

CREDIT CARD USAGE

PURPOSE

To ensure all credit card purchases comply with the Town's Disbursements policy, this policy establishes standards for proper credit card use when conducting Town business.

APPLICABILITY

This policy applies to the job responsibilities of the Treasurer/Collector and Town Accountant. It also applies to all Town department heads, officials, and employees with spending authority (all referred to below as "employees").

POLICY

The Town shall have only one primary credit card account with just one physical credit card, both under the custody and control of the Treasurer/Collector. The Town may also have credit accounts with specific vendors (i.e. Staples, Amazon etc.). This policy shall also apply to all such credit accounts. Exceptions to any provisions in this policy must be approved in advance by the Town Manager and Town Accountant.

A. Administration

The Treasurer/Collector is responsible for administration of the credit card, including but not limited to: selecting the card issuer, setting the total purchase limit, ensuring proper use, paying the credit card bill timely, and disputing any false charges. Any incentive program benefits derived by the use of Town credit cards will be the property of the Town. The Town Manager will determine the use of such incentive program benefits.

B. Allowable Use

Town employees may request to make a purchase using the Treasurer/Collector's credit card on a limited, exceptional basis. Its usage shall not be a routine alternative to payment under the normal warrant approval procedures, but is intended for transactions that are only possible by, or are most cost-effective by, credit card, including those connected to public safety emergencies. The Town is a tax exempt entity; therefore, sales tax shall not be included with the cost of any purchase.

The following are prohibited uses of the credit card:

1. Personal expenses
2. Cash advances
3. Gift cards
4. Services (e.g., consultant fees, repair work, temporary help, etc.)
5. Use for paying other invoices
6. Alcoholic beverages and tobacco

C. Purchases

Prior to making a purchase, an employee must fill out a credit card requisition form (included in the appendix). The department head must sign the form to attest that the purchase is being made within the proper appropriation. Because payment in this circumstance is effectively made in advance of a

warrant, the Town Accountant must also sign the form, permitting the exercise of that position's statutory duty to verify that the purchase is consistent with the appropriation's intent, sufficient funds are available to cover the cost, and no fraud is evident.

As much as practical, possession of the credit card will remain with the Treasurer/Collector. If the purchase must be made at a brick-and-mortar merchant, the employee making the purchase must return the credit card to the Treasurer/Collector within no more than 24 hours. Any employee in custody of the card must immediately report to the Treasurer/Collector if it is lost or stolen.

In no instance shall the Town credit be pre-entered to an online vendor account in a manner that would enable the future use of the credit card without specific pre-authorization pursuant to this policy.

If a return or exchange is necessary, the employee will coordinate the return with the Treasurer/Collector to ensure that proper credit is received for returned merchandise, following the same warrant process for the purchase.

D. Warrant Process

The Treasurer/Collector will provide two copies of the credit card statement to the purchasing employee. The employee will retain one copy and return the other to the Town Accountant along with a detailed vendor receipt and a copy of the approved credit card requisition form as part of the accounts payable warrant submissions.

All items purchased with the credit card must be received by the department prior to the end of the credit card's monthly billing cycle and never delivered later than June 30th of any fiscal year for payments to be made for that fiscal year. No backordering of merchandise is allowed.

E. Audit

The Town Accountant may conduct random audits of the credit card activity, receipt retention, and statements. The activity is also subject to review by the Town's independent auditing firm.

PROCEDURES

In accordance with this policy, the Treasurer/Collector and Town Manager will create a detailed set of procedures for its use, as needed, stipulating each step in the process and all required documentation. Important details to include are:

- Step-by-step description of the purchase, approval, and reconciliation processes
- Guidelines for appropriate use
- Dollar limits per transaction and month
- Description of required documents and their necessary details
- Procedures for resolving disputed charges
- Audits

The promulgation of such procedures shall not delay the effective date of this policy.

REFERENCES

[M.G.L. c. 44, §§ 58, 64](#)

West Newbury Disbursements Policy

EFFECTIVE DATE

This policy was adopted on April 28, 2020.



WEST NEWBURY CREDIT CARD PURCHASE REQUISITION

Date: _____

Amount: \$ _____

Account Name _____

Account Number: _____

Purpose of Expenditure:

Attached documentation:

Requester: _____ Date: _____

Department Head: _____ Date: _____

Treasurer/Collector: _____ Date: _____

Town Accountant: _____ Date: _____