

CREDIT CARD POLICY

Introduction

The City of Kirksville (the City) credit card is a purchase card system benefiting the City and the City's authorized user of the credit card by allowing purchases to be made from vendors for certain types of goods and/or services that are not available through other procurement means or from other vendors.

Policy

Usage of the City's credit card is allowed at the discretion of the City Manager or Finance Director to current employees who are granted City purchasing authority. Delegation of City purchasing authority governs the use of the credit card as a tool for purchasing materials and services costing less than \$500; use of this card is restricted to the purchasing of those goods or services that **cannot** be procured through normal procedures. All goods and services purchased by the City should be acquired through credit extended by the City's vendors to the City whenever possible and paid by approved invoice within the agreed credit terms of the vendor. The use of the credit card does not justify the payment of any sales taxes for which the City is exempt. As in all other purchases, the merchant shall be given a copy of the state tax exemption letter issued to the City and accordingly, state sales tax should not be charged. This is also applicable to all telephone and internet orders.

The card user agrees to comply with all applicable City policies and procedures and this agreement.

Compliance with Policy, Violations and Consequences

Purchases made under this credit card policy and agreement shall comply with the City Council Purchasing Policy.

Card user violations of this agreement or of any policy regarding the purchase of goods or services will be investigated and may result in any or all of the following actions, but not limited to: written warning, revocation of credit card privileges, cancellation of delegation of purchasing authority, disciplinary action, termination and/or criminal prosecution. Human error and extraordinary circumstances may be taken into consideration when investigating any violation of this agreement.

The City Manager, Finance Director or designees have the authority to investigate and to determine whether a violation of purchasing or credit card policy has occurred and to determine action deemed most appropriate pursuant to applicable law and/or City policy.

Violations of credit card usage include but are not limited to:

- Purchase of items for personal use
- Purchase of items in violation of the City's travel policy
- Use of the credit card for cash advances
- Exceeding the credit card account credit line limit
- Use of the credit card for purchase of more than \$500 by splitting similar purchases into more than one transaction
- Failure to return the credit card when card user is reassigned, terminated or upon request
- Failure to turn in packing slips, receipts or other back up documentation to the City Finance Department within three (3) business days of the purchase
- Sharing the credit card or card account number with unauthorized users

Ownership and Cancellation of the Credit Card

The credit card remains property of the issuing company. It may not be transferred to, assigned to, or used by anyone other than an authorized user of the City. Users of the credit card are accountable for the activity on the card. The issuer or the City may suspend or cancel user privileges at any time for any reason. If the user is in possession of a card, the user will surrender the credit card upon request to the City or to any authorized agent of the issuer.

Receipts

It is the responsibility of each credit card user to obtain transaction receipts from the merchant each time the credit card is used, including telephone and internet charges. These are to be immediately forwarded to the City Finance Department for review and ensure eligibility for payment. Failure to provide the required documentation for payment processing may subject the user to loss of credit card privileges and may cause the amount charged to be classified as a personal purchase by the card user. The City shall keep statement data and proof of reconciliation, including receipts and packing slips, on file for a period consistent with the record retention requirements of the law.

Failure to provide receipts and allow for timely payment of the credit card purchase will also subject the purchasing department to finance charges on the charge.

Disputed Items

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

Safeguarding an Issued Credit Card

An issued credit card or card account number should always be treated with utmost care and should be kept in a secure location and protected from misuse by unauthorized users. When using the credit card for internet purchases, users should ensure that the site utilizes industry recognized encryption transmission tools.

Lost or Stolen Credit Cards

If a credit card is lost or stolen, contact the City Finance Department immediately, who will make contact with the issuer and take the appropriate steps to protect the account from unauthorized purchases.

Authorization

City employees must receive approval from the City Manager and/or Finance Director to have permission to use the City's credit cards. Each department is responsible for notifying the City Finance Department of their authorized users of the City's credit card. The department will provide such a listing which includes the signature of each user to the Finance Department. Any additions or deletions to this authorized list will require same method of notification.

The credit card may be used only by City authorized users who have authority to buy goods and services on behalf of the City of Kirksville. Each user is responsible for ensuring safeguard of the credit card information.

The Finance Director helps ensure the proper use of credit cards by overseeing the City implementation and use of the card and/or account number.

Responsibility of Credit Card Users

Authorized employees must use the card responsibly and in accordance with this policy.

Credit card user responsibilities include, but not limited to:

- Purchasing items for City of Kirksville business use only
- Never lending or sharing the credit card or card account number with unauthorized users
- Purchasing only goods and services that have received prior authorization through following of the City's requisition process and which are in accordance with the City's Purchasing Policy
- Knowing the credit card limitations and restrictions as provided by the City Finance Department
- Returning the credit card to the Finance Department, as appropriate

Forwarding proof of purchase documents, such as sales receipts or computer print-outs, to the Finance Department immediately after internet or telephone purchase (or within three (3) days of return if on travel)

Finance Department

The Finance Director and/or designee is responsible for:

- Implementation of this policy

- Timely reconciliation of credit card accounts

- Appropriate record keeping

- Handling these administrative duties:

 - Knowing the credit card limitations and restrictions

 - Developing and implementing internal procedures that govern City use of the credit cards

 - Sharing new program information with authorized users

 - Answering questions about use of cards

 - Monitoring card usage to ensure that City policies, and internal policies and procedures are being followed

 - Assigning credit card privileges to authorized users

 - Communicating with the City Manager when new or modified cards are necessary and requesting new cards from an approved issuer

 - Communicating with the City Manager when card cancellations are necessary and terminating of accounts and individual authority to use cards