



Memorandum

To: Mayor, Town Council
From: Dawn Brecke
Date: September 3, 2020
Re: **September 9, 2020 Town Council Meeting**
Credit Card Policy

The Town implemented an employee credit card program in 2015. At that time, the council approved a Credit Card Policy Guide and Agreement. This Credit Card Policy includes housekeeping revisions of that Guide and Acceptance Agreement.

Please reach out if you have questions.

Thank you.



Credit Card Policy

By requesting a Town of Springdale Credit Card, each applicant acknowledges that they have read and understand the Town of Springdale Credit Card Policy Guide in its entirety. The procedures outlined in the Guide provide information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled monthly, and miscellaneous information about the program.

Cardholder Responsibilities:

It is the responsibility of the cardholder to:

- a. Read and understand the Town of Springdale's Credit Card Policy Guide.
- b. Sign the Credit Card Acceptance Agreement.
- c. Make only authorized purchases per approved departmental budget.
- d. Retain receipts for all transactions. In the absence of a receipt, a Missing Receipt Form must be completed and signed by the cardholder and Department Manager.
- e. Keep the credit card and corresponding account information secure. Immediately report any lost or stolen credit card and/or account information to the Treasurer.
- f. Report fraudulent charges to the Treasurer or Accounting Clerk.

Failure to follow the policy may result in loss of card privileges, repayment of funds, or discipline up to and including termination.



TOWN OF SPRINGDALE CREDIT CARD POLICY GUIDE

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NOTE: THIS GUIDE SHOULD BE USED FOR INFORMATION ONLY AND IS NOT INTENDED TO REPLACE ANY ORDINANCE, RESOLUTION, ADMINISTRATIVE REGULATION OR OTHER LEGAL REQUIREMENT ADOPTED BY THE TOWN.

TOWN OF SPRINGDALE CREDIT CARD POLICY GUIDE

Overview

The purpose of the Credit Card Program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high-volume, repetitive purchases. The program was designed as an alternative to the traditional purchasing process for supplies and services. If used to its potential, the program will result in a significant reduction in the volume of invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated.

The Credit Card Guide provides general guidelines for using the Card. Please read it carefully. *Your signature on the Credit Cardholder Acceptance Agreement will indicate that you understand the intent of the program and agree to follow the established guidelines.*

The following important points should be reviewed before using the Credit Card:

- Your Credit Card is issued in your name. All purchases made on your Credit Card must be made by you or authorized by you in writing. You are responsible for the security of the Credit Card and all transactions made with it. If you do not follow the guidelines when using the Credit Card, you could receive corrective or disciplinary action.
- You can use the Credit Card at any vendor or service provider than accepts Visa. It may be used for in-store purchases, mail, telephone, or online orders.
- Total dollar amount spent each month may not exceed the credit cycle limit assigned to the Credit Card.
- Receipts and Credit Card Requisitions must be provided to the Accounting Clerk by the first of each month.
- The Credit Card is not for personal use or personal gain.
- The Credit Card must be returned to the Program Administrator (Treasurer) upon your termination.

Administrative Guidelines – Credit Card Usage

Purpose

To facilitate the purchase of needed commodities and services through the use of Credit Cards.

Policies

1. The Town may use bank issued Visa cards to make purchases.
2. Lists of authorized Credit cardholders are kept by the Program Administrator (Treasurer).

Process for Credit Card Usage

1. Program Administrator (Treasurer)
 - A. Requests issuance of individual cards.
 - B. Requests changes in card limits.
 - C. Assists with disputed, unauthorized, or fraudulent charges on card.
 - D. Assists with any issue that may require bank intervention.
 - E. Supervises reconciliation of card statements on a monthly basis.
 - F. Provides assistance to cardholders with statements and appropriate forms.
 - G. Provides training to Town staff on Credit Card.
 - H. Facilitates payments to suppliers via “ghost cards”.

Prohibited Use of the Credit Card

Credit Cards may not be used for personal expenses.

The Town promotes progressive productive work methods and support “plan ahead” to achieve the best possible results. Credit Cards should be used to enhance planning – not replace it.

Duties and Responsibilities

Program Administrator

The Program Administrator will be knowledgeable on all procedures in the Credit Card Policy Guide. The Program Administrator is the liaison and has a direct relationship with Zions Bank Business Card Services. All Credit Card requests must go through the Program Administrator.

Cardholder

The person designated by the Department Manager to utilize the Credit Card by purchasing supplies and services is the cardholder. The cardholder is responsible for following the guidelines contained in the Credit Card Policy Guide in regard to purchases, selection of vendors, security of card, and providing receipts to the Accounting Clerk for reconciliation.

Credit Card Controls

Credit Limits

All Credit Cards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator in conjunction with the Department Manager.

Each cardholder will be given information on the limits of his/her card upon signing up for the program. In order to change limits on any card, the cardholder should complete the "Cardholder Account Maintenance" form and forward it to the Program Administrator after approval by the appropriate Department Manager.

Maintaining Your Credit Card

Receipts and Credit Card Requisitions for purchases made during a credit card cycle must be remitted to the Accounting Clerk by the first of each month. Requisitions must be completed and approved by the Department Manager.

Any cardholder purchasing fuel with their card is required to provide a Mileage Log to the Accounting Clerk on a monthly basis. This report must include odometer readings and all fuel purchases.

The Treasurer and Accounting Clerk may develop additional record-keeping procedures as needed.

Critical Contacts for Cardholders

Lost or Stolen Cards

Cardholders must report lost or stolen cards to Program Administrator immediately upon discovery of the missing card.

General Assistance

For general assistance with any questions or problems concerning your Credit Card account, contact the Treasurer.

Security of the Credit Card

The cardholder is responsible for the security of the card. This card should be treated with the same level of care as the cardholder would use with his/her own personal credit cards even though the liability associated with the use of the card lies with the Town. Guard the Credit Card account number carefully. It should be kept in an accessible but secure location.

The only person authorized to use the Credit Card is the cardholder whose name appears on the card unless written permission has been given. The card is to be used for business purposes only.

Procedures

Introduction

Credit Cards will be distributed through the Program Administrator (Treasurer). When a new card is issued, Zions Bank Business Card Services will send it to the Program Administrator for distribution to the cardholder. Cards will not be released to the cardholder until each cardholder has reviewed the Credit Card Policy Guide and signed the Credit Cardholder Acceptance Agreement.

Credit Card Activation

The Credit Cards require individual activation by the cardholder. Upon receipt of the card, cardholder should sign the back of the card, follow activation instructions, and always keep the card in a secure location. The Cardholder will initiate fraud detection on the card immediately upon activation.

Making the Purchase

All cardholders should follow these guidelines when using the Credit Card:

1. Determine the purchase is acceptable and within the cardholder spending limits and the Town procurement rules.
2. Remind local vendors that the Town is Tax Exempt. Make arrangements to provide them with a Tax Exempt Certificate if necessary.

Processing Statement for Payment

Documentation

Cardholders must remit receipts for all transactions to the Accounting Clerk by the 1st of each month to allow for credit card statement reconciliation. In addition to receipts, mileage logs are required for each Town vehicle.

Every effort will be made to keep track of receipts. If a receipt has been lost, a signed Missing Documents Statement must be completed. If there are three (3) missing receipts in a three (3) month period, card privileges will be suspended for one (1) month.

Review and Authorization

After reconciliation by the Accounting Clerk, a copy of the reconciliation and corresponding receipts will be signed by cardholder's supervisor. Once authorized, the reconciliation will be remitted for payment.

Disputed Charges and Assistance

Should a problem arise with a purchase, every attempt should be made by the cardholder to resolve the issue directly with the vendor. If that does not resolve the issue, the returned or disputed item should be noted on the receipt.

If a fraudulent charge is suspected, the cardholder should immediately notify the Treasurer so the card can be blocked. A new card can then be re-issued.

Sales Tax

The Town of Springdale is tax exempt.

Credit Card purchases within Utah may not be subject to sales and use tax. The cardholder should request the supplier to exclude the state tax on all applicable orders. The Town of Springdale's Tax Exempt number is **12217974 002**. The vendor may require an Exemption Certificate – Form TC-721G. This form is available from the Treasurer.

Supervisor Responsibilities

Monthly supervisory review of cardholder purchases is imperative as an internal control to assure appropriate card use and management. The following are guidelines to consider in the supervisory review:

- Verify evidence that the cardholder has retained adequate receipts/documentation to provide insight into the purchases.
- Review supporting documentation to verify that the purchases were made in the course of Town business and that they comply with applicable card restrictions as well as Procurement Requirements.
- Verify that only the cardholder used the card by checking the signature on the receipts.
- Sign and date the Reconciliation form to indicate supervisory review.

These guidelines should not be construed as exhaustive since the nature of work in the individual functional areas may dictate the need for additional review or other specific controls.

Frequently Asked Questions

When do I turn in my receipts?

Receipts and Credit Card Requisitions may be submitted to the Accounting Clerk on or before the 1st of each month, or submitted as purchases are made.

What if I use my card and it is denied?

The card will only be denied if the cardholder exceeds the billing cycle limit. Track expenses carefully to ensure the limit is not exceeded. Contact the Treasurer with denial issues.

What if my job requires a higher limit?

In order to change limits on any card, the Department Manager must complete the Cardholder Account Maintenance form and forward it to the Treasurer.

What if I am on vacation when my receipts are due?

Submit receipts and Credit Card Requisitions to the Accounting Clerk as purchases are made.

Who do I contact if I have an error or a charge that is not mine?

First, try to resolve it with the vendor. That usually works. If contacting the vendor does not resolve the problem, contact the Treasurer for assistance.



Credit Cardholder Acceptance Agreement

The following Credit Card Acceptance Agreement must be signed by all Town of Springdale employees with access to a credit card.

I understand that the Town of Springdale has authorized my use of a credit card for authorized expenditures on its behalf. In accepting and/or using the card, I agree to be bound by the terms and conditions which follow:

1. I will use the card issued to me for the payment of authorized expenses consistent with my organizational responsibilities and to satisfy the needs of my department and the Town of Springdale.
2. I will not use the card to obtain cash advances.
3. I understand that I am the only authorized card user and accept the responsibility and accountability for the protection and proper use of the card.
4. I will not use the card for personal use or for any other non-Entity purposes.
5. I understand that all purchases shall be made in accordance with applicable purchasing and credit card policies and procedures approved by the Town of Springdale.
6. I understand that I am responsible to provide appropriate documentation/receipts for credit card transactions charged to my assigned card.
7. I will surrender my assigned card to the Treasurer/Administrator in the event of my separation from the Town of Springdale.
8. I understand that any charges against my assigned card that are not properly identified or not allowed by the Town of Springdale shall be immediately paid by me. I further understand that any employee who has been issued a card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the Treasurer/Administrator.
9. I will immediately report any stolen or lost card to the Treasurer/Administrator.

I understand that any variance and/or violation of the above conditions will result in cancellation of my assigned credit card. Misuse of the card could result in disciplinary action and/or personal liability for unapproved charges. All Town of Springdale credit cards are subject to examination during the course of an external or internal audit.

I have received a copy of the Town of Springdale's Credit Card Policy Guide and agree to abide by the policies and procedures outlined within. I have received my credit card and understand that it is NOT for personal use and that I, as cardholder, am responsible for the safekeeping of the card and to make sure it is used in the manner outlined in the Town of Springdale's Credit Card Policy Guide.

Card No. _____

Issued to: _____

Billing Cycle Credit Limit: _____

Cardholder Signature: _____

Card Administrator Signature: _____

Date: _____