

Inappropriate or fraudulent purchases must be reported to the town manager by the department head and/or finance officer upon discovery. The unauthorized credit user will make restitution to the town with details provided and attested to on a credit reimbursement form within three calendar days of the purchase.

The unauthorized credit user who is guilty of fraudulent use or repetitive inappropriate charges will be subject to disciplinary action, up to and including dismissal, in accordance with the guidelines of the Town of North Topsail Beach Personnel Policy. The town has the right to file a police report and press charges for fraudulent use of town-issued credit cards.

Records of inappropriate or fraudulent use will be maintained by the finance officer in consultation with the town manager. The town reserves the right to cancel an individual employee's credit privileges at any time due to any type of abuse.

Accidental Use:

The use of a town-issued credit card to acquire or purchase goods and services other than for the official use of the Town of North Topsail Beach is considered fraudulent use. However, the town recognizes that accidental use can occur.

Accidental personal use of a town-issued credit card must be reported to the town manager by the department head and/or finance officer upon discovery. The cardholder will make restitution to the town with details provided and attested to on a credit reimbursement form within three calendar days of the purchase.

Records of accidental personal use will be maintained by the finance officer. In the event accidental use by a cardholder is detected on a repetitive basis, he or she may be subject to disciplinary action. The town reserves the right to cancel an individual employee's credit privileges at any time due to any type of abuse.



## Credit Privilege Authorization

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

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

WEX Fuel Card: \_\_\_\_\_

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

First Citizens #: \_\_\_\_\_

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

Truist #: \_\_\_\_\_

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

Lowe's Hardware #: \_\_\_\_\_

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

### Credit Privilege Agreement:

I understand the use of this credit card is governed by the Town of North Topsail Beach Credit Privilege Policy and I am responsible for adhering to the general rules and procedures therein.

I am responsible for the safe keeping of this credit card and, if lost or stolen, I will report it missing to the finance officer immediately upon realization.

Usage of all credit cards assigned to me are strictly for the purchase of goods and services required to carry out budgeted town business and are not available to me for personal usage.

I will not permit another person to use this credit card, unless specifically authorized. I understand I am accountable for all purchases, authorized or not.

I understand usage of this credit card is a privilege and unauthorized usage is considered a fraudulent act. An employee found guilty of such fraud will be subject to disciplinary action, up to and including dismissal.

**All rules and procedures of the North Topsail Beach Purchasing Policy apply, including preaudit requirements, when buying goods and services on credit. I have received and read a copy of the current Town of North Topsail Beach Credit Privilege Policy, and I understand and agree to its conditions:**

\_\_\_\_\_  
Employee signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Finance officer acknowledgement

\_\_\_\_\_  
Date

(rev. October 2023)



## Lost Credit Receipt

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

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

Credit Card #: \_\_\_\_\_

Merchant: \_\_\_\_\_

Amount: \_\_\_\_\_

Description and purpose of purchase:

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Budget code: \_\_\_\_\_

\_\_\_\_\_  
Employee signature Date

\_\_\_\_\_  
Finance officer acknowledgement Date

(rev. October 2023)



## Credit Reimbursement

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

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

Credit Card #: \_\_\_\_\_

Merchant: \_\_\_\_\_

Amount: \_\_\_\_\_

Description of personal purchase:

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Plan for prevention of future personal use:

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Date reimbursement due: \_\_\_\_\_

\_\_\_\_\_  
Employee attestation Date

Date reimbursement paid: \_\_\_\_\_

\_\_\_\_\_  
Finance officer acknowledgement Date

\_\_\_\_\_  
Town manager acknowledgement Date