



River Heights City Credit Card Policy

Credit Card Procedures

By receiving a River Heights City credit card, each applicant acknowledges that they have read and understand the River Heights City Accounting Policy, in its entirety. These procedures provide information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled monthly, and miscellaneous information about the program.

To Obtain a Card:

Complete a Credit Card Acceptance Agreement (Appendix A). All requests will be processed through the city treasurer with final approval by the mayor. The cardholder's signature on the Acceptance Agreement (Appendix A) indicates that the cardholder understands the intent of the program and agrees to adhere to the guidelines established in the Credit Card Policy.

Upon receipt of an approved credit card, it is the responsibility of the cardholder to sign the back of the issued card. Applicants are responsible for the security of the card issued and the transactions made with the card. The credit card is issued in the name of the applicant, and it will be assumed that any purchases made with the card will have been made by the applicant.

The cardholder is the only person entitled to use the card issued. Failure to comply with the guidelines established for the program may result in severe consequences, up to and including termination of employment.

Card Holder Responsibilities:

- Read and understand the Credit Card Policy.
- Sign the Entity Credit Card Acceptance Agreement. (See Appendix A)
- Make only authorized purchases as prescribed by the Purchasing Section of the River Heights City Accounting Policy and approved departmental budget.
- Retain receipts for **ALL** transactions. In the absence of a receipt, a Missing Receipt Form must be completed and signed by the cardholder **and** the city treasurer. (See Appendix B)
- Reconcile the credit card statement upon its arrival. All reconciliations, statements, and receipts, for each transaction, are due to the city treasurer by the 1st of the following month.
- Keep the credit card and the corresponding account information secure. Immediately report any lost or stolen credit card and/or account information to the treasurer.
- Report fraudulent charges or any discrepancies in the credit card statement in a timely manner to the treasurer.

Treasurer Responsibilities:

- Request and oversee the issuance of new cards, through the Treasurer's Office. The credit limit will be determined at the discretion of the Entity Treasurer.
- Payment on credit cards is direct withdrawal from the city bank account.
- Credit card reconciliations are to be completed within 15 days of payment due date.
- Review the cardholder's reconciliation and transactions for completeness, accuracy, and compliance with Entity policies and procedures.
- Address the cardholder about questionable transactions for clarification purposes.
- Report any misuses of credit cards immediately to the mayor.

Examples of Approved Credit Card Purchases:

- Business related uses, subscriptions, seminars, dues, books
- Office supplies, furniture
- Small tools (purchase/rental), electrical, safety and building maintenance supplies
- Vehicle maintenance supplies
- Certain allowable travel expenditures:
 - Conference registrations or seminar rooms
 - Entity sponsored group gatherings
 - Hotel rooms

Built-In Restrictions:

Each card is assigned monthly and single-purchase credit limits. If you find over time that these limits are too low to accommodate your monthly requirements, please contact the city treasurer to review the limit given. River Heights City has the ability to block, if necessary, certain supplier's merchant category codes. If the city chooses to block a merchant, the card will be declined. Please refer to the Treasurer regarding issues with a possible blocked card.

Reconciliation and Payment:

The city's credit card program carries liability for the city, not the individual. Credit card invoices will be paid by the treasurer as outlined in Built-In Restrictions Section. The cardholder will not be required to pay the monthly statement using personal funds. The program does not impact the cardholder's personal credit rating in any way.

The cardholder is required to obtain and retain all receipts for goods and services purchased when using the credit card. If purchases are made via phone, mail, e-mail or other electronic means, an itemized receipt is still required. This itemized receipt is the only original documentation specifying whether or not sales tax has been paid against the purchase.

Each cardholder will receive a statement identifying all transactions made against the card during the previous billing cycle. The statement must be reconciled against the receipts for accuracy. The reconciled statement is to be sent to the mayor for review through the AP approval system. The cardholder's activity may be audited at any time.

Disputed Transactions:

Disputes on credit cards must be identified in writing to the issuing credit card company within 30 days of the monthly statement date. If a dispute is not identified in writing within 30 days of the monthly statement date the issue must then be resolved between the city and the supplier.

The cardholder is responsible to identify possible disputed or fraudulent transactions on the monthly statement provided to them for reconciliation. If an audit is conducted on the cardholder's account, the cardholder must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, the cardholder is responsible for showing that the error or dispute resolution process was completed.

It is the cardholder's responsibility to notify the treasurer immediately if there is a possible dispute on an issued credit card.

Employee Termination:

Upon notice of a cardholder terminating their current employment, the cardholder's supervisor is responsible to take possession of the card and any outstanding original receipts. The supervisor should immediately notify the treasurer so they can notify the card issuer and close the account.

Appendix A

RIVER HEIGHTS CITY

CREDIT CARD HOLDER ACCEPTANCE AGREEMENT

The following Credit Card Acceptance Agreement must be signed by all authorized employees of River Heights City with access to a credit card.

I understand that River Heights City has authorized my use of a city credit card for authorized city expenditures on its behalf. In accepting and/or using the card, I agree to be bound by the terms and conditions which follow.

- I will use the card issued to me for the payment of authorized expenses consistent with my organizational responsibilities and to satisfy the needs of my department and the city.
- I will not use the card to obtain cash advances.
- I understand that **I am the only authorized card user** and accept the responsibility and accountability for the protection and proper use of the card.
- I will not use the card for personal use or for any other non-entity purposes.
- I understand that all purchases shall be made in accordance with applicable purchasing and credit card policy and procedures approved by the city council.
- I understand that I will be responsible for the timely reconciliation of all credit card transactions charged to my assigned card.
- I understand that I am responsible to provide appropriate documentation/receipts for credit card transactions charged to my assigned card.
- I will surrender my assigned card to the city treasurer in the event of my separation from the city.
- I understand that any charges against my assigned card that are not properly identified or not allowed by the city shall be paid by me by check, United States currency or salary deduction. I further understand that any employee who has been issued a card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the mayor or council.
- I will immediately report any stolen or lost card to the treasurer.

I understand that any variance and/or violation of the above conditions will result in cancellation of my assigned credit card. Misuse of the card could result in disciplinary action and/or personal liability for unapproved charges. All city credit cards are subject to examination by external and internal auditors.

I HAVE READ AND I UNDERSTAND THE ABOVE CONDITIONS.

Name: _____ Department: _____

Signature: _____ Last Four of Credit Card #: _____

Appendix B

ENTITY CREDIT CARD MISSING RECEIPT FORM				
This form is to be used as documentation only if the actual receipt, invoice, packing list, or internet order screen print is unavailable for a transaction made on a Entity Credit Card. It will be allowed only as a rare circumstance. It must be filled out COMPLETELY and signed by a Council Member.				
*Cardholder Information				
Cardholder Name:		Account #:		
Department:		Extension:		
*Why is the original receipt, packing list, invoice, or other appropriate substitute missing?				
*Supplier Information				
Supplier Name:			Phone #:	
City and State:				
Date of Purchase:				
Order placed with (name of supplier's representative):				
*Item Description	Quantity	Unit Price	Amount	
		* Order Total		
The Entity is exempt from sales tax in most instances. Tax Exempt #: XXXXX				
*Cardholder Signature:			Date:	
*County Council Member:			Date:	
* = Required Information				
NOTE: Repeated loss of receipts may be grounds for discontinuing a Cardholder's use of the Credit Card or other disciplinary action may be taken.				