



# TOWN OF GREENWICH

Finance Department  
Town Hall  
101 Field Point Road  
Greenwich, CT 06830

## TOWN CREDIT CARD POLICY

### **PURPOSE**

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The purpose of this policy is to establish procedures for the administration of Town credit cards and to regulate their use.

### **SCOPE**

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This policy applies to all Town departments, including all employees who are authorized and issued a Town credit card. This policy does not replace or circumvent procurement policies and procedures.

### **POLICY**

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It is the policy of the Town of Greenwich that the Finance Department (Finance) shall be the primary department responsible for managing Town credit cards, including the sole authority to obtain credit cards on the Town's behalf. Finance shall oversee the accounts and maintain the list of authorized cardholders. The Town will make effort to limit the number of cards issued. A Department Head may submit a written request to become (or identify) an authorized cardholder to Finance that demonstrates clear need and explains why standing procurement procedures are not sufficient. No card may be issued without approval from the Comptroller.

A cardholder must review and sign the *Cardholder Agreement*. Signed copies should be sent to Finance, as well as the Human Resources Department for inclusion in the cardholder's personnel file. The credit card limit is set by the Treasurer in the *Commercial Card Cardholder Guide*, unless otherwise authorized by the Comptroller.

#### Town Credit Card Use

Town issued credit cards should only be used in the following situations:

- Emergencies that present a public safety hazard or threat
- A purchase order cannot be issued or cannot be paid through the routine accounts payable/procurement process
- As authorized by the Comptroller or designee

All purchases shall comply with applicable Town policies and procurement procedures. Credit cards should not be used to circumvent routine procurement procedures and should only be used for official Town business. Under no circumstances shall a Town credit card be used for personal use or gain. Individuals or groups who conduct any personal business with a Town credit card will be subject to corrective action up to and including termination and/or criminal prosecution. Cash advances are strictly prohibited.

### Documentation and Payment

At the time of a transaction, the cardholder shall obtain and retain an original, detailed transaction receipt. Credit card accounts should be reconciled in accordance with the *Commercial Card Cardholder Guide, Reconciling Your Account*. Lack of proper documentation or authorizations may result in loss of credit card privileges and/or personal liability.

### Lost, Stolen, or Compromised Cards

It is the responsibility of the cardholder make notifications in accordance with the *Commercial Card Cardholder Guide* in the event of a lost, stolen, or compromised card. A cardholder should also notify Finance once other notifications are complete. A cardholder should notify the Greenwich Police Department after Finance if they believe criminal activity may have occurred.

### Authorized Employee Termination

Upon termination of employment for any reason, an authorized cardholder must relinquish their credit card to Finance at the time of separation and ensure the account is reconciled. The Human Resources Department should notify Finance of a termination as soon as possible. Finance will instruct the credit card issuer to deactivate the card. Any cardholder who uses a Town credit card fraudulently after termination shall be subject to legal action.

### Audit

Finance may conduct audits of card activity and related document management at any time. If necessary, the Comptroller may suspend or terminate a cardholder's account.

## **RELATED POLICIES**

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*Commercial Card Cardholder Guide*, Finance Department

*Cardholder Agreement*, Finance Department

# ***TOWN OF GREENWICH COMMERCIAL CARD CARDHOLDER GUIDE***

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## **Overview**

The Commercial Card program is intended to facilitate purchases from vendors where a PO is not practical or accepted, and in emergency situations, and offers flexible controls to help ensure proper usage.

The Commercial Card Program is not intended to avoid or bypass appropriate procurement or payment procedures. Rather, the Program complements the existing processes available. The card is a MasterCard credit card that is issued by JPMorgan Chase. Some minimal record keeping is essential to ensure the successful use of the Commercial Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Cardholder Guide provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other Program information.

Please remember that you are committing Town funds each time you use the Commercial Card. This is a responsibility that should not be taken lightly. Remember that you are the person responsible for all charges made to the card(s) which has been issued to you. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal.

The card will have no impact on your personal credit. Although the card lists an individual's name, the card is actually issued to Town of Greenwich.

## **Commercial Card Administrator**

The Town Treasurer is the Commercial Card Administrator. If you have any questions or problems please contact her at 203-622-7709.

## Obtaining A Card(s)

After you have read this Cardholder Guide and understand the procedures outlined, you must complete all of the requirements of the Commercial Card application form. If an application package is not attached to this guide, contact the Commercial Card Administrator for a copy.

Only full-time employees of Town of Greenwich are eligible to receive a Commercial Card. Contractors or temporary employees are not eligible. The cardholder is responsible for the security of their card(s) and the transactions made against the card(s). Each user will be required to sign the Commercial Card Cardholder Agreement as part of the Commercial Card application.

As part of your application, you will identify which levels of transaction and cycle spending limits best accommodates your business requirements. The levels for limits are:

(Note the following levels are for draft purposes and should be determined during the program design.)

	<u>\$/Transaction</u>	<u>Transactions/Day</u>	<u>\$/Cycle</u>
Cardholder A	\$ 300	3	\$ 2,500
Cardholder B	3,000	10	10,000
Cardholder C	10,000	100	50,000

When you receive your Commercial Card(s), sign the back of the card(s) and always keep it in a secure place. Although each card is issued in your name, it is the property of Town of Greenwich and is only to be used for Town purchases as defined in this guide.

## Commercial Card Restrictions

The Commercial Card is NOT to be used for personal purchases, cash advances, or any travel and entertainment expenses such as airline tickets, hotel accommodations, car rentals or meals.

Under no circumstances should a transaction be split into two separate receipts to bypass the single transaction dollar limit.

It is recommended that each card have a maximum amount per transaction. This amount is determined by you with approval from your supervisor. Once set, the card will reject purchases for amounts greater than the limit. Limits may be changed by processing the change form with your Commercial Card Administrator. Each card also requires a monthly total limit which, once established, will deny further transactions in that month. This amount is determined by you and your supervisor and also may be changed by processing the change form with your Commercial Card Administrator.

Limit changes require the written approval of your supervisor.

## **Using The Card**

The cardholder must comply with Federal, State and Town Ordinances, Charter provisions, regulations, policies and procedures. Questions concerning procurement regulations should be directed to the Director of Purchasing.

Use of the credit card is not intended to replace effective procurement planning which enable volume discounts.

The nature of all purchases must be substantiated at all times and you must be able to validate the official need for the purchase. If you cannot substantiate that the purchase was necessary and for official use, disciplinary action may occur.

Purchases with the necessary approval are initiated using your assigned card. Contact the supplier and agree to price, quantity, and delivery date. The Town is not subject to sales tax. When setting up vendors please be sure that they are informed that no sales tax is to be added to the invoice. A certificate can be provided to the vendor with the relevant tax exemption information. This certificate can be obtained from Accounts Payable. In an emergency situation and the vendor charges sales tax you must ask the supplier when ordering to furnish sales tax information as a separate item from price. It is required at the time of purchase that you receive a receipt showing tax paid for the purchases, if any. If the purchase is via phone or mail, ask the supplier to include the receipt with the goods when the product is shipped to you. This receipt is the only original documentation specifying whether or not sales tax has been paid against the purchase. (See additional tax

information below). The Cardholder's name and "MasterCard" must appear on the packing slip and external shipping label. The supplier will require your Commercial Card number, expiration date and the "ship to" address. All shipments are to be made only to Town of Greenwich facilities.

It is required that you retain all receipts for your purchases.

## **Tax**

The Town is exempt from paying sales tax on purchases made for goods and services. Most vendors accept the Town's federal tax id number (06-600-2006) as the "tax exempt number" when purchasing transactions are made. Occasionally, vendors or merchants may request that a sales tax exemption certificate be provided before they remove the sales tax from a transaction. Please contact Roy Carey, Accounts Payable Supervisor at 203-622-7727 to obtain a sales tax exemption certificate.

## **Reconciling Your Account(S)**

Monthly, each cardholder will receive a statement(s) (cycle cut-off date is the 26th of each month) identifying each transaction made against the Commercial Card during the billing cycle. The statement must be reconciled against your retained receipts for accuracy.

For users with numerous transactions, a Monthly Transaction Log can be used as a tool to help maintain purchase information and to help reconcile your account(s). This Log is recommended for users who make telephone purchases.

Complete a Reconciliation Voucher. (See Attachment A) Record credit card expenditures by appropriate general ledger account number and amount on the Reconciliation Voucher. The total expenses per the Reconciliation Voucher must agree to the total expenditures per the credit card statement.

The Department Head must sign the Reconciliation Voucher package and forward it to the Finance Department within five working days of receipt of the credit card statement.

If you are not available to complete and sign your credit card Reconciliation Voucher on a timely basis because of leave or travel, etc. then an employee within your department should be appointed to forward all statements, sales

receipts, expense reports and credit vouchers to the Finance Department.

The statement (with attached receipts) must be signed by the cardholder as proof of reconciliation and then forwarded to your supervisor for approval. After proper approval the following should be forwarded to the Accounts Payable Department: (1) the original monthly statement with proper approvals; (2) the Transaction Log, if used; (3) the Reconciliation Voucher; (4) the original receipts. Each account must be reconciled by the 12th of the subsequent month.

## **Resolving Errors And Disputes**

In the case of an error, first contact the supplier and try to reach an agreement. Most disputes can be resolved between you and the supplier directly.

If you are unable to reach an agreement with the supplier, complete a Dispute Form, sign it and send it to JPMorgan Chase. All disputes must be submitted in writing to JPMorgan Chase within 60 days of the statement date via fax at 1-847-497-8298, 1-847-622-2495 or 1-847-931-8861 or via mail to:

JPMorgan Chase  
2500 Westfield Drive  
Mail Code IL1-6225  
Elgin, Illinois 60123  
Attention: Disputes Dept.

## **Paying The Bill**

The Commercial Card is a corporate pay arrangement. Account balances will be paid in full each month by a direct charge to a Town of Greenwich bank account.

Your purchases will be charged to an expense account based upon the department/account combination that has been established.

Do not send your monthly statement to Accounts Payable with a check request.

## **Lost Or Stolen Cards**

The Commercial Card(s) should be secured, just as you would secure your personal credit cards. If your card(s) is lost or has been stolen, immediately contact JPMorgan Chase via this toll free number (1-800-316-6056). Also notify the Commercial Card Administrator.

## **Refusal Of Card Or Account**

Should you be declined at the point of sale for any reason, please contact your Commercial Card Administrator or JPMorgan Chase at 1-800-316-6056 Ext. 7245. Every effort will be made to determine why the transaction was declined.

## **Departmental Changes**

If you transfer to a new department or are no longer a Town of Greenwich employee, notify the Commercial Card Administrator immediately.

## **Commercial Card Audit Activity**

Your card activity is subject to random audits by appropriate personnel, including Internal Audit. The random audits are to help ensure adherence to the Program's policies and procedures.

**ATTACHMENT A**

**TOWN OF GREENWICH  
MASTERCARD**

**RECONCILIATION VOUCHER**

**DEPARTMENT:** \_\_\_\_\_

**NAME OF CARDHOLDER:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**ACCOUNT**

**AMOUNT**

ACCOUNT	AMOUNT

**APPROVED FOR PAYMENT BY:** \_\_\_\_\_

# ***TOWN OF GREENWICH CARDHOLDER AGREEMENT***

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## **Participating Employee Acknowledgment of Responsibilities**

By participating in the Town of Greenwich Commercial Card Program as a Cardholder, you assume responsibilities pertaining to the operation and administration of the Commercial Card Program. These responsibilities include but are not limited to the following:

The Town of Greenwich Commercial Card is to be used for business expenditures only. The Commercial Card may only be used under the parameters and procedures established for the Commercial Card Program which are detailed in 'The Commercial Card Cardholder Guide'. The Town of Greenwich Commercial Card may not be used for personal or business travel and entertainment purposes.

The Commercial Card will be issued in the name of the employee. By accepting the Card, the employee assumes responsibility for the Card and will be responsible for all charges made with the Card. The Card is not transferable and may not be used by anyone other than the Cardholder.

The Town of Greenwich Commercial Card must be maintained with the highest level of security. If the Card is lost or stolen, or if the Cardholder suspects the Card or Account Number to have been compromised, the Cardholder agrees to immediately notify Bank One at 1 (800) 848-2813 and the Town of Greenwich Commercial Card Administrator.

All charges will be billed and paid directly by Town of Greenwich. On a monthly basis, the Cardholder will receive a statement listing all activity associated with the Card. This activity will include purchases and credits made during the reporting period. While the Cardholder will not be responsible for making payments, the Cardholder will be responsible for the verification and reconciliation of all Account activity.

Cardholder Accounts may be subject to periodic internal control reviews and audits designed to protect the interests of Town of Greenwich. By accepting the Card, the Cardholder agrees to comply with these reviews and audits. The Cardholder may be asked to produce the Card to validate its existence and produce statements and receipts to verify appropriate use.

Parameters and procedures related to the Commercial Card Program may be updated or changed at any time. Town of Greenwich will promptly notify all Cardholders of these changes. The Cardholder agrees to and will be responsible for the execution of any program changes.

The Cardholder agrees to surrender and cease use of their Card upon termination of employment whether for retirement, voluntary separation, resignation or dismissal. In addition, the Cardholder must surrender and cease use of the Card in the event of transfer or relocation. The Cardholder may also be asked to surrender the Card at any time deemed necessary by management.

Abuse of the Commercial Card will result in revocation of the Card and appropriate disciplinary action which may include termination. Policy violations include, but are not limited to:

- Purchasing items for personal use
- Exceeding bank credit line limit
- Utilizing the Commercial Card for purchases of \$1,000 or more
- Using the Commercial Card for travel and entertainment purposes
- Failure to return the Commercial Card when reassigned, terminated, or upon request
- Failure to submit proper documentation to the appropriate Accounts Payable group

By signing below, I acknowledge that I have read and agree to the terms and conditions of this document. I certify that as a participating Cardholder of the Town of Greenwich Commercial Card Program, I understand and assume the responsibilities listed above.

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Employee Signature

Title

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Name (Print)

Date

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Manager Signature

Title

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Name (Print)

Date

Cardholder and Manager: Retain one copy each and forward original to Town Treasurer