

Town of Guilford
223 Marble Road
Guilford, NY 13780

POLICY AND PROCEDURE

Business Credit Card Policy

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Policy: It is the policy of the Town of Guilford to provide guidelines for use of a Town issued business credit card.

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Purpose:

The business credit card is not intended to avoid or bypass appropriate purchasing procedures. Business credit cards may only be used in accordance with the guidelines established by the Town of Guilford as detailed in this policy.

All business credit cards are authorized by the Town Board and issued at the request of the Town Supervisor and card usage will be audited and can be restricted and/or rescinded at any time. A Town issued credit card shall only be used by the employee named on the card and shall only be used for authorized purchases.

This policy provides the guidelines for use of a business credit card. Please read it carefully. Signature on the Cardholder Authorization Form indicates the employee fully understands the intent and requirements of this policy and agrees to adhere to the guidelines and requirements established in this policy.

A critical element of this program is the retention of all receipts and prompt reconciliation of statements to these receipts. In the case of an online order where no receipt is given, a copy of the order form or confirmation must be retained to match up with the statement.

New York State Sales and Use Tax

New York State law exempts the Town of Guilford from payment of NYS sales tax. Therefore, **sales tax is NOT TO BE PAID** on any purchase made with a business credit card.

In order to make tax exempt purchases, you may be required to present vendors with documentation that confirms the Town's tax-exempt status. This documentation can be obtained from the Town Clerk's office. Employees shall only use such documentation for purchases on behalf of the Town.

Cardholder Responsibilities

The business credit card is intended for purchases such as goods/services. The business credit card may not be used for any items on the list of prohibited transactions maintained by the Town Board and should be used in conformity with all applicable purchasing guidelines. Individual authorizations for dollar limits and types of transactions may vary.

- **ONLY AUTHORIZED PURCHASES FOR THE TOWN OF GUILFORD ARE ALLOWABLE.** Use of the business credit card for personal purchases is prohibited.

- Misuse of the business credit card will result in revocation of the card and, if necessary, appropriate disciplinary action. Violations include:
 - Purchasing items for personal use.
 - Failure to reconcile expenses, attach receipts, and forward to the Town Supervisor by deadline established.
 - Using the business credit card for items clearly defined as “**not for card use**”.
 - Allowing someone else to use your business credit card.
 - Repeatedly losing your credit card.
 - Any other repeated failure to comply with this Business Credit Card policy
- Cardholders are responsible for informing vendors that the Town of Guilford is exempt from sales tax.
- Refunds and exchanges must be credited directly back to the business credit card account. Under no circumstances may cash be received for refunds or exchanges.
- Each department must reconcile all receipts with the detailed monthly statement for each card transaction report is provided for each account. The reconciled statement, with attached receipts, must be forwarded it to the Town Supervisor for approval. After approval, all documentation must be forwarded to the Town Clerk for processing for payment.
- Each cardholder must keep their business credit card safe and secure at all times. Lost or stolen business credit cards must be immediately reported to the Town Supervisor. Replacement of the business credit card must be authorized by the Town Supervisor.
- Unauthorized expenditures may be recouped by the Town from the employee, including by any legal proceedings as initiated by the Town attorney.

Business Credit Card Controls

Business credit card limits

- Each business credit card will have a maximum transaction amount and an aggregate card limit. The Town Board, in its sole discretion, will set the maximum transaction amount and aggregate dollar limit per transaction on a card by card basis.

Make a purchase

Purchases can be made in person, over the phone, by fax, by mail or via the internet. Documentation/receipts will be required for all purchases.

- Make sure the vendor accepts VISA.
- Identify yourself as a Town of Guilford employee.
- Inform the vendor that you are making a **tax-exempt purchase** prior to completing the transaction.

Documenting Goods/Services Charges

Every purchase made on a business credit card must be documented with a receipt, which may be in the form of a sales receipt, packing slip, order form, or registration application. If a vendor does not provide any documentation, a cardholder should immediately contact the vendor and request documentation. All receipts and charge slips must be retained for the reconciliation of the detailed monthly statement.

All receipts must contain the following information:

- Merchant name
- Purchase date
- A description of each item purchased, including quantity
- Per item cost
- Total cost
- Cardholder name

If any of this information is not on the receipt, the Cardholder is to handwrite such missing information on the receipt prior to attaching it to the statement.

If a cardholder does not have a receipt because an item has been ordered by mail and has not yet arrived, the cardholder should note so on the statement, provide a copy of the order form if available, and forward the receipt to the Town Supervisor as soon as the item is received.

Contested Charges

If the vendor has charged incorrectly or there is an outstanding quality or service issue, the cardholder must first contact the vendor and try to resolve the matter directly with the vendor. If a credit or adjustment is due, highlight the line item on the monthly statement to verify receipt on the next monthly statement.

If the dispute is not resolved to the cardholder's satisfaction, the cardholder should notify the Town Supervisor with the relevant details.

Any fraudulent charges must be reported immediately to the business credit card hotline phone number and the Town Supervisor. Prompt reporting of any such charges will help to prevent the Town from being held responsible.

Review of the Charges

The Town Supervisor is responsible for the review and verification that all transactions are charged to the correct account.

The Town Supervisor shall confirm that all purchases are reasonable, authorized for departmental business, and that all transactions were not in violation of the business credit card policies. The Town Supervisor shall review and approve each cardholder statement by signing, dating, and forwarding it with a voucher to the Town Clerk to prepare for audit by the Town Board.

Separation of Employment

When a cardholder leaves Town of Guilford employment, he/she must return his/her business credit card to the Town Supervisor for disposal. The Town Supervisor shall promptly cancel all such cards.

Audits of the Program

All business credit card purchases will be audited on a regular basis by the Town Board to confirm the cards are being utilized responsibly, receipts are being retained, and the cardholder statements are being reconciled on a timely basis.

Adopted 4/8/2020

Town of Guilford

Business Credit Card Authorization Request Form

Please fill in all information as requested.

Employee Name (as it will appear on card):

Employee Department:

Requested Maximum Single Transaction Limit:

\$ _____

I have read the Town of Guilford’s Business Credit Card Policy and I fully understand, and agree to adhere to the guidelines and requirements of the Policy.

Employee’s Signature: _____

Date: _____

Town Supervisor’s Authorizing Signature: _____

Date: _____

TOWN OF GUILFORD

Acknowledgement of Card Receipt and Cardholder Agreement

Please read and sign.

Employee Name: _____

Department: _____

Business Card Number: _____

Transaction and Aggregate Limits: \$ _____

You are being entrusted with a Town of Guilford Business Credit Card issued by VISA through NBT Bank. The card is to facilitate purchase of goods and services for the Town of Guilford. This card may be revoked or canceled at any time without your permission.

I understand that I will be making financial commitments on the behalf of the Town of Guilford and will strive to obtain the best value for the Town of Guilford when making purchases.

I will not allow any other person to use my assigned business credit card.

I will review my transactions on a regular basis and reconcile my monthly statements.

I will use the business credit card only for authorized purchases that comply with purchasing guidelines.

I will obtain a hard copy receipt from the vendor each time the business credit card is used. When ordering by phone, internet, or mail, I will request the vendor provide me with a receipt.

By signing this agreement, I affirm that I have read the Town of Guilford Business Credit Card Policy as well as this cardholder agreement, understand them, and will comply with both. I understand that failure to comply with either Business Credit Card Policy or this agreement may be considered misappropriation of funds and may result in revocation of card privileges and disciplinary action.

I understand that the policies and procedures related to the Business Credit Card Policy may be updated or changed at any time. The Town Supervisor will notify me of these changes. I agree to review and comply with any policy changes.

Employee's Signature: _____

Date: _____