



TOWN OF BARRINGTON

NEW HAMPSHIRE

Office of the Select Board

Credit Card Policy

I. PURPOSE

To establish criteria for the use of credit cards issued on behalf of the Town of Barrington for the purpose of conducting Town business.

II. OVERVIEW

The use of credit cards has proven to be a cost-effective method of obtaining low cost supplies and service items for the Town. The use of credit cards also makes the Town more accountable by providing detailed purchase histories and other important record keeping and time saving information. Some travel and training costs may also be handled best through the credit card process.

III. PROCEDURE

For the credit card process to operate efficiently, a timely response to each of the elements of the procedure is required from those concerned. Failure to do so will create problems for the Finance Department in preparing for the monthly payment. Employee absences should be anticipated, and arrangements put in place so that the process flow will not be delayed.

A. Issuance of Credit Cards

1. The employee must sign documentation verifying agreement to the conditions of use.
2. The Finance Administrator and Town Treasurer will determine the purchase authority of the employee and sign the enrollment form indicating approval.

B. Use of the Credit Card

1. If an employee receives a unique card with his/her name on it, ONLY that Cardholder is authorized to use that card. The Cardholder may make transactions on behalf of others in their department. However, the Cardholder can delegate use of the card to another employee if a log sheet is implemented. The log sheet must include the name of the person using the card, the time it was taken and returned, the reason for purchase, and a receipt accompanying the purchase.
2. The credit card is to be used in the conduct of the Town's business only. The use of a Town credit card to acquire or purchase goods and services for other than official use of the Town is fraudulent use and may subject the employee to disciplinary action up to and including dismissal as specified in the Town's Personnel Policy and/or criminal prosecution.



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- a. Use of credit cards is limited to the following conditions:
 - i. Purchases made online must have a town shipping address. No goods should be mailed directly to an employee's home address.
 - ii. All items purchased over the counter must be immediately available at the time of credit card use. No backordering of merchandise is allowed.
 - iii. Spending limits will be adhered to.
- b. The Cardholder will retain vendor's receipts and/or records of telephone, Internet, and/or mail orders and file for future reconciliation of the credit card statement.

C. Unauthorized Credit Card Use

1. The credit card SHALL NOT BE USED for the following:
 - a. Personal purchases or identification
 - b. A purchase that exceeds the Cardholder's single, daily, and/or monthly purchase limit
 - c. Cash Advances

A Cardholder who makes unauthorized purchases will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the Bank or card company in connection with the misuse. The Cardholder will also be subject to disciplinary action, which may include termination.

2. A Cardholder who makes unauthorized purchases with the credit card will receive a written warning on the first offense. The second offense will be followed by a written warning and card privileges will be suspended for 30 days. If a third offense should occur, the employee's card privileges will be revoked permanently. A notation of each misuse will be made in the Cardholders personnel file.

D. Making a Purchase

It is the Town's policy to seek competition and the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a credit card purchase the Cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery. Where possible the Finance Department will establish pricing agreements and identify the preferred suppliers.



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E. Cardholder Record Keeping

1. Whenever a credit card purchase is made either over the counter or by other means, documentation shall be obtained as proof of purchase. Such documentation will be used to verify the purchases listed on the Cardholder's monthly statement of account.
2. When the purchase is made over the counter the Cardholder shall retain the invoice and "customer copy" of the charge receipt. The Cardholder is responsible for checking that the vender lists the quantity, fully describes the item(s), and includes sales tax, prior to the Cardholder signing the slip.
3. When the purchase is made on the Internet the Cardholder shall print a copy of the receipt and order confirmation before exiting the site.
4. When a purchase is made over the telephone the Cardholder shall have the vendor fax them a copy of the receipt.
5. When the purchase is made by mail the Cardholder shall retain all confirmations and shipping documentation.
6. When an item is returned the vendor shall issue the Cardholder a credit, which should appear on a subsequent statement. *Under no circumstances should the Cardholder accept cash in lieu of credit to the credit card account.*
7. Each transaction shall also be added to the Cardholder's Statement. The following information should be included:
 - a. Receipt Date.
 - b. Vender name.
 - c. Purchase amount.
 - d. Total cost.
 - e. Comments- "comments" should include the purpose of the purchase, whether there was an under/over shipment of quantity, if there are errors to be resolved, if goods were damaged, or if the purchase was for food, who it was for and why.

F. Review of Monthly Statement

1. At the end of each billing cycle, the Cardholder shall receive his/her monthly statement of account that will list the Cardholder's transactions for that period.
2. The Cardholder shall check each transaction listed against his/her purchasing log, receipts, and any shipping documents to verify the monthly statement. The original sales documents (packing slip, invoice, cash register tape, credit card slips, etc.) for all items listed on the monthly statement MUST be neatly attached, in Statement sequence, coded and initialed, and submitted with the statement to Accounts Payable within 5 business days of receiving the monthly statement. More than two reminders of this routine will be grounds for revoking the employee's credit card privileges.



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G. Payment of Credit Card Purchases

1. The requesting Department will ensure that sufficient funds are encumbered to pay for anticipated purchases.
2. The Cardholder will reconcile the monthly statement received from the Credit Card Company with the receipts and sign and code as correct. Undocumented transactions can be covered by noting beside the item on the statement "No receipt- OK to pay." In addition, the Cardholder must attach an explanation that includes a description of the item(s) purchased, date of purchase, vendor's name, and reason for the lack of supporting documentation. If an item is returned and a credit voucher received, the Cardholder shall verify that this credit is reflected on the monthly statement.
 - a. If purchased items are not listed on the monthly statement, the appropriate transaction documentation shall be **RETAINED** by the Cardholder until the next monthly statement. If the purchase or credit does not appear on the statement within 60 days after the date of purchase, the Cardholder shall notify the Finance Administrator.
 - b. If the item purchased by the use of the credit card is found to be unacceptable, the Cardholder is responsible for obtaining replacement or correction of the item as soon as possible. If the vendor has not replaced or corrected the item by the date the Cardholder receives his/her monthly statement, then the purchase of that item will be considered in dispute.
3. The Cardholder will review the reconciled statement, sign, and forward with receipts and Statement to the Finance Administrator. If the expense is for more than one account, the distribution of expenditures must also be marked on the statement.
5. Accounts Payable will review the documents for correctness, charge the proper accounts, and process the statement for payment.

H. Cardholder Security

1. It is the Cardholder's responsibility to safeguard the credit card and account number to the same degree that a Cardholder safeguards his/her personal credit information. A violation of this trust will result in that Cardholder having his/her card withdrawn and disciplinary action.
2. If the card is lost or stolen the Cardholder shall immediately notify the credit card company, representatives are available 24 hours a day. Advise the representative that the call is regarding a credit card. The Finance Administrator should also be notified, and the Lost/Stolen Card Notification form filled out.
3. A new card shall be promptly issued to the Cardholder after the reported



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loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be destroyed.

4. An employee may have two cards replaced due to loss or theft, after that they will have their credit card privileges revoked.

I. CARDHOLDER SEPARATION

Prior to separation from the Town of Barrington, the Cardholder shall surrender the credit card and current credit card proofs of purchase to the Finance Administrator. Upon its receipt, the Finance Administrator will follow the steps outlined under Review of Monthly Statement and Payment of Credit Card Purchases, and forward the card to Finance to be destroyed.



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IV. Cardholder's Agreement

I understand that the use of the Town of Barrington credit card for small value purchases is a standard procedure of the Town. I will be expected to use the credit card issued to me as directed by my supervisor under the provisions of the standard procedure. I will not permit another person to use the credit card issued to me. Any such purchases made with my card will be considered to be made by me and my responsibility. I will be responsible for the safe keeping of the credit card issued to me and if lost, I will report its loss immediately to the Finance Administrator. I understand that my personal credit will not be affected by any use of the Town of Barrington credit card.

The use of a Town credit card to acquire or purchase goods and services for other than the official use of the Town is fraudulent use. An employee guilty of fraudulent use will be subject to disciplinary action, up to and including dismissal. I agree that any reimbursement owed the Town, as a result of this use, may be deducted from my wages or other moneys owed to be by the Town.

I have read, understand and agree to the conditions above:

Employee Signature: _____ Date: _____

Finance Administrator's Signature: _____ Date: _____

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Credit Card Log

Department: _____

Employee Name	Date Out	Date In	Description of Purchase	Receipt
Ex. John Smith	12/12/23	12/12/23	Wal-Mart for Office Supplies	✓