



# Town of Upper Marlboro

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## Policy on Town Credit Cards, Invoice Payments, and Deposits --DRAFT--

### Policy Goal

The Goal of this policy is to ensure a strong checks & balances system within the financial institution of the Town of Upper Marlboro to ensure Town tax dollars are being spent in a responsible and appropriate manner. This policy does not supersede or replace Ordinance 2011-02 Procurement or the Town Charter, this policy is meant to enhance these pieces of legislation.

### Position Responsibilities

Below are each positions' general responsibilities in terms of this policy:

**President/Mayor:** Oversees the Town's fiscal well-being and expenditures. 2<sup>nd</sup> signer of checks over \$5,000

**Treasurer:** Primary signer of all checks, reviews monthly Treasurer's reports.

**Board:** Board of Town Commissioners for the Town of Upper Marlboro, approves purchases as required by legislation.

**Town Administrator:** Serves as the Department head for General Government, and serves as the lead staff member for the Town's Financial operations. Has access to Town Bank accounts, and works with the Treasurer, Mayor, and Town Accounting Firm on the higher-level financial operations of the Town.

**Bookkeeper:** Assists the Town Administrator with the day-to-day financial record keeping and operations.

**Chief of Police:** Serves as the Department head for Public Safety and is responsible for all Public Safety expenditures.

**Director of Public Works:** Serves as the Department head for Public Works and is responsible for all Public Works expenditures.

**Town Clerk's Office:** Responsible for the receiving and all bill and invoices that are delivered via the US Postal Service or other means. Also accepts payments made at Town Hall.

### Section 1 Procurement Practices

It is the responsibility of all Town elected officials and Town staff below procurement guidelines are strictly followed. These guidelines are directly from Ordinance 2022-06 Procurement.

Under \$2,000: Department heads are authorized to make purchases under \$2,000

Between \$2,000 and \$10,000: Department heads must obtain at least three proposals or prices and make a recommendation to the President/Mayor.

Between \$10,000 and \$75,000: Requires a minimum of three written quotes or proposals and formal Board approval. A Resolution shall be required for multi-year all contracts and/or purchases over \$10,000.

Over \$75,000: Requires a competitive selection process with Board approval.

## **Section 2 Town Credit Cards & Line of Credit**

Card Issuance: Each Town Department Head is assigned a Town Credit Card in their name for procurement for their respective Town department. The President shall also be issued a credit card for emergency/large purchases only.

Card Limits: Department head credit cards shall be set at a \$5,000 limit. The President's card shall have a \$20,000 limit.

Card Statement Reconciliation: The Town Administrator shall provide department heads with statements to attach receipts and invoices of purchases on that statement. Each purchase shall be deducted from a line item in the Department's budget.

Payment: The Town Administrator shall ensure the cards are payed off on a monthly and routine basis.

Additional Credit Cards & Lines of Credit: An opening of a line of credit, or credit card, requires the approval of the Board of Town Commissioners. The below additional credit accounts are "grandfathered":

- Home Depot Card: Due to the nature of the Public Works department and the concentration of spending at this particular store, it was deemed beneficial to set up a Home Depot credit card with a limit of \$2,000.
- Patuxent Nursery: Due to the nature of the Public Works department and the concentration of spending for landscaping, and the close proximity of this vendor, it was deemed beneficial to set up a Home Depot credit card with a limit of \$2,000.

Card User: Email Delivery of receipt: credit card user will email copy of receipt at time of purchase to bill.com inbox. <mailto:uppermarlboro@bill.com>. Credit card user will handwrite on the receipt: CC (credit Card), department (GG, PS, PW), plus description of good and services purchased.

Bill.com Receipt Processing: Contract accountants will code bills to the budget, add invoice description and assign approval route.

Payment: Town Administrator will pay monthly credit card balances in full on vendors website directly from bank at month end, credit card payments will not be made from Bill.com.

Reconciliation: On the first business day of the new month, Town Administrator will email contract accountants monthly activity statements for Home Depot and Sona Bank.

Town Administrator will share credit card statements with department heads on the first day of the new month for support and coding. Department heads will review credit card charges and scan any missing credit card receipts to bill.com inbox by the 4<sup>th</sup> business day of the new month. Contract accountants will reconcile scanned and coded credit card receipts in Bill.com to the monthly statement and provide the Town Administrator with an email outlining any missing credit card charges by the 5<sup>th</sup> business day of the new month.

Invoice Approval and Budget coding: Town Department heads will review and approve receipt details and budget coding and in their approval queue by the 8<sup>th</sup> business day of the month. Town Administrator will review, provide any changes needed to preliminary credit card email and respond to contract accountant credit card email by 8<sup>th</sup> business day of the month. In the event the approval email is not received from the Town Administrator by the 8<sup>th</sup> business day of the new month the contract accounts have the authority to code approve credit card charges based on the preliminary coding email. Contract accountant will add any missing activity to bill.com and approve and mark paid in the system.

Document Retention: Any paper credit card receipts and coding support will be maintained by the Town Administrator in a file cabinet for the annual financial statement audit.

### **Section 3 Processing of Invoices & Payment**

Receiving & Distribution: The Town Clerk's Office shall process all incoming invoices that arrive by USPS. This is the preferred method of delivery of invoices. When an invoice arrived by mail or to the Town's general email account, the Town Clerk's Office will forward them to the bookkeeper who will upload them into Town's financial software for approval of department heads. Department heads who receive invoices by email or in person do not need to submit them to the clerk, but still submit them to the bookkeeper and/or financial software system for payment.

Authorization of Payment: Department heads are responsible for all invoices coming from their Department's budget. All invoices coming from line items in their budget must be reviewed and approved prior to being submitted to the bookkeeper and/or financial software system for payment. The bookkeeper cannot authorize any invoices.

Payment: Upon receiving invoices, the bookkeeper shall prepare checks to be signed and attach them to the invoice that they are paying. The checks and invoices shall then be reviewed by the Town Administrator prior to being released for signature by the Treasurer and/or President. Once signed, checks/payments are to be issued out promptly. Payment shall be made within 30 days of the invoice date.

Overdue Invoices: The Town Administrator shall notify the Treasurer of any invoices intentionally, or mistakenly, left unpaid past the 30 days of the date of the invoice as soon as it is known.

### **Section 4 Deposits**

Mailed & Walk-In Payment: The Town accepts cash, check, and money order payments at Town Hall. Payments, and their receipts, and then deposited into a locked drop box. This secure deposit box shall be attached to the structure of Town Hall to prevent easy removal. The Town

Administrator/Bookkeeper shall have the primary set of keys, and the Town Administrator a back-up set. The Town Clerk or any other personnel should not have access to this box. The Town Administrator/Bookkeeper shall, at least once per week, process the deposits from the box, and deposit them at the bank.

Credit Card Payments: There is one terminal at Town Hall for in-person or over the phone payments. The Town charges a 3.5% processing fee for all credit card transactions. If a payment is made in person with a credit card, two receipts shall be printed from the terminal. A copy shall go to the customer and the signed copy is attached to a copy of the payment information sheet outlining what the charge is for and placed in the deposit box. If payment is made by phone, only one receipt needs to be printed, attached to the payment information sheet, and dropped in the deposit box. The daily summary printout shall be placed in the deposit box as well, so that receipts can be reconciled by day.

### **Section 5 Town Parking Meters**

Parking Meter Coin Collection: The Chief of Police and the Code/Parking Officer are charged with ensuring parking meter coins are collected on a regular basis, not to exceed two weeks in between collection. The current parking meter coin collection equipment the Town has purchased allows for the collector to not have access to the coins. The Chief of Police is responsible for the parking meter coin collection key that grants access to coins.

Coin collection is to be done by at least two staff members, preferably the Code Officer and one Police Officer. When emptying meters, staff is required to swipe the IPS “Coin Collection Card” at each meter emptied so that the system registers the coins being emptied. The coin cart collection bins are to be locked with a keyed lock, of which only the Town Administrator/Bookkeeper will have. Coin canisters from the meters will be emptied into the cart which fills the locked collection bins. Once collection is complete, the bins will be brought to the bookkeeper to be emptied into sealed coin deposit bags and deposited at the bank that same day. After the bank processes the coins and a deposit is made into the Town’s bank account, the bookkeeper shall reconcile it with the IPS Parking system record of coins collected to ensure accuracy. The Code Officer will then double check the IPS system to ensure all meters have been registered as emptied immediately following each collection.

Parking Meter Credit Card Payment: Payments made by credit cards are to be reconciled by the bookkeeper by checking the bank statements and the IPS system’s records on a monthly basis.

### **Section 6 Penalties and Investigation**

This policy communicates the actions to be taken for suspected misconduct committed, encountered, or observed by employees and volunteers. Like all entities, the Town of Upper Marlboro faces many risks associated with fraud, abuse, and other forms of misconduct. Our Town is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation and assistance of every employee and volunteer at all levels of the Town.

Whistleblower Protection: The Town will consider any reprisal against a reporting individual an act of misconduct subject to disciplinary procedures. A “reporting individual” is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law

enforcement officer any truthful information relating to the commission or possible commission of a federal offense or any other possible violation. A simple email to all Commissioners, the Town Administrator, and the Town Attorney regarding possible fraud is considered enough of a notification of possible wrongdoing.

Reporting Procedure: If an employee of the Town of Upper Marlboro has a reasonable belief that an employee or the Town has engaged in any action that violates any applicable law, or regulation, including those concerning accounting and auditing, or constitutes a fraudulent practice, the employee is expected to immediately report such information by following the procedures as detailed in the personnel handbook.

Disciplinary Action: Disciplinary actions are guided by Town of Upper Marlboro Personnel Handbook.

Investigation: The Town Attorney shall work with the Town's auditing firm to conduct an investigation into possible fraud or misconduct should the need arise.

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