



POLICY NO. 80
MUNICIPALITY OF THE DISTRICT OF BARRINGTON
CREDIT CARD POLICY

Objectives

1. The Municipality of the District of Barrington is committed to:
 - a) Reducing the costs of procuring and paying for low dollar value goods, services, and travel expenses by reducing the number of small orders and invoices processed and the number of cheques issued.
 - b) Eliminating the issuance of travel and cash advances in addition to separate payments or registration fees, transportation costs, and accommodations.
 - c) Maintaining the existing levels of discounts negotiated with suppliers for prompt payment by providing a more efficient payment process.
 - d) Streamlining administrative functions and reducing the time spent by departments processing payments.
 - e) Maintaining an acceptable level of accountability and safekeeping of the Municipality of the District of Barrington's assets by setting appropriate limits and restrictions on the use of cards.

Roles and Responsibilities

2. Credit cards may be used by select authorized purchasers for procuring both goods and services for the Municipality of the District of Barrington. The credit card has a transaction limit which is set by the Municipality of the District of Barrington to meet the cardholder requirements. The CAO shall use discretion in the number of cards in use at the Municipality of the District of Barrington by reviewing the nature of the positions which have cards and the requirement of their respective departments.
3. Credit card limits will be determined by the CAO and will be based on operational needs. The limits are defined as the maximums for individuals the CAO deems appropriate to have a credit card. The limits represent the total amount of purchases that can be charged to the card during a one-month billing cycle.
4. Under no circumstances shall a transaction be split into two or more separate receipts to bypass the transaction dollar limit on the card or the approval limits of the employee.

5. The credit card may not be used to purchase or pay for:
 - a) Personal purchases
 - b) Cash Advances
 - c) Alcohol / Cannabis

Procedure

6. Orders, reservations, and registrations may be placed online, by fax, by phone or in person. The monthly processing can be summarized as follows:
 - a) Authorized cardholders make purchases in the normal course of business and maintain a record of all card transactions.
 - b) Cardholders verify monthly statements against their records and receipts. They provide a purchase order, general ledger accounts and description/explanation for all purchases.
 - c) The Supervisor of the cardholder approves the statement for payment and sends to Accounts Payable Clerk for payment.
 - d) Accounts Payable Clerk receives and pays the monthly billing allocating expenses according to details provided.
7. Written agreements shall be made with the bank, including fee schedules and processing procedures. The bank may assign a manager to the Municipality 's account in addition to the Municipality 's monitoring mechanisms.
8. To enhance accountability, there shall be a segregation of duties involved with credit cards, including payment approval, accounting, and reconciliation.

Receiving Goods

9. The cardholder shall keep a copy of all supporting documentation (e.g. cash register and credit card receipts, vendor notices, purchase register, etc.) and attach it to the monthly statement. The cardholder shall certify that the goods have been received by signing the sales slip.

Disputed Items and Returns

10. Disputed items are purchases that do not accurately reflect the transactions made by the cardholder (e.g. wrong amount, incorrect account number, multiple posting, etc.) The cardholder shall be responsible for reporting these as soon as possible to the bank and the Manager of Finance.

11. Problems with merchants relating to unsatisfactory goods, late delivery, changes from quoted process, etc. shall not be considered disputed items and shall be settled directly with the vendor by the buyer. In the event the goods are to be returned to the supplier, the cardholder shall request a Return Confirmation Number from the supplier along with return instructions and forward the goods back to the supplier in accordance with these instructions. All credits must be processed against the credit card; under no circumstances shall a cash refund be permitted.

Billing and Statements

12. Purchases made on the credit card shall be the liability of the Municipality of the District of Barrington. Upon receipt of a monthly bill, the Accounts Payable Clerk will ensure payment is affected promptly to avoid financing charges. Individual card statements detailing purchasing activity during a billing cycle will be reconciled by the cardholder in a timely manner and returned to Accounts Payable Clerk.

Reconciliations

13. In order to keep a record of the purchases on the card and perform proper statement verification, the cardholder will maintain all receipts and backup documentation. These records will assist in the verification of the monthly card statement. It is possible that all card transactions may not appear on the statement due to timing differences. In these cases, the cardholder shall make a note of this to ensure the transaction is carried forward to the next month's transactions for verification against the following month's statement. Missing credits shall be addressed directly with the vendor.

Card Issuance

14. Cards shall be issued in the name of the Municipality of the District of Barrington and the individual designated by the CAO. Individuals wishing to be appointed a card shall apply to the CAO (see Appendix 1). The CAO shall be responsible to ensure that the individual is familiar with the guidelines for the use of this card as outlined in this document. Cardholders should be fully trained on the responsibilities associated with the credit cards, including telephone, fax and online purchases, as well as the repercussions if they abuse the card. Upon receipt of the card, the cardholder shall be required to sign a Cardholder Agreement, as set out in Appendix 2.

Card Cancellation

15. Credit cards will be cancelled when the cardholder no longer holds a position approved for a card, no longer requires the card, the card is lost or stolen or when the cardholder

has terminated employment with the Municipality of the District of Barrington. The card may also be cancelled if it is not used in accordance with the guidelines outlined in this document. Any card can be cancelled at any time by the CAO or the cardholder's manager.

16. A written request from the cardholder's manager shall be forwarded to the CAO with the name of the cardholder and the reason for cancellation. The Manager of Finance shall contact the bank and shall confirm the cancellation. It shall be the responsibility of the manager to ensure that terminated employee's cards are cancelled immediately upon termination from the Municipality of the District of Barrington. It shall also be the manager's responsibility to ensure that cancelled credit cards are returned to the CAO for destruction.

Lost or Stolen Cards

17. All credit cards shall remain the property of the Municipality of the District of Barrington and must be protected in the same way as a personal credit card. Should the card be lost or stolen, it shall be the cardholder's responsibility to report the event immediately to the bank and to the CAO. If the cardholder requires assistance with statements, disputed items or other issues, they may contact the Manager of Finance.

Roles and Responsibilities

18. *CAO or designate shall be responsible to:*
 - a) Administer and audit the credit card program;
 - b) Maintain a master list for all cards;
 - c) Maintain all original cardholder agreements;
 - d) Ensure monthly billings are paid in a timely fashion;
 - e) Ensure cardholders are completing statement reconciliations accurately;
 - f) Offer training and support to cardholders when issues occur during the process;
 - g) Monitor employee activities, print reports, and adjust spending levels;
 - h) Perform random audits of credit card transactions;
 - i) Track historical data to monitor program performance and ensure cost control targets are reached;
 - j) Overall administration of credit card program.

19. *Cardholder shall be responsible for:*
 - a) The security of their card, the privacy of the credit card and the card number;
 - b) The credit card should not be used by anyone other than the cardholder
 - c) The use of the card in accordance with the guidelines outlined in this document and other related policies and procedures
 - d) The confirmation of the budget allocation for items being purchased;

- e) Keeping the necessary supporting documents (e.g. cash register and purchase card receipts, vendor notices, packing slips, etc.) related to all purchases made with the card for reconciliation;
- f) Submitting all supporting documents and a reconciled statement to the Finance Department within one week of receipt of the statement;
- g) Contacting the supplier if there are any problems with the order received and address disputes for a resolution;
- h) Ensure all returns are credited to the statement;
- i) Reporting lost or stolen cards to the bank and the CAO;
- j) Returning the card when requested to do so;

Appendix 1 – Cardholder Agreement

Employee Acknowledgement of Responsibilities and Obligations Form

The Municipality of the District of Barrington is pleased to present you with a credit card. It represents the Municipality 's trust in you and your empowerment as a responsible employee of the Municipality to safeguard and protect the Municipality 's assets.

I, _____, hereby acknowledge receipt of a Municipality of the District of Barrington credit card, number _____.

As a cardholder, I agree to comply with the terms and conditions of this Agreement and the applicable provisions of the Credit Card Policy. I acknowledge receipt of the Credit Card Policy and confirm that I have read and understand its terms and conditions. I understand the Municipality is liable to the Bank for all charges made by me.

As the cardholder of this credit card, I agree to accept responsibility for the protection and proper use of this card as outlined in the Credit Card Policy. I understand that the Municipality may audit the use of the credit card at any time. I also understand that I cannot use the credit card for restricted uses listed in the Credit Card Policy.

I further understand that improper use of the credit card may result in disciplinary action up to and including termination of employment. Should I fail to use the credit card properly, I authorize the Municipality to deduct from my salary or from any other amounts payable to me, an amount equal to the total of improper purchases. I also agree to allow the Municipality to collect any amounts owed by me even if the Municipality no longer employs me. If the Municipality is required to initiate legal proceedings to recover amounts owed by me under this agreement, I agree to pay legal fees incurred by the Municipality in such proceedings.

I understand that the Municipality may terminate my right to use this credit card at any time for any reason. I agree to return the credit card to the Municipality's CAO immediately upon request or upon termination of my employment.

Cardholder Printed Name: _____

Signature: _____ Date: _____

Appendix 2 – Credit card Application/Change

A credit card is requested for:

Name of Employee: _____ Department: _____

The above-named individual is responsible for purchasing goods and services in the performance of their position responsibilities, and as such, requires a credit card.

Type of Purchases:

Recommendations:

After giving consideration to the types and volume of purchases that I would expect to be covered by the credit card of this employee, I would recommend the following:

Transaction Limit: _____
(maximum value per transaction)

Monthly Balance Limit: _____
(maximum total purchases per month)

Supervisor’s Approval: Print: _____ Date: _____
Signature: _____

CAO’s Approval: Print: _____ Date: _____
Signature: _____