

Town of Butternuts

Credit Account /Credit Card Policy

Adopted August 10, 2022

Purpose of credit card use:

The Town Board of the Town of Butternuts hereby authorizes the use of Town Board approved credit cards and credit accounts by certain town officials or employees for the sole use benefit of the Town of Butternuts. The purpose of the credit cards and credit accounts is to streamline and simplify the purchasing and payment process for certain transactions. All purchases made with a credit card or on a credit account must be made in accordance with the procedures contained herein and, where relevant, must comply with the Town of Butternuts Procurement Policy (adopted May 2022). Failure of an employee or elected official to adhere to the requirements and restrictions policy will result in appropriate disciplinary or remedial action, as stated in the "Procedures" section of this document.

- Only the Town Board may approve the creation of a town charge account.
- Prior to the establishment of a store credit card or store credit account, the Town Board shall, by resolution, approve the account, designate who has the authority to sign the contract between the retail business and the Town of Butternuts, and who has authority to have access to the account.
- The Town Supervisor will be responsible for immediately notifying the store in writing when an employee or elected official is no longer authorized to use an account. A copy of this written notice must be provided to the Town Board.
- The Town Supervisor is responsible for maintaining all credit card information, including the information for reporting lost or stolen cards. The Town Supervisor will notify the Town Board of any lost or stolen credit cards or any unusual activity related to credit card activity.
- In the event of unauthorized purchases or use, the Town Supervisor may cancel the credit card.

Credit Card Security

It is the responsibility of the Town Supervisor to safeguard any credit cards issued to the Town of Butternuts. The supervisor will:

- a.) Keep the card in a secure location or with the designated user, when not being used by authorized personnel;
- b.) Maintain a log for the use of credit card;

- c.) Review bills with the Town Board and watch for red flags such as unusual destinations or items on the card;
- d.) Verify that the items purchased were actually received for use by the town;
- e.) Have a reconciliation process;
- f.) Follow up on any identified discrepancies;
- g.) Inappropriate charges will be recouped immediately from the individual who made the purchase;
- h.) Lost or stolen cards should be reported immediately so the Supervisor can cancel card and check for unauthorized purchases;
- i.) Purchases must still abide by Purchasing Policy Guidelines.

Authorized purchases

Town credit cards may be used for the following purchases:

- Only if purchase order cannot be issued: fuel, materials, supplies, and equipment;
- Charges for supplies and equipment purchased by any authorized user, with the exception of the Highway Superintendent, **shall not exceed \$500 per item** without approval of the town supervisor;
- Registrations for town-related conferences, training and workshops;
- Town-related travel;
- Other items specifically authorized by the Town Supervisor.

Prohibited purchases

The Town of Butternuts credit cards **shall not be used for:**

- Personal purchases of any kind;
- Meals or clambakes to promote good will or boost morale;
- Purchases of alcohol or marijuana;
- Entertainment expenses;
- Any form of cash advance, including ATM withdrawals, travelers' checks, or money orders)

The Town of Butternuts will pursue all means to obtain repayment from those responsible for incurring prohibited purchases.

Procedure

- Town credit cards will be retained by the Town Supervisor and Highway Superintendent. All other authorized users shall request the town credit card from the Town Supervisor.

- All other authorized users must date and sign out the town credit card request form when obtained, and shall date and sign the town credit card request form when returned.
- Upon return of the credit card, all receipts from purchases charged to the town credit card must be signed by the purchaser and given to the Town Supervisor upon return of the town credit card.
- The Town Supervisor will reconcile the credit card statement with the receipts.
- Loss or theft of a credit card must be reported to the Town Supervisor immediately.

TOWN OF BUTTERNUTS CREDIT CARD USER AGREEMENT

1. I have read, understand, and will comply with the Credit Card Policy.
2. I will not allow anyone else to use the Town Credit Card authorized to me.
4. I will immediately notify the authorizing official if a card is lost or stolen.
5. I understand that I am required to comply with internal control procedures, as outlined in the town credit/credit card policy.
7. I understand the card is to not be used to initiate recurring charges.
9. I understand improper use of this card will result suspension of town credit card privileges.
10. I understand the Town of Butternuts may terminate my card use privileges at any time for any reason.

Employee Signature

Printed Name

Date

Town Supervisor Signature

Printed Name

Date