

Credit Card Policy

Town of Auburn, NH



Section I. Purpose:

The purpose of this Policy is to establish guidelines and procedures for the use of Town issued credit cards for Town purchases.

Section II. Authority:

This Policy has been adopted by the Board of Selectmen in accordance with RSA 31:39 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

Section III. Definitions:

- **"Cardholder"**: Refers to employees, elected officials or committee members of the Town of Auburn that have been issued a Town credit card.
- **"Corporate Credit Card"**: A credit card account utilizing several individual cards, with individual purchasing limits, consolidated under one account for ease of billing and tracking. The credit card account to be utilized will be established by the Finance Department and employees will not be authorized to open separate credit card accounts with other financial institutions, department stores or other entities.
- **"Credit Card Issuer"**: The financial institution utilized by the Town to provide credit cards.
- **"Credit Limit"**: The maximum balance allowed for a particular cardholder over the course of a monthly billing cycle.
- **"Department Heads"**: Management level employees, elected officials or committee members that have been charged with the oversight of a particular department's operations and budget.
- **"Finance Department"**: Refers to the Finance Director, Finance Assistant, or authorized designee.
- **"Town"**: Town of Auburn, New Hampshire

Section IV. Objectives:

The primary objective of the credit card policy is to establish guidelines for cardholders that have been issued Town credit cards for the purpose of purchasing Town goods and/or services as required based on their job position with the Town. The purpose of establishing a "corporate" credit card for Town purchases is as follows:

1. To facilitate a streamlined method of purchasing relatively small dollar items thereby reducing paperwork and processing time.
2. To eliminate the need for several "store" issued credit cards currently being utilized by several Town departments and consolidate into one "corporate" card.
3. To provide a method of purchasing items via the Internet, thereby taking advantage of more competitive pricing for certain goods.
4. To minimize the need for employees to utilize their own personal funds to procure goods and/or services for the Town.

Section V. Scope:

The Finance Department will oversee the issuance of credit cards in accordance with this Policy and in conjunction with the Town department heads. Cards will be issued to appropriate individuals who handle the purchasing needs of each department. The Finance Department will coordinate with the credit card issuer in determining appropriate individual credit limits (refer to separate Cardholder List maintained by the Finance Department). The overall credit limit for the Town shall not exceed \$25,000.

Section VI. Credit Card Use:

- The credit card is to be used for Town purchases only. Use of the credit card for personal purchases or expenses with the intention of reimbursing the Town is prohibited. Cash advances through bank tellers or automated teller machines are prohibited.
- Each credit card is embossed with the cardholder's name and shall not be lent to any other person. Cardholders are responsible for the security of their credit card and shall immediately notify the Finance Department if a card is lost or stolen. Cardholders shall sign the attached Credit Card User Agreement as shown in Appendix A.
- Cardholders shall be responsible for purchasing within established credit limits. Department heads shall be responsible for ensuring that any purchases with a Town credit card are conducted within authorized department budgetary limits.
- Purchases made by Cardholders must be accompanied by original receipts and submitted to the Finance Department within five business days of purchase, so that they may be accounted for once the billing statement is received. Receipts must be signed with the department head's authorization and budgetary allocation in accordance with the Town's Purchasing Policy.
- If a return or exchange is required, department heads shall verify that proper credit was received from the vendor and submit the appropriate paperwork to the Finance Department to accompany the billing statement. In no case shall a cardholder accept cash in exchange for a returned item.
- It is the responsibility of the cardholder to notify the Finance Department immediately if there is any suspected fraudulent activity on the credit card. It is essential that time frames and documentation requirements established by the credit card issuer be followed to protect the cardholder's rights in a dispute.

Section VII. Termination:

Upon termination of employment or separation from acting in an official Town capacity for any reason, the cardholder must relinquish their credit card at the time of separation from the Town. The Finance Department will notify the credit card issuer in writing, and the cardholder's card will be immediately deactivated.

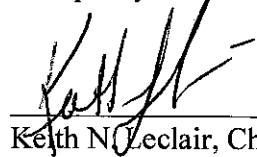
Section VIII. Waivers:

The Board of Selectmen may vote to waive any portion of this policy if the Board deems it to be in the best interest of the Town of Auburn.

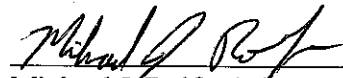
Section IX. Amendments:

This policy may from time to time be amended by the vote of the Board of Selectmen at a regularly scheduled Selectmen's Meeting.

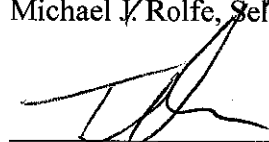
This policy shall take effect on _____, 2022



Keith N. Leclair, Chairman



Michael J. Rolfe, Selectman



Thomas F. Carroll, Selectman

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Appendix A

Credit Card User Agreement

I agree to the following regarding the use of the credit card as an employee of the Town of Auburn.

1. I understand that I am making financial commitments on behalf of the Town of Auburn and will strive to obtain the best value for the Town.
2. I understand that under no circumstances will I use the credit card to make personal purchases, either for myself or for others. I agree that should I violate the terms of this Agreement; I will reimburse the Town for all incurred charges and any fees to the collection of those charges.
3. I have been given a copy of the Town of Auburn's Credit Card Policy and understand the requirements for credit card use.
4. I will follow established procedures for use of the credit card. Failure to do so may result in the loss of privileges and may include other disciplinary actions, up to and including termination of employment.

I certify that I received the Town of Auburn's Credit Card and I understand and agree to the terms set forth therein. I agree that I will relinquish my Town of Auburn Credit Card when requested to do so or upon termination of employment. I understand that failure to use the credit card in accordance with all policies, rules and regulations may require relinquishing the card and may result in disciplinary action up to and including termination.

Employee Name (Print): _____

Employee Signature: _____ Date: _____