

**TOWN OF LANCASTER**  
**CREDIT CARD USE POLICY**

**adopted by the Town Board on September 3, 2013**

**I. PURPOSE**

To establish internal controls and criteria for the use of credit cards issued to employees of the Town of Lancaster for the purpose of conducting Town Business.

**II. OVERVIEW**

The use of credit cards has been determined to be a convenient and cost effective method of obtaining certain products and services for the Town. The primary purpose will be to pay vendor invoices within the centralized Accounts Payable department and will continue to follow the existing Town's purchasing policy. Additional purchasing may be conducted only when purchasing with the card will facilitate a specific advantage to the Town where payment in advance is required with only a credit card and could also include pricing or availability. Some travel and training costs may also be handled best through the credit card process.

**III. PROCEDURE**

For all transactions which occur within the Accounts Payable department, the purchasing will flow through the existing procurement process. The vendor payment will be made within the centralized Accounts Payable department once all existing procurement procedures and approvals have been completed.

For any additional purchasing the following will apply.

**A. Issuance of Credit Cards**

1. Cards will be issued at the discretion of the Assistant to the Supervisor and will be restricted to Department Heads to be used only on an as needed basis. These individuals then become the responsible party to all supporting documentation related to all transactions placed with that card. All cards issued will carry very low limits and will be adjusted as necessary by the Assistant to the Supervisor to accommodate specific purchases upon gaining the appropriate approvals. The Assistant to the Supervisor shall maintain an up-to-date, written list of the names, positions (titles) and credit card account numbers for all cards issued.

2. As needed will be defined as to only those individuals who are regularly authorized to make purchases and where the traditional procurement process will not work. Examples of these instances would be limited to when a vendor offers items and/or services at an advantage to the Town where payment in advance is required with only a credit card and could also include pricing or availability.
3. The employee must sign documentation verifying agreement to the conditions of use.

B. Use of the Credit Card

1. Use of the card will be restricted to Accounts Payable invoices that have been approved through the Town's existing procurement process. Additional purchases will be allowed only once the appropriate approvals have been granted for the specific commodity and individual purchase. Failure to comply will result in revocation.
2. At the point of purchase (internet, phone, point of sale terminal) where the card is used, all supporting documentation will be collected for submission to the Accounting department according to the Town's existing procurement process. Failure to do so will result in revocation.
3. The credit card is to be used in the conduct of the Town's business only. The use of a Town credit card to acquire or purchase goods and services for other than official use of the Town is strictly forbidden and considered fraudulent use and may subject the employee to disciplinary action up to and including dismissal and/or criminal prosecution.
4. The use of a town-issued credit card shall in all respects be consistent with applicable laws and regulations, as well as guidance issued by the NYS Comptroller.

C. Unauthorized Credit Card Use

1. The credit card **SHALL NOT BE USED** for including but not limited to the following:
  - a. Personal purchases or identification.
  - b. A purchase that exceeds the Purchaser/Cardholder's single, daily, and/or monthly purchase limit.

- c. Cash advances.
- d. Purchase of alcohol or entertainment.
- e. A Purchaser/Cardholder who makes unauthorized purchases will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the Bank or card company in connection with the misuse. The purchaser/Cardholder will also be subject to disciplinary action, which may include termination.

D. Security

It is the cardholder's responsibility to immediately notify the Town of a lost or stolen card. Failure to do so will result in disciplinary actions and/or revocation.

E. Separation

1. Prior to separation from employment from the Town of Lancaster, the Cardholder shall surrender the credit card held in their name if not already in the custody of the Town. It will immediately be shut down by the Assistant to the Supervisor.

F. Revocation of Credit Card Privileges

1. The issuance of a credit card to an employee is done at the discretion of the Assistant to the Supervisor.
2. Failure to comply with proper record keeping procedures as outlined in this policy will be cause to revoke the employee's credit card privilege.
3. Repeated loss or theft of any issued credit card will be cause to revoke the employee's credit and privilege. Failure to immediately report the theft/loss of a card upon discovery may also lead to revocation of the credit card privilege.

**EMPLOYEE ACKNOWLEDGMENT FORM**

I have received a copy of the Town’s Credit Card Use Policy adopted by the Town Board on September 3, 2013. I agree to review the policy and abide by it at all times. I understand that questions about the policy should be directed to the Assistant to the Supervisor.

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Name of Employee (Please Print)

\_\_\_\_\_

Employee’s Signature

\_\_\_\_\_

Date