

**Town of Union Vale**  
**Credit Card Use Policy & Procedures**

March 2018

# Town of Union Vale Credit Card Policy and Procedures

## 1) Purpose

To establish the Policy and Procedures for the use of Town credit cards by department heads. These procedures are intended to provide convenience for one-time purchases that may be sold at a less expensive price or offered on a credit card basis only. The policy and process described in this document are designed to minimize inappropriate or wasteful spending, reduce the chances of fraud and ensure the bill paying process is completed on a timely basis with complete documentation.

- These procedures are intended to ensure that procurement with credit cards is accomplished pursuant to the policy and procedures established by the Town Board
- To improve efficiency, significantly reduce paperwork, improve internal controls and reduce the overall cost associated with approved purchases
- To ensure appropriate internal controls are established within each department procuring with credit cards so that they are used for authorized purposes only
- To ensure that the Town bears no legal liability from inappropriate use of credit cards

## 2) Scope

The Town Board will authorize the issuance of a credit card by one of the Town's approved banks and approve the policies and procedures for credit card use. The Town Supervisor will make decisions regarding the issuance of individual cards and may establish additional controls for their use, consistent with the overall policies established by the Town Board. The maximum limit on cards shall be reviewed and updated by the Town

Board at the Organization Meeting. Requested changes to card limits must be approved at Town Board meetings and will be no more than \$2,000.00 per card.

### 3) Policy

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

- In emergencies that are of a public safety nature
- If a purchase order cannot be issued or cannot be paid through the normal accounts payable warrant process
- Conference/Training Registration
- Centralized ordering of supplies through the Town Clerk's Office
- With pre-approval by the Town Supervisor

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

C. Department heads are required to authorize payment of the charge on their receipt. This includes charges made by any designated individual. Authorization is given by signing the receipt before it is submitted for payment.

D. Proper documentation is required for all purchases including "emergencies". Documentation for "emergencies" should clearly justify the need.

E. Credit Card receipts must be received in the Town Clerk's or Finance Office within one week (preferably the same week) in which the charge was incurred.

F. No cash advances (ATM, traveler's checks, money orders, etc.) or cash back from purchases are allowed using the credit card.

G. All purchases made with credit cards shall be paid for within the same billing cycle so that no interest charges or penalties are incurred.

- H. Any incentive program benefits derived by the use of Town credit cards will be the property of the town.
- I. All cardholders shall take all measures necessary to ensure the security of the credit card and the card number. Cardholders shall not give their card or their card number to others to use on their behalf.
- J. Reoccurring (monthly or annually) charges for services are not permitted on any card except the Town Clerk's and not without prior authorization.
- K. Lack of proper documentation or authorizations for purchases will result in loss of credit card privileges and/or personal liability.
- L. 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.
- M. The cardholder will provide all information required by the financial institution issuing the card in order to receive a Town credit card, including social security information as required by the Federal Patriot Act.
- N. Even with pre-approval by the Town Supervisor, only budgeted and allowable expenditures can be purchased using a credit card. Unbudgeted or unauthorized expenses will not be paid by the Town of Union Vale. The Town reserves the right to collect payment for unauthorized expenditures from the employee.
- O. The employee is responsible for managing any returns or exchanges and ensuring that proper credit is received for returned merchandise. The cardholder will submit the credit receipt to the Town Clerk's or Finance Office and will review the next statement to ensure that the return was properly credited.
- P. It is the responsibility of the employee to immediately notify the Finance Office or Town Supervisor of any lost or stolen credit card.
- Q. The Town of Union Vale 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 (See Appendix A). 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. The use of the credit card is a privilege but also requires greater vigilance and responsibility. Employees must follow all current procedures set forth by the Town Supervisor and Finance Office (*note: procedures can be updated in response to new situations*). Ignorance of an updated policy is no excuse for improper credit card use.
- B. Employees who need to use the credit card account must request permission from the Town Supervisor to be placed on the official list of authorized users.
- C. Each authorized cardholder must sign an Agreement to accept the Town credit card prior to issuance of the credit card. Forms will be kept on file in the Finance Office.
- D. Employees must sign out the credit card for use (See Appendix B) and maintain physical possession of the card at all times.
- E. When not in use, credit cards will be returned to the Town Clerk's office and stored in a locked desk drawer.
- F. All users must follow secure practices for online credit card use as determined by the IT Policy (as it develops).
- G. The Town of Union Vale will be billed monthly on one statement, which will go to the Finance Director or designee. Itemized receipts must be obtained by the cardholder and turned in to the Finance Director (either a scanned pdf via email or a hard copy) within one week of purchase date. It is incumbent upon each department head to submit invoices to the Finance Office promptly so as to avoid interest fees and late

charges. If receipts are submitted late causing finance charges, the responsible party may have the use of the credit card revoked.

- H. The Finance Director or designee shall verify that goods and/or services purchased with the credit card have been received by the Town prior to submitting the voucher requesting Town Board signatures authorizing payment. This confirmation will be evidenced by a signature on the statement.
- I. The credit card will be reconciled monthly by the Finance Director and reviewed by the Town Supervisor for unauthorized charges and other discrepancies.
- J. When using the Town credit card, the authorized cardholder shall:
  - **Determine if the intended purchase is within the cardholder's credit card limit.**
  - **Inform the merchant that the purchase is tax exempt. The tax exempt number is 146000635. Review the receipt before leaving the store and request a credit if taxes were charged in error. (See Appendix A)**
  - **Obtain an itemized receipt for all purchases**
- K. It is the cardholder's responsibility to retain the receipts and other documentation.
- L. Credit card bills will not be attached to a voucher for payment without itemized receipts or documentation.
- M. Credit card bills cannot be paid without an authorized voucher.
- N. Credit card bills cannot be paid by automatic deduction from Town bank accounts.
- O. Credit card bills cannot be paid under the "blanket payment" authority given by the Town Board for other payments such as utilities.
- P. Lack of proper documentation or authorizations for purchases will result in loss of credit card privileges and/or personal liability.
- Q. Upon separation of employment, cardholders shall surrender the

Town credit card to their department head or Town Supervisor on or before their last day of work and prior to the issuance of their final paycheck.

## **5) Audits**

Periodic analysis of credit card activity and a review of card holder responsibilities will be conducted. Detailed activity and monthly statements will also be reviewed annually during the mandatory audit process conducted by the Town Board or the town's independent auditing firm.

## **6) Authority**

These policies are adopted by the Town Board of the Town of Union Vale on \_\_\_\_\_, 2018.

**Exempt Organization Certification**

This certification is not valid unless all entries have been completed.

Name of seller	Name of exempt organization making purchases
Mailing address	Exempt organization number (from Form ST-119)
City, village or post office	Mailing address
State ZIP code	City, village or post office
<b>Substantial civil and/or criminal penalties will result from the misuse of this form.</b>	State ZIP code
I certify that the organization named above holds a valid Form ST-119, <i>Exempt Organization Certificate</i> , and is exempt from state and local sales and compensating use taxes on its purchases.	
Print or type name of officer of organization.	Title
Signature of officer of organization <i>Andrea Casey</i>	Date prepared

**Instructions**

**Seller**

If all entries have been completed and an officer of the organization has signed the certification, you may accept it to exempt sales to the organization named. The exempt organization must be the direct purchaser **and** payer of record. Any bill, invoice or receipt you provide must show the organization as the purchaser. Payment must be from the funds of the exempt organization.

Do not accept this form to exempt sales of motor fuel or diesel motor fuel, including No. 2 heating oil (see *Purchaser* section).

The exempt organization must give you certification at the time of the organization's first purchase. A separate document is not necessary for each subsequent purchase, provided that the exempt organization's name, address, and certificate number appear on the sales slip or billing invoice. The certification is considered part of each order and remains in force unless revoked.

**If a certification with all entries completed is not received within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.**

**You must keep this *Exempt Organization Certification* for at least three years after the date of the last exempt sale substantiated by the certification.**

**Purchaser**

Complete this certification and give it to the seller. This form may be reproduced without prior permission from the Tax Department.

Your exemption from New York State and local sales and use tax does **not** extend to officers, members or employees of the exempt organization. Personal purchases made by these individuals are subject to sales and use tax. An organization's exemption does **not** extend to its subordinate or affiliated units. When making purchases, subordinate units may **not** use the exemption number assigned to the parent organization. Such misuse may result in the revocation of the parent organization's exemption.

You may not use this form to make tax exempt purchases of motor fuel or diesel motor fuel. Since No. 2 heating oil falls within the definition of diesel motor fuel, you may not use this form to purchase it tax exempt. You must use Form FT-1020, *Exemption Certificate for Certain Taxes Imposed on Diesel Motor Fuel and Propane* or Form FT-1025, *Certificate for Exemption from Certain Taxes Imposed on Diesel Motor Fuel*, to claim exemption on heating oil.

Hospitals that have been granted an exemption from sales and use tax pursuant to section 1116(a)(4) of the Tax Law may claim exemption on the purchase of motor fuel by using Form FT-937, *Certificate of Sales Tax and Motor Fuel Tax Exemption for Qualified Hospitals*.

**Need Help?**

**For forms or publications**, call toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073.

**For information**, call the Business Tax Information Center toll free (from the continental U.S.) 1 800 972-1233. You can also call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

**Telephone assistance is available from 8:30 a.m. to 4:25 p.m., Monday through Friday.**

**Persons with Disabilities** - In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call the information and assistance numbers listed above.

**Hotline for the Hearing and Speech Impaired** - If you have a hearing or speech impairment and have access to a telecommunications device for the deaf (TDD), you can get answers to your New York State tax questions by calling toll free (from the continental U.S.) 1 800 634-2110. Hours of operation are from 8:30 a.m. to 4:15 p.m., Monday through Friday. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

**If you need to write**, address your letter to: NYS Tax Department, Taxpayer Assistance Bureau, W AHarriman Campus, Albany NY 12227.



**APPENDIX B**  
**ADMINISTRATIVE REGULATION AGREEMENT TO ACCEPT TOWN CREDIT CARD**

I, \_\_\_\_\_, hereby acknowledge receipt of a Town of Union Vale  
(First and Last Name)  
**Credit Card**, number \_\_\_\_\_  
(Last Four Digits of Credit Card)

As a Cardholder, I agree to comply with the terms and conditions of this Agreement and the provisions of the Town of Union Vale 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 Union Vale is liable to the financial institution for all charges made by me.

As the holder of this credit card, I agree to accept responsibility for the protection and proper use of this card as outlined in the regulations. I understand that the Town will audit the use of this credit card. I understand that I am responsible for retaining all receipts for processing to the Finance Department 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 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 applicable town personnel policies. I also agree to allow the Town of Union Vale to collect any amounts owed by me even if I am no longer employed by the Town. I understand that fraudulent use of this credit card means I may be subject to prosecution.

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. I agree to return the credit card to the Town of Union Vale immediately upon request or upon termination of employment

\_\_\_\_\_  
Cardholder / Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorizer / Town Supervisor

\_\_\_\_\_  
Date