

TOWN OF BLOOMFIELD

POLICY MEMORANDUM

SUBJECT: Credit Cards

NO: 141.02

DATE: 8/15/13

AMENDED:

DISTRIBUTION: All Departments

BY: William J. Hogan

Director of Finance

APPROVED:


9/5/13

I. PURPOSE

The purpose of this policy is to establish the policies and procedures for the use of the Town's credit card and store issued cards in the Town's name used for Town purchases.

II. RESPONSIBILITY

All individuals who are assigned Town credit and purchasing cards.

III. FORMS

Cardholder User Agreement for Town Issued Credit/Store Cards

IV. PROCEDURE

- A. It shall be the policy of the Town of Bloomfield to use Town issued credit/procurement cards and store accounts in the Town's name only for authorized Town business. The cards/accounts will not be used for any personal expenses even if the intent is to reimburse the Town at a later date.
- B. The primary use of the Town Credit Card and limited store accounts is to facilitate timely purchases from vendors who will not honor Town purchase orders.
- C. Use of these cards is not intended to circumvent the Town's policies, including those for purchasing, travel and meals. All expenses incurred must be substantiated and documented in accordance with this policy and applicable federal and state laws and submitted within a week of the date of purchase.
- D. Card Use

1. The credit card/store accounts are to be used exclusively for Town purchases only and are not to be used because of lack of advance planning and purchasing.
2. The Finance Department will determine limits and oversee the issuance of credit cards in accordance with this policy. Cards will be issued to appropriate individuals who handle the purchasing needs of each department.
3. The Finance Department shall maintain a list of all credit/store cards owned by the Town, along with the name of the department/employees who have been issued the card, the credit card limit established, the date issued and the date returned (if applicable).
4. Only cardholders are authorized to use store accounts/credit cards. Credit cards may be issued to departments in lieu of individuals. Department heads may delegate purchasing authority using the card to individual staff members and are responsible for ensuring that employees under their supervision comply with these procedures.
5. All department heads and staff using Town issued credit/store cards will be required to sign a Cardholder Agreement (appendix A) as a condition of using the card. Department heads delegating use of credit/store cards are responsible for obtaining and retaining signed Cardholder Agreements to staff using Town credit/store cards prior to allowing card use.
6. Use of the credit card or store accounts for personal use with the intention of reimbursing the Town at a later date is strictly prohibited.
7. Caution and/or discretion will be used when making electronic purchases. Internet purchases may only be made from secure sites with SSL certificates.
8. Cardholders will advise merchants that the Town is not subjected to the payment of sales tax and will provide sales tax exemptions to merchants when applicable. Sales tax will not be reimbursed to individuals making Town purchases at their own expense and requesting reimbursement.
9. Cash advances are prohibited.
10. Cardholders are responsible for the security of their cards and shall immediately notify the Finance Department if a card is lost or stolen.
11. Cardholders will immediately notify the Finance Department of suspected fraudulent activity.

E. Basis For Payment

1. Purchases made by credit card/store accounts must be accompanied by original receipts and submitted to the Finance Department by Tuesday of the week following the purchase.
2. Department Head approval is required for all card purchases and receipts must be accompanied by the name of the person who used the card, and the reason for the charge.
3. Submitted receipts must bear the proper Town account budget codes.

4. Department Heads are responsible for ensuring that purchases are conducted within authorized department budgetary limits.
 5. If the cardholder does not have documentation, including original receipts, every effort must be made to obtain duplicates from the merchant. If not successful, cardholder shall attach a signed explanation that includes a description of the item(s)/services purchased, date of purchase, vendor's name and reason for lack of supporting documentation.
 6. Any finance charge or late fee incurred as a result of a delay in submitting timely receipts will result in assessment of those fees to the program responsible for the late submission.
 7. Cardholders are reminded that delays in submitting supporting documentation may have a negative impact on other users of the card(s).
 8. Payment for any of the following expenses is prohibited:
 - Personal, family or household expenses
 - Liquor
 - Tobacco
 - Any purchase that is unauthorized, illegal or represents a conflict of interest.
- F. If accounts payable or the department head observe a pattern of improper purchases or lack of supporting detail, the card(s) may be revoked and the cardholder made personally liable for the charges and payment for unauthorized purchases shall be via payroll deduction or certified check.