

Credit Card Policy

POLICY TITLE: <i>Credit Card Policy</i>	ADOPTED BY: <i>Town Council</i>	EFFECTIVE DATE: September 9, 2024
ORIGIN: <i>Financial Services</i>	RESOLUTION #: 2024-734	PAGE NUMBER 1 OF 4

1. Purpose

Credit cards are financial tools provided to designated staff members for the purpose of purchasing goods and services necessary for official municipal business. The purpose of this policy is to provide users of the Town of Lanigan credit cards with a flexible and efficient way to make small purchases. This policy promotes responsible, efficient, ethical and legal use of the Town's credit cards.

2. Eligibility

- 2.1 Credit cards may be issued to designated staff members who require frequent purchases for official municipal business.
- 2.2 Eligibility for credit cards will be determined by the Chief Administrative Officer (CAO) in accordance with established Purchasing Policy and must be approved by Council.
- 2.3 All approved cardholders shall be issued a copy of this policy and shall be required to sign the Credit Card agreement form to indicate that the cardholder understands the policy and responsibilities of the cardholder.

3. Authorized Use

Credit cards are to be used exclusively for official municipal business purposes. Authorized use includes, but is not limited to:

- 3.1 Purchasing supplies, materials, and equipment necessary for municipal operations.
- 3.2 Procurement of services required for municipal projects and operations.
- 3.3 Conferences, events, travel and training purposes, such as accommodations, meals, and travel, for municipal business and professional activities. Cardholders should consult with the Town's Travel Policy for more information.

4. Prohibited Use

The following uses of credit cards are strictly prohibited:

- 4.1 Personal or non-business related purchases.
- 4.2 Cash advances or cash withdrawals.
- 4.3 Purchases for personal gain or benefit.
- 4.4 Purchase of in-room amenities during hotel/motel stays while on Town business.

- 4.5 Purchases that violate municipal procurement policies or laws.
- 4.6 A single purchase that exceeds the cardholder's single purchase limit.

5. Purchase Approval Process

All purchases made using credit cards must adhere to the following approval process:

- 5.1 Purchases must be consistent with the current year approved budget. Any purchases that may not be allocated within the current year budget will require authorization from the immediate supervisor and CAO.
- 5.2 Purchases exceeding the \$1,000.00 must be authorized by the immediate supervisor and the CAO.
- 5.3 Any exceptions to the approval process must be documented and justified.

6. Cardholder Responsibilities

Staff members issued with credit cards are responsible for:

- 6.1 Purchases shall be made in accordance with the Town's Purchasing Policy.
- 6.2 The credit card that each cardholder receives shall only be used by the cardholder. No other person is authorized to use this card, without an approved credit card purchase request.
- 6.3 The cardholder may make transactions on behalf of others in their department; however, the cardholder is responsible for all purchases charged to their card.
- 6.4 Payment for a purchase shall not be split into multiple transactions to stay within the single purchase limit.
- 6.5 Safeguarding the credit card and associated information from loss, theft, and unauthorized purchases.
- 6.6 Credit cards are prohibited from being transferred between employees.
- 6.7 Using the credit cards only for authorized purposes.
- 6.8 Obtaining appropriate approvals for purchases in accordance with Purchasing Policy.
- 6.9 Retaining all receipts and documentation related to credit cards transactions.
- 6.10 Promptly reporting any lost or stolen cards to the credit provider and the CAO, so the card can be deactivated for further use.
- 6.11 Resolving disputed transactions by contacting the credit provider.

7. Record Keeping

Detailed records of all credit cards transactions must be maintained by the cardholder. Expenses without proper documentation shall be the responsibility of the respective employee. Records should include:

- 7.1 Date of purchase.
- 7.2 Vendor name.
- 7.3 Description of goods or services purchased.
- 7.4 Amount spent.

7.5 Approval documentation (e.g., original invoices, customer copy of the credit card receipts).

Note: If the cardholder does not have documentation of a transaction listed on the monthly statement, they shall attach an explanation that includes the description of the item(s) purchased, date of purchase, vendor's name and reason for lack of supporting documentation.

8. Reconciliation

Staff members utilizing credit cards are responsible for reconciling their credit cards statements promptly upon receipt and submitting to the CAO for review and approval. Any discrepancies or unauthorized charges must be reported to the CAO immediately for investigation and resolution.

9. Non-Compliance

9.1 Any misuse or suspected misuse of credit cards must be reported to the CAO for investigation.

9.2 The Town policy strictly forbids anything in exchange for making a purchase. Cardholder are expected to obtain the best prices available. Purchase of an item at above market prices where the vendor gives the employee any form of gift, bonus or premium whether in the form of cash or merchandise, is considered a kickback and is illegal, and can result in termination of employment and prosecution.

9.3 Violation of this policy may result in disciplinary action, up to and including termination of employment, and may also involve legal consequences.

Credit Card Agreement

I, _____ as an employee of the Town of Lanigan, acknowledge that I have read and understand the Credit Card Policy of the Town. As a credit card holder, I agree to the following:

1. To use the credit card only for approved purposes;
2. To never use the credit card for:
 - (a) Personal or non-business related purchases.
 - (b) Cash advances or cash withdrawals.
 - (c) Purchases for personal gain or benefit.
 - (d) Purchase of in-room amenities during hotel/motel stays while on Town business.
 - (e) Purchases that violate municipal procurement policies or laws.
 - (f) Purchases that exceed the approved credit card limit.
 - (g) Or to exceed the single purchase spending limit of \$1,000.00 without approval of the immediate supervisor and CAO.
3. To ensure that the credit card is kept securely and only used by myself;
4. That I will report if I lose the credit card or if it is stolen immediately to the CAO;
5. That I will report any disputed charges immediately to the CAO so that they can be rectified as quickly as possible;
6. That I will provide receipts, invoices and all supporting documentation that will reconcile the usage to the monthly statement;
7. That I will code each receipt for all transactions within five (5) business days of receiving the statement of account for the credit card.

I agree to these terms and conditions that allows me the privilege of being a credit card holder with the Town of Lanigan.

Credit Card Holder

Date

CAO

Date

Mayor

Date