

TOWN OF WAYNE, ME

DEBIT/CREDIT CARD POLICY

I. PURPOSE

To establish criteria for the use of debit cards issued on behalf of the Town of Wayne, Maine for the purpose of conducting Town business.

II. OVERVIEW

The use of debit/credit cards has proven to be a cost effective method of obtaining low cost supply and service items for the Town. The use of debit/credit cards also makes the Town more accountable by providing detailed purchase histories and other important record keeping and time saving information.

III. DEFINITIONS

For the purpose of this policy the following definitions apply:

- A. *Approving Authority*- The Board of Selectmen shall review and approve the segregated account statement of the account.
- B. *Cardholder*- Individual who has been issued a debit/credit card and who is authorized to make purchases in accordance with these procedures.
- C. *Single Purchase Limit*- A dollar amount limitation of purchasing authority delegated to a Cardholder. This dollar limit may vary from Cardholder to Cardholder.
- D. *Vendor*- A company from which a Cardholder is purchasing materials and/or equipment or services under the provisions of this procedure.

IV. PROCEDURE

For the debit/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 Accounts Payable Department in preparing for the month's end closeout. Employee absences should be anticipated and arrangements put in place so that the process flow will not be delayed.

A. Issuance of Debit/Credit Cards

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

3. The Treasurer will recommend to the Town Manager daily, weekly, and monthly maximums, but the Town Manager will authorize the enrollment forms, the Select Board will review all enrollment form.
4. The Town Manager and/or Treasurer will review the enrollment form and process for issuance of a debit/credit card to the employee.
5. The Board of Selectmen will review and approve all requests for debit/credit cards by Town employees.

B. Use of the Debit/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 is responsible for all use of his/her card.
2. The debit/credit card is to be used in the conduct of the Town's business only. The use of a Town debit/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 dismissal and/or criminal prosecution.
 - a. Use of debit/credit cards is limited to the following conditions, unless otherwise approved by the Town Manager/ Treasurer's authority (emergency cases):
 - i. The total value of a transaction shall not exceed a Cardholder's single purchase limit which shall be no more than \$500. Payment for a purchase WILL NOT be split into multiple transactions to stay within the single purchase limit.
 - ii. All items purchased over-the-counter must be immediately available at the time of debit/credit card use. No backordering of merchandise is allowed.
 - iii. Spending limits must be adhered to.
 - iv. Hotel/motel accommodations for employee's staying overnight for trainings on the Town's behalf, and the above conditions apply to these types of transactions.
 - 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 debit/credit card statement.

C. Unauthorized Debit/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
 - d. The purchase of alcohol, tobacco, and/or fire arms
2. A Cardholder who makes unauthorized purchases will be liable for the total dollar amount of such 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 appropriate for the circumstances of the violation of this procedure, which may include written warnings, suspension of card privileges, permanent revocation of card authorization, or termination of employment.

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 Town Manager will establish pricing agreements and identify the preferred suppliers.

E. Cardholder Record Keeping

1. Whenever a debit/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 vendor 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.
6. When a purchase is made over the telephone the Cardholder shall have the vendor fax them a copy of the receipt.
7. When the purchase is made by mail the Cardholder shall retain all confirmations and shipping documentation.
8. 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 a credit to the credit card account.*
9. Each transaction shall also be added to the Cardholder's Transaction Log. The following information should be included:

- a. Receipt Date.
- b. Vendor name.
- c. Purchase amount.
- d. Description of product
- e. Total cost.
- f. 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.

NOTE: During the month of June, purchases will be restricted to facilitate the Fiscal Year end closing. It is imperative that careful planning is done to ensure that appropriate levels of supplies are on hand to last until the beginning of the new Fiscal Year.

F. Review of Monthly Statement

1. At the end of each billing cycle, the Town Manager and/or Treasurer shall receive the segregated account monthly statement that will list the Cardholder’s transactions for that period.
2. The Town Manager and/or Treasurer 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 Transaction Log sequence, to the Transaction Log, 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.
3. After the Town Manager/ Treasurer reconciles the segregated accounts monthly statement and verified correct a copy of the statement shall be provided to the Select Board. This shall be done on a monthly basis to correspond with the Accounts Payable process for the Board approval.

G. Payment of Debit/Credit Card Purchases

1. The requesting Department will ensure that sufficient funds are encumbered to pay for anticipated purchases.
2. The Town Manager/ Treasurer will reconcile the monthly statement received from the Bank with the receipts and sign as correct. A copy of the statement will be provided to each Cardholder for purposes of reconciling their receipts. 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 at the Town Office 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 Approving Authority and the Accounts Payable Clerk.
 - b. If the item purchased by the use of the debit/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 Town receives segregated account monthly statement, then the purchase of that item will be considered in dispute. The Cardholder should document the dispute on the Transaction Dispute Form and attach it to the statement.
3. The Town Manager/Treasurer will review the reconciled statement, determine the appropriate taxes, sign, and forward with receipts and Transaction Log to the Accounts Payable Clerk. If the expense is for more than one account, the distribution of expenditures must also be marked on the statement.
 4. The Town Manager/Treasurer will review the reconciled statement, sign, and forward with receipts and Transaction Log to Accounts Payable.
 5. Accounts Payable Clerk will review the documents for correctness, extract any sales tax paid, charge the proper accounts, and process the statement for payment.

H. Cardholder Security

1. It is the Cardholder's responsibility to safeguard the debit/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 Town Manager who will contact the Bank, representatives are available weekdays from 8:00 AM- 5:30 PM. Advise the representative that the call is regarding a debit/credit card loss. The Cardholder should fill out the Lost/Stolen Card Notification form filled out.
3. A new card shall be promptly issued to the Cardholder after the reported 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.

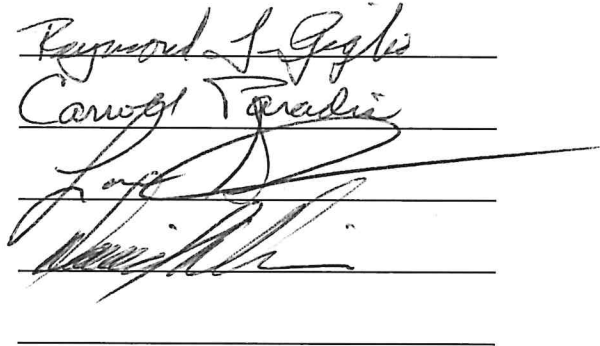
I. CARDHOLDER SEPARATION

Prior to separation from the Town of Wayne, Maine, the Cardholder shall surrender the debit/credit card and current card proofs of purchase to his/her Approving Authority. Upon its receipt, the Approving Authority will follow the steps outlined under Review of Monthly Statement and Payment of Debit/Credit Card Purchases, and forward the card to Town Manager to be destroyed.

V. IMPLEMENTATION

To facilitate conduct in accordance with this policy, a copy of this policy shall be made available to town officials, employees, volunteers, board and commissions upon hiring, appointment or election to office and at such other times as may be necessary.

Adopted by vote of the Board on this date, _____.



Received and Recorded: _____, 2010

Town Clerk

Town of Wayne, Maine Debit/Credit Card Enrollment Form

I. Employee/Cardholder Information

Name: _____ Social Security Number: _____

Department: _____ Division: _____

II. Card Receipt:

Card Name: _____ Card Number: _____

Cardholders Name as it Appears on the Card: _____

Cardholder's Signature: _____ Date Issued to Cardholder: _____

III. Card Limits: Department Head Designates Maximum Purchase Limits (circle)

*Monthly limits exceeding \$1,000 must be in emergency cases only

<u>Transaction</u>	<u>Daily</u>	<u>Monthly</u>
\$100	\$250	\$500
\$200	\$350	\$1,000
\$300	\$450	\$1,500 *
\$350	\$500	\$2,000 *
\$400	\$550	\$3,000 *
\$450	\$600	\$4,000 *
\$500	\$650	\$5,000 *

IV. Cardholder's Agreement

I understand that the use of the Town of Wayne, Maine debit/credit card for small value purchases is a standard procedure of the Town. I will be expected to use the debit/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 debit/credit card issued to me and if lost, I will report its loss immediately to Town Manager. I understand that my personal credit will not be affected by any use of the Town of Wayne, Maine debit/credit card.

The use of a Town debit/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: _____

Treasurer's Signature: _____ Date: _____

Town of Wayne, Maine
Lost/Stolen Card Notification

Cardholder's Name: _____ Card Number: _____

Please Check One:

Card was: _____ Lost
 _____ Stolen
 _____ Other (Describe) _____

Please Check One:

Number of cards issued to this Cardholder **1** **2** **3**

Describe how card was lost/stolen: _____

Was a police report filed (circle): Yes No

If yes: Department: _____

 Report Number: _____

Town Manager notified the Bank:

Date: _____

Time: _____

Cardholder's Signature: _____ Date: _____

Town Manager's Signature: _____ Date: _____

Town of Wayne, Maine
Transaction Dispute Form

Cardholder Information:

Cardholder's Name: _____ Card Number: _____
Cardholder's Signature: _____ Date: _____

Vendor Name: _____
Statement Date: _____ Transaction Date: _____
Transaction #: _____ Posting Date: _____
Amount Disputed: _____

Dispute:

The item referenced above is being disputed because:

_____ There is a difference in the amount I authorized and the amount I was billed. (A copy of your charge must be attached.)

_____ I only transacted one charge and I was previously billed for it. (Date of previous charge _____.)

_____ The above transaction is mine but I am disputing the transaction. (Please state your reasons why in detail.)

_____ I do not recognize the above transaction.

_____ I have received a credit voucher for the above transaction, but it has not yet appeared on the account. (A copy of the credit voucher must be attached.)

_____ The account has been charged for the above transaction, but I have not received the merchandise. The details of my attempt to resolve the dispute with the merchant and the merchant's response are indicated below.

Attach the completed form to your monthly statement for review and approval by your Approving Authority and Accounts Payable.

