

## **POLICY 18-03**

### **CREDIT CARD POLICY**

#### **PURPOSE**

This credit card policy will provide guidelines for Departments regarding credit card use. The uses of the cards are restricted for the City of North Pole to acquire goods and services which are appropriate for the conduct of the City of North Pole's business.

The purpose of the credit card policy is to allow departments to purchase goods and services for instances when payment by cash or check is not expedient, practical, or desirable.

#### **POLICY**

The Chief Financial Officer will select a company to use to obtain the necessary credit cards and establish a line of credit with that company. Consideration will be given a company who can meet the general purchasing needs of the various City of North Pole departments and the billing and payment requirements of the city.

Each Department Head will determine how many cards are needed for their department and which employees will be allowed to use them. All employees issued a credit card must sign an acknowledgment form recognizing their responsibility to comply with the City of North Pole policy regarding credit cards.

The Chief Financial Officer and Department Heads will work together to establish appropriate credit limits for each card, recognizing that individual cards may vary with the types of goods and services which are anticipated to be acquired.

The Department Head is responsible for the use of the cards by their department. The Department Head is responsible to make sure that any charges are authorized City of North Pole expenditures and that adequate monies are available within the department's approved budget.

No personal expenditures are allowed by employees with the credit cards, even if the intent is to re-pay the City at a future point.

Credit card bills submitted to the Accounts Payable Clerk for payment must include a purchase order and supporting documentation, such as receipts and invoices, which clearly show what goods and services were purchased using the credit card; and

Violations to this agreement or to any policy regarding the purchase of goods or services will be investigated and shall result in either one or more of the following actions: written warning, revocation of credit card privileges, cancellation of

delegation of purchasing authority, disciplinary action, and termination and/or criminal prosecution. Human error and extraordinary circumstances may be taken into consideration when investigating any violation to this agreement.

Credit card violations include but are not limited to:

- Purchase of items for personal use.
- Use of the credit card for cash advances.
- Exceeding bank credit line limit.
- Failure to return the credit card when an employee is reassigned, terminated or upon request.
- Failure to return the credit card when an elected official resigns is no longer in office or upon request.
- Failure to turn in purchase orders and receipts or other back up documentation to the Accounts Payable Clerk within 5 business days of the purchase or when the employee returns from travel, for the purpose of establishing accountable reconciliation procedures.

The credit card remains property of the Bank. It may not be transferred to, assigned to, or used by anyone other than the designated Cardholder. The Cardholder is accountable for the activity on the card. The bank may suspend or cancel Cardholder privileges at any time for any reason. The Cardholder will surrender the credit card upon request to the Chief Financial Officer or Department Head.

It is the Cardholder's responsibility to obtain transaction receipts from the merchant each time the credit card is used. Individual transaction receipts are to be attached to **purchase orders** and submitted to the Accounts Payable Clerk. The Chief Financial Officer will be responsible for review of all periodic statements and approved by the Mayor or his designee. The Accounts Payable Clerk must keep statement data and proof of reconciliation, including purchase orders and receipts, on file for a period consistent with the record retention requirements of the city.

Mileage, bonus points and other credit card benefits that are accumulated on the statement of the credit cards are property of the City of North Pole and are to be used for the sole use of city business.

It is the Cardholder's responsibility to follow-up on any erroneous charges, returns or adjustments to ensure proper credit is given on subsequent statements.

The credit card is valuable property which requires proper treatment by the Cardholder to protect it from misuse by unauthorized parties.

Sign the credit card immediately upon receipt. The credit card should always be treated with the same care as personal credit cards, bankcards, cash and checks. Keep your card(s) in an accessible, but secure location. When using the credit card for internet purchase, cardholders should ensure that the site utilizes industry recognized encryption transmission tools.

When the expiration date is passed and/or after you have received a new credit card, return the old credit card to the Accounts Payable Clerk. Make sure the credit card is returned to you after each charge and verify that the returned credit card has your name on it.

If the credit card is lost or stolen, contact the Bank's 24-hour toll-free number immediately and advise the Chief Financial Officer.