

TOWN OF SEABROOK

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Credit Card Policy

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A draft of an updated Credit Card Policy for Seabrook, along with a Procurement Card Policy attached as Appendix A.



TOWN OF SEABROOK NEW HAMPSHIRE

CREDIT CARD POLICY

PURPOSE:

A. To establish the Policy and Procedures for the use of Town Purchase Cards by department heads or their designees. These procedures are intended to accomplish the following:

1. To enhance productivity, significantly reduce paperwork, improve internal controls and reduce the overall cost associated with approved purchases as listed below.
2. To ensure appropriate internal controls are established within each department procuring with credit cards so that they are used for authorized purposes only.
3. To ensure that the Town bears no legal liability from inappropriate use of credit cards.
4. To prevent interest charges

B. The Town of Seabrook will utilize and enroll in a Purchase Card (P-Card) program offered by Citizens Bank. See Appendix A (P-Card Users Guide) which is incorporated into this policy.

DEFINITIONS:

Cardholder – An authorized employee issued credit card.

Purchase Card - A card issued by a financial institution giving the authorized user the ability to charge purchases within their credit limit. .

Credit Limit- The maximum balance allowed for a particular cardholder.

Purchase Order – Purchase Order issued by departments directly for purchases.

Transaction Limit – The maximum amount that can be charged for one purchase.

SCOPE:

The Board of Selectmen will make all decisions regarding the issuance of credit cards and the establishment of any and all additional controls of their use. The limit on each card shall be set by the Procurement Card manager in conjunction with the Town Manager, .

POLICY:

- A.** All requirements of the Town of Seabrook Purchasing Policy apply to the use of P-Cards when making such purchases and processing related payments.
- B.** Credit cards may be used for the following purchases:
Supplies and equipment, or other items specifically authorized by the Town Manager
Charges shall not exceed \$1000 per item without approval from the Town Manger.
- C.** The P-Card will not be used for personal purchases of any kind. Use of P-Cards for personal purchases or expenses with the intention of reimbursing the Town is prohibited.
- D.** Use of the P-Card for meals is prohibited.
- E.** Department heads are required to authorize all purchases made by P-Card.
- F.** No cash advances (ATM, traveler's checks, money orders, etc.) are allowed using the P-Card.
- G.** The P-Card will replace all other "credit cards" currently in use by the Town of Seabrook. Those cards currently in use will be returned to the Department Heads, who will inventory them and return the cards and a list to the Finance Manager.
- H.** All purchases made with P-Cards shall be paid for within the grace period so that no interest charges or penalties will accrue.
- I.** Any incentive program benefits derived by the use of Town credit cards will be the property of the Town. The Board of Selectmen will determine the use of such incentive program benefits.
- J.** All cardholders should take all measures necessary to ensure the security of the credit card and the card number. Cardholders shall

not give their card or their card number to others on their behalf.

- K. Lack of proper documentation or authorization may result in loss of credit card privileges and/or personal liability.
- L. Misuse of a Town credit card by an authorized employee may result in loss of the credit card and/or disciplinary action against the employee, up to and including termination of employment.

PROCEDURE

- A. Each authorized cardholder must sign an Agreement to Accept Town P- Card prior to issuance of the credit card. Forms will be kept on file in the Finance Department.
- B. When using the Town credit P-Card, the cardholder and Department Head should:
 1. Ensure the goods or services are budgeted and allowable.
 2. Determine if the intended purchase is within the cardholder's credit card limits.
 3. The cardholder is responsible for managing any returns or exchanges to ensure proper credit is received for returned merchandise. In case of an exception or disputed charge, the cardholder should first contact the supplier. Most exceptions or issues can be resolved at this level. When the vendor corrects the problem, cardholders should see the correction on their next monthly statement.
- C. **ALL RECIEPTS** related to the purchase need to be approved by the department head and **forwarded to the Finance Department within (3) three business days of the purchase.** The Department Head shall be responsible for providing the Finance Manager with receipts for approved purchases.
- D. The Finance Department will reconcile the credit card statement to the receipts forwarded by the departments making purchases. Exceptions will be forwarded to the department involved for resolution.
- E. It is the cardholder's responsibility to submit the receipts and other documentation to the Department Head within the time frame stated above. The cardholders department will be held responsible for any interest and/or late charges for untimely receipts. All receipts are to include: Description of the item, date of purchase, merchant's name and an explanation of purchase.

F. Upon separation of employment, cardholders shall surrender their Town P-Card to the Finance Department on or before their last day of work and prior to issuance of final compensation to the cardholder.

APPROVED:

Board of Selectmen:

Date

Ella M. Brown, Chairman

About B. Khan, Vice-Chairman

Theresa A. Kyle, Clerk

