

Town of Provincetown Financial Policies and Procedures Manual

16. Credit Card Use

Purpose:

To establish the Policy and Procedures for the use of Town credit card by the Town Manager or designee. These procedures are intended to accomplish the following:

- To ensure that procurement with credit cards is accomplished pursuant to the policy and procedures established by the Board of Selectmen
- To enhance productivity, significantly reduce paperwork, improve internal controls and reduce the overall cost associated with approved purchases as listed below
- To ensure appropriate internal controls are established for procuring with credit cards so that they are used for authorized purposes only
- To ensure that the Town bears no legal liability from inappropriate use of credit cards

REIMBURSEMENT

POLICY

The Town Manager in consultation with the Finance Director and Treasurer will make all decisions regarding the issuance of individual cards and the establishment of any and all additional controls of their use. The limit on the credit card shall be \$8,000. Pursuant to notice of Governor or Town declaration of state of emergency, limit may be raised to \$100,000 with dual authorization of Town Manager and vote of Board of Selectmen or Finance Committee.

- The Town credit card is only to be used for the following purchases:
 - a. Fuel, Materials, supplies, and equipment only when a purchase order cannot be issued. Charges for supplies and equipment shall require approval from the Town Manager or designee.
 - b. Registrations
 - c. Travel and training expenses
 - d. Other items specifically authorized by the Town Manager or designee.
- The credit card will not be used for personal purchases of any kind. Use of credit cards for personal purchases or expenses with the intention of reimbursing the Town is prohibited.
- Splitting of charges to avoid the transaction limit set for the credit card is prohibited.
- Use of the card for meals when traveling is limited to travel outside of the town where at least one overnight stay will occur or when the meal is for business purposes only at the convenience of the town. There will be no charges allowed for alcohol or entertainment.

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- No cash advances (ATM, traveler's checks, money orders, etc.) or purchase of gift certificates are allowed using the credit card.
- The credit card is not to be used to pay invoices or statements of any kind.
- All purchases made with credit cards shall be paid for within the grace period so that no interest charges or penalties will accrue.
- Any incentive program benefits derived by the use of Town credit cards will be the property of the town. The Administration will determine the use of such incentive program benefits.
- Cardholder should take all measures necessary to ensure the security of the credit card and the card number. Cardholder shall not give their card or their card number to others to use on their behalf.
- Lack of proper documentation or authorizations may result in loss of credit card privileges and/or personal liability.

PROCEDURE

Authorized cardholder must sign an Agreement (Appendix I) to Accept Town Credit Card prior to issuance of the credit card. Forms will be kept on file in the Finance Department.

- When using the Town credit card, the cardholder should:
 - a. Ensure the goods or services are budgeted and allowable.
 - b. Determine if the intended purchase is within the cardholder's credit card limits.
 - c. Tell the merchant or supplier that the purchase will be made using the credit card issued through the Town of Provincetown.
 - d. Inform the merchant that the purchase is tax exempt. The tax exempt number is 04-6001274.
Review the receipt before leaving the store and request a credit if taxes were charged in error.
- Any unauthorized expenses will not be paid by the Town of Provincetown. The Town reserves the right to collect payment for unauthorized expenditures from the cardholder.
- The cardholder is responsible for managing any returns or exchanges to ensure proper credit is received for returned merchandise. The cardholder should contact the vendor to obtain instructions for returns and make sure that proper credit is received.

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- All receipts related to the purchase need to be approved by the department head and forwarded to the Finance Department timely to avoid incurring any late charges.
- The Finance Department will reconcile the credit card statement to the receipts forwarded by the departments making purchases. Exceptions will be forwarded to the department involved for resolution. The Finance Department will verify the general ledger code designated for the transactions and will adjust, if necessary.
- It is the cardholder's responsibility to submit the receipts and other documentation within the time frame stated above. If the information is not submitted in a timely manner, the cardholder that has not submitted the information will be responsible for the interest and/or late charges.
- If the credit card is lost or stolen it shall be reported to the Town Manager and Finance Department immediately after discovery.
- Upon separation of employment, Town Manager shall surrender town credit card to the Finance Department on or before their last day of work and prior to issuance of final compensation to the cardholder.
- Improper use of the Town credit card may result in disciplinary action, up to and including termination of employment.

AUDIT

Random audit will be conducted for both card activity and receipt retention as well as statement review by the Finance Department. The detailed activity will also reviewed annually by the town's independent auditing firm.

Approved by BOS 6/26/2017

APPENDIX I

**ADMINISTRATIVE REGULATION
AGREEMENT TO ACCEPT TOWN CREDIT CARD**

I, hereby acknowledge receipt of a Town of Provincetown Credit Card, number _____.

As a Cardholder, I agree to comply with the terms and conditions of this Agreement and the applicable provisions of the Town's Credit Card Policy, as may subsequently be revised. I acknowledge receipt of the Policy and I have read and understand its terms and conditions. I understand the Town of Provincetown is liable to the financial institution for all charges made by me.

As the holder of this credit card, I agree to accept responsibility for the protection and proper use of this card as outlined in the regulations. I understand that the Town will audit the use of this credit card. I understand that I am responsible for retaining all receipts for processing to the Finance Department and that failure to provide receipts may result in personal liability. I understand that I cannot use the credit card for personal use even if the intent is to reimburse the Town. I understand the use of the card does not circumvent the Town's Purchasing Policy.

I further understand that improper use of this credit card may result in disciplinary action, up to and including termination of employment and in accordance with applicable Collective Bargaining Agreement and/or Town Personnel Policy. I also agree to allow the Town of Provincetown to collect any amounts owed by me even if I am no longer employed by the Town.

If the Town initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay all legal fees incurred by the Town in such proceedings.

I understand the Town may terminate my rights to use this credit card at any time for any reason.

I agree to return the credit card to the Town of Provincetown immediately upon request or upon termination of employment.

Cardholder _____ Date _____

Town Manager _____ Date _____

Treasurer _____ Date _____

Finance Director _____ Date _____