

Town of Bernardston Credit Card Use Policy

1. Purpose

To establish the Policy and Procedures for the use of the Town credit card by department heads or their designee. These procedures are intended to accomplish the following:

- To ensure that procurement with the credit card is accomplished pursuant to the policy and procedures established by the Board of Selectmen
- To enhance productivity, significantly reduce paperwork, improve internal controls and reduce the overall cost associated with approved purchases as listed below
- To ensure appropriated internal controls are established within each department procuring with the credit card so that it is used for authorized purposes only
- To ensure that the Town bears no legal liability from inappropriate use of the credit card

2. Scope

The Town Coordinator will make all decisions regarding the use of the credit card and the establishment of any and all additional controls for its use. The limit on any use of the card shall be \$10,000.00

3. Policy

A. The Town credit card is only to be used in the following situations:

- Emergencies that are of a public safety nature
- Only if a purchase order cannot be issued or cannot be paid through the normal accounts payable warrant process
- Charges for supplies and equipment shall not exceed \$500.00 per item without approval from the Town Coordinator
- Conference/Training Registration
- Other items specifically authorized by the Town Coordinator

B. The credit card will not be used for personal purchases of any kind. Use of the credit card for personal purchases or expenses with the intention of reimbursing the Town is prohibited and will result in disciplinary action up to and including termination.

C. Splitting of charges to avoid the \$500.00 transaction limit without approval of Town Coordinator set for credit card is prohibited.

D. Any credit card user shall be required to authorize payment of the charge on their receipt. This includes charges made by any designated individual.

E. No cash advances are allowed using the credit card (ATM, traveler's checks, money orders, etc.)

F. The credit card is not to be used to pay invoices or statements of any kind.

G. All purchases made with the credit card shall be paid for within the grace period so that no interest charges or penalties will accrue.

H. Any incentive program benefits derived by the use of the Town credit card will be the property of the Town. The Town Coordinator will determine the use of such incentive program benefits.

I. Users of the credit card shall take all measures necessary to ensure the security of the credit card and card number. Users of the credit card shall not give the card or the card number to others to use on their behalf.

J. Lack of proper documentation or authorizations will result in loss of credit card privileges and/or personal liability.

K. Misuse of a Town credit card by an authorized employee may result in loss of the credit card and/or disciplinary action against the employee, up to and including termination of employment.

L. When using the credit card, the Town employee must ensure that the goods or services to be purchased are budgeted and allowable expenditures. All unauthorized expenditures will not be paid by the Town of Bernardston. The Town reserves the right to collect payment for unauthorized expenditures from the employee.

M. The employee is responsible for managing any returns or exchanges and ensuring that proper credit is received for returned merchandise. The user of the credit card will review the next statement to ensure that the return was properly credited.

N. The credit card is not to be used for personal purchases with the intent of reimbursement afterwards. Random audits may be conducted for credit card activity and receipt retention as well as other internal accounting controls.

O. It is the responsibility of the employee to immediately notify the Town Coordinator or his designee of any lost or stolen credit card or credit card information.

P. The Town of Bernardston is a municipal government exempt from sales tax. Sales tax shall not be included with the cost of any purchase. Please be sure to have a copy of the Town's tax exempt certificate with you when making a purchase. Sales tax costs cannot be paid with Town funds. The individual making the purchase may be personally responsible for payment of sales tax.

4. Procedure

A. Employees who need to use the credit card account must ask first for permission from the Town Coordinator or his designee to be placed on the official list of authorized users.

B. The credit card will remain in the possession of the Town Coordinator and under his control at all times unless otherwise authorized by the Selectboard.

C. The Town Coordinator shall have possession of the card and be asked for its use.

D. Credit card use shall be limited to the purchasing computer in Town Hall.

E. The Town of Bernardston will be billed monthly on one statement, which will go to the Town Coordinator. Itemized receipts must be turned in to the Town Accountant, with the statement and a bill schedule to be paid via the warrant process promptly to avoid interest and/or late fee charges.

F. The Town Coordinator shall verify that goods and services purchased with the credit card have been received by the Town prior to authorizing payment.

G. The credit card will be reconciled monthly by the Town Coordinator/Accounting Office for unauthorized charges and other discrepancies.

H. The use of the credit card is a privilege but also requires greater vigilance and responsibility. Employees must follow all existing procedures set forth by the Town Coordinator's Office and the Accounting Office for their purchases or face disciplinary measures including dismissal, repayment of unauthorized expenditures and criminal charges.

I. Each credit card user must sign an Agreement to Accept Town Credit Card Policy prior to use of the credit card. Forms will be kept on file in the Town Coordinator's Office.

J. When using the Town credit card, the credit card user shall:

a. Determine if the intended purchase is within the user's credit card limit

b. Inform the merchant that the purchase is tax exempt. Review the receipt before finalizing the purchase to insure taxes are not included in the charge.

c. Obtain an itemized receipt for all purchases.


K. It is the credit card user's responsibility to retain the receipts and other documentation

5. Audits

Random audits will be conducted for both the card activity and receipt retention as well as statement review by the Town Coordinator, Town Accountant or Treasurer. The detailed activity is also reviewed by the town's independent auditing firm.

6. Authority

These policies are adopted by the Selectboard as the Town's Chief Executive Officer in accordance with MGL c. 4, sec. 7, cl Fifth B as it relates to their management of the Town's prudential affairs and their authority over expenditures.



Stanley D. Garland, Chairman

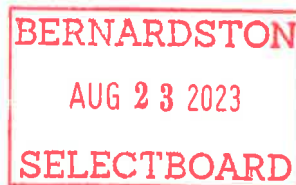


Kenneth R. Bordewieck



Brian J. Keir

Dated: August 23, 2023



APPENDIX A
AGREEMENT TO ACCEPT TOWN CREDIT CARD

I, _____, hereby acknowledge receipt of authority to use the Town of Bernardston Credit Card, number _____.

As an authorized user of the credit card I agree to comply with the terms and conditions of this Agreement and the provisions of the Town of Bernardston Credit Card Use Policy, as may subsequently be revised. I acknowledge receipt of the Policy and I have read and understand its terms and conditions. I understand the Town of Bernardston is liable to the financial institution for all charges made by me.

As an authorized user of the credit card, I agree to accept responsibility for the protection and proper use of this card as outlined in this policy. I understand that the Town will audit the use of the credit card. I understand that I am responsible for retaining all receipts for processing to the Town Coordinator, Town Account or Treasurer and that failure to provide receipts may result in personal liability. I understand that I cannot use the credit card for personal use even if the intent is to reimburse the Town. I understand that the use of the card does not circumvent the Town's Purchasing Policy.

I further understand that improper use of this credit card may result in disciplinary action, up to and including termination of employment in accordance with the Town Personnel Policy. I also agree to allow the Town of Bernardston to collect any amounts owed by me even if I am no longer employed by the Town.

If the Town initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay all legal fees incurred by the Town in such proceedings. I understand the Town may terminate my rights to use this credit card at any time for any reason.

Cardholder

Date