

Town of Truro – Policy & Procedure Manual

Subject: Credit Cards – Guidelines and Procedures
Policy Number: P100-019
Approval Date: February 4, 2013
Departments: All Departments

PURPOSE

Town of Truro Credit Cards are used generally where vendor invoicing is not available, or use of the credit card is the most efficient method of paying for goods or services.

GENERAL

This guide provides the guidelines and procedures under which you may use your Credit Card. Also included is information about the process, the types of purchases that are allowable, and records that must be maintained and reconciled monthly.

The credit card is to be used for your or your departmental needs. Only the card holder, or the card holder's delegate, can use the card. With the exception of the Director of Finance and Chief Administrative Officer cards, which are used for some Town wide purchases, the card is not transferable or to be used to make purchases for other individuals or departments.

Use of the credit card is not intended to avoid or bypass the Purchasing Policy.

Transactions are not to be split or divided in any way to avoid the Purchasing Policy guidelines.

You are responsible for the security of your card and the transactions made with the card. The card is issued in your name and it will be assumed that any purchases made with the card will have been made or authorized by you.

Acquiring cash advances on the card is strictly prohibited.

Following are examples where the credit card may be used. In all cases, all Town Policies, and specifically the Town's Purchasing Policy, must be followed, and a purchase order must be processed at the time of the purchase to initiate the timely and appropriate posting to the accounts.

- Generally, where the vendor will not provide an invoice to be paid by cheque through the Town's normal payables process, and the amount of the purchase before tax is under \$500;

- Purchases over \$500 but under \$1,000, before tax, where credit card is determined by the Director of Finance to be the most effective method of payment;
- Purchases over \$1,000, before tax, where approval has been received from the Chief Administrative Officer ;
- Hotel reservations under the Travel and Conference Policy;
- Airfare reservations under the Travel and Conference Policy;
- Purchases involving US Funds.

The credit card may not be used for:

- Expenses, including mileage, meals, miscellaneous, that would be paid to the card holder using expense requisition forms under the Travel and Conference Policy (exceptions are eligible parking and toll expenses, and gas for Town vehicles);
- Personal purchases.

If a credit card is used for either one of the purposes listed above, the cardholder will be issued a “first warning” and reimbursement of the expenses will be made immediately.

If a credit card is misused a second time following a first warning, the cardholder’s credit card will be cancelled and reimbursement of the expenses will be made immediately.

The cardholder will not receive any payments from the Town, including pay cheques or expense cheques, until reimbursement has been made.

RECONCILIATION AND PAYMENT

Record-keeping is essential to ensure the success of this program. This is not an extraordinary requirement as standard policies require retention and reconciliation of invoices, which are retained for your protection.

Each time the credit card is used, an entry should be made on your Monthly Report, listing the date, vendor, total amount, purpose of the purchase, and purchase order number. Mark on the invoice that the purchase is by credit card, and attach the invoice and credit card slip to the monthly report.

Attach all invoices and receipts for goods and services to your Monthly Report. If you purchase via phone, mail, email, or the internet, make sure you ask the vendor for an invoice and credit card receipt.

Invoices and Receipts must show breakdown of items purchased and HST. Invoices and receipts should clearly identify what was purchased and for what purpose so that an audit can determine proper use quickly without further explanation. Please make a note on the invoice and receipt explaining the purchase and purpose of the purchase, if it is not obvious. If you have lost an invoice or receipt, include a note explaining the purchase.

Forward your completed and signed Credit Card Monthly Report, ending the 27th of each month, with invoices and receipts attached, to the Payables Clerk, by the end of each month, for processing.

The Payables Clerk will receive the monthly statement identifying each transaction made against the card during the billing cycle. The Payables Clerk will reconcile your monthly statement to your signed monthly report, and report any non-compliance to the Director of Finance.

There may be occasions where transactions on the monthly credit card statement do not agree with the entries on your monthly report, you may not have made the transaction or the amount of the transaction is incorrect. You may be asked to contact the vendor to assist in resolving any discrepancy.

Where the card holder does not believe he/she has made the transaction, the Accounts Payable Clerk will contact the credit card company to request a copy of the transaction authorization and other documents, and log a possible dispute.

LOST OR STOLEN CARDS

The credit card is Town of Truro property and should be secured just as you would secure your personal credit cards. If your card is lost or has been stolen, or if your number becomes the knowledge of someone else without your consent: Contact the credit card company immediately at 1-800-361-3361, and call or email details to the Director of Finance. Once you have reported the card lost or stolen, your card will no longer be accepted at any vendor. Prompt action in these circumstances can reduce the Town of Truro's liability for fraudulent charges.

I acknowledge that I have read and agree to follow these guidelines and procedures related to the use of credit cards

Card Holder Signature: _____

Card Holder Printed Name: _____

Date: _____

