

TOWN OF GOFFSTOWN CREDIT CARD PURCHASE POLICY

The primary advantages of establishing a Credit Card Program are the various ways that the Town and the Departments utilizing the program can establish limits and restrictions on individual purchases. These features allow the Town to tailor the program to fit its needs and to extend credit responsibility to more individuals while maintaining or increasing accountability. Prompt payment to vendors enhances the Town's relationship with suppliers.

The success of the Town of Goffstown Credit Card Program relies on the cooperation and professionalism of all personnel associated with this initiative. The Cardholder is the most important participant and is the key element in making this program successful.

PURPOSE

To establish those procedures under which Department Heads will control the use of Credit Cards assigned to and utilized by Town employees for Credit non-stock materials and services. These procedures are intended to accomplish the following:

1. To ensure that the procurement with Credit Cards is accomplished in accordance with the policy and procedures established by the Finance Office.
2. To enhance productivity, significantly reduce paperwork, improve controls, and reduce the overall cost associated with small purchases.
3. To ensure appropriate internal controls are established within each department procuring with Credit Cards so that they are used only for authorized purposes.
4. To ensure that the Town bears no legal liability from inappropriate use of Credit Cards.

SCOPE

The Finance Director will make all decisions regarding the issuing of individual cards and the establishment of any and all additional controls for their use.

APPLICABILITY

This procedure applies to all departments of the Town of Goffstown.

USE OF CREDIT CARD

THE CREDIT CARD IS TO BE USED FOR TOWN PURCHASES ONLY. CASH ADVANCES THROUGH BANK TELLERS OR AUTOMATED TELLER MACHINES ARE PROHIBITED:

The Credit Card will not be used for personal purchases of any kind. Use of the Credit Card for personal purchases or expenses with the intention of reimbursing the Town is prohibited.

Each Credit Card is embossed with the Cardholder's name and shall not be lent to any other person. Cardholders are responsible for the security of their Credit Card. All

precautions shall be used to maintain confidentiality of the Cardholders account number and expiration date of the Credit Card.

A single purchase may comprise multiple items. Unless previously approved the total amount of each single purchase may not exceed the limit of \$1,000. Payments for purchases are not to be split in order to stay within the single purchase limit.

When using the Credit Card, the Cardholder should:

1. Ensure that the goods or services to be purchased are budgeted and allowable.
2. Determine if the intended purchase is within the Cardholder's Credit Card limits.
3. Tell the supplier/merchant that the purchase will be made using the Credit Card issued by Credit Card Issuer through the Town of Goffstown.
4. Inform the merchant that the purchase is tax exempt. The tax-exempt number is 02-6000326. Review the receipt before leaving the store and request a credit if taxes were charged in error.
5. The Cardholder is responsible for managing any returns or exchanges and ensuring that proper credit is received for returned merchandise. The Cardholder should contact the vendor to obtain instructions for return and review the next card statement to ensure that the return was properly credited.

DOCUMENTATION, RECONCILIATION, AND PAYMENT PROCEDURES

It is important to the success of the Credit Card Program that Cardholders adhere to the following procedures. Failure to keep adequate receipts or frequent abuse of these provisions will result in cancellation of the Cardholder's Credit Card.

1. Documentation – Any time a purchase is made using the Credit Card, the Cardholder is to obtain a customer copy of the charge slip, which will become the accountable document. All carbons, if any, should be destroyed.
2. Missing Documentation – If the Cardholder does not have a receipt or documentation to submit with the statement, a reconciliation statement that includes a description of the item, date of purchase, merchant's name, and an explanation for the missing support documents must be submitted with the Cardholder's statement. Frequent instances of missing documentation will cause a Cardholder's Credit Card use privilege to be revoked.
3. Payment Procedures – Purchases made by employees and listed on the Credit Card Statement must be verified and approved by Department Heads, account numbers assigned for each transaction, and submitted to the Finance Office for payment.
4. Any missing receipt or purchasing record will need to follow instructions on line 2 above (Missing Documentation). It is the card users responsibility to submit in a timely manner. If not done promptly the department who is using the card will be responsible for interest or late charges added to their statement from their departments expense lines.

APPROVAL

The Department Head or designated approving official for each department, because of their knowledge of the job responsibilities of the Cardholder, will review each transaction on the statement. At a minimum, the items, vendor and account number will be reviewed to determine if the purchase was made for official use and in accordance with policies and procedures.

If for any reason the Department Head or approving official questions the purchases, it is their responsibility to resolve the issue with the Cardholder. If it cannot be determined that the purchase was necessary, for official use, and in accordance with policies and procedures, the Cardholder must provide a Credit Voucher proving the items have been returned for credit. Resolution for improper use of the Credit Card will be the responsibility of the Department Head and the Finance Director. Disciplinary action could result for misuse of the Credit Card. Flagrant abuse of the Credit Card Program could result in termination.

If items purchased with the Credit Card are found defective or the repair or services faulty, the Cardholder has the responsibility to return the items to the merchant for replacement or credit. **CASH REFUNDS WILL NOT BE PERMITTED.** If the merchant refuses to replace or correct the faulty item, the purchase of this item will be considered to be in dispute.

The Department Head should notate the item(s) disputed on the statement. It is the responsibility of Department Heads to resolve these disputes.

It is essential that the time frames and documentation requirements established by the Credit Card Issuer be followed to protect the Cardholder's rights in dispute. Dispute policies and procedures issued by the Credit Card Issuer will be provided at the time the Credit Cards are issued to Cardholders.

REQUEST FOR INITIAL, ADDITIONAL, OR CHANGES TO CREDIT CARDS

All requests for new Cardholders or changes to current Cardholders will be done by submitting a request to the Finance Director.

All requests for Credit Cards must be approved by the Finance Director. The designated representative's name must be provided to the Finance Office and kept current.

When the Finance Office receives the Credit Card from the Credit Card Issuer, the Cardholder will be required to personally sign for their Credit Card.

LOST OR STOLEN CREDIT CARDS

It is the responsibility of the Cardholder to immediately notify the Finance Office of a lost or stolen Credit Card.

Failure to promptly notify the issuing bank of the theft or loss of the Credit Card could make the Town responsible for any fraudulent use of the card and result in loss of privileges for the Cardholder.

TERMINATION OR TRANSFER

Upon termination of employment of any reason, a cardholder must relinquish their Credit Card at the time of separation from the Town. The Department Head will notify the Finance Office of the termination. The Finance Office will notify the Credit Card Issuer and the Cardholder's card will be immediately deactivated. A cardholder who fraudulently uses the Credit Card after separation from the Town will be subject to legal action.

AUDITS

Random audits may be conducted for both Credit Card activity and receipt retention as well as statement review by the Finance Office.

I have read and understand the Credit Card Policy for the Town of Goffstown.

Employee Signature Date Witness Signature Date

Adopted by Board of Selectmen on April 23, 2007.