



Hanover Township Credit Card Guidelines

Introduction

The Township credit card is a purchase card system benefiting the Township and cardholder through prompt payment to suppliers and delegates responsibility of purchase authority to those making the commitment.

Guidelines

Credit cards are issued at the discretion of the Township Administrator or his/her designee to current employees who are granted a formal delegation of Township purchasing authority. Delegation of Township purchasing authority governs the use of the credit card as a tool for purchasing materials and services. The cardholder agrees to comply with all applicable Township policies and procedures including the procurement policy and this Cardholder agreement. When signed and accepted, this form acts to assign the formal delegation of purchase authority to a current Township employee to execute credit card purchases.

Compliance with Policy, Violations, and Consequences

Employee violations to this agreement or to any policy or guidelines regarding the purchase of goods or services will be investigated and may result in either one or more of the following actions: verbal warning, written warning, revocation of credit card privileges, cancellation of delegation of purchasing authority, disciplinary action, and termination and/or criminal prosecution. Human error and extraordinary circumstances may be taken into consideration when reviewing any violation to this agreement.

The Township Administrator or his/her designee have the authority to investigate and to determine whether a violation of procurement policy has occurred, and to recommend actions that may be taken because of such determinations. The Township will consider the facts and circumstances of each incident, and will take action as deemed appropriate, and as permitted by applicable law and/or Township policy.

Credit Card violations include but are not limited to:

- Purchase of items for personal use
- Use of the credit card for cash advances
- Exceeding bank credit line limit
- Failure to return the credit card when an employee is reassigned, terminated, or upon request

- Failure to turn in packing slips, receipts, or other back up documentation to the accountant within 30 days of the purchase for the purpose of establishing accountable reconciliation procedures.

If the review concludes charges are unauthorized, the Cardholder is responsible for payment of charges.

Ownership and Cancellation of the Credit Card

The credit card remains property of the Township. It may not be transferred to, assigned to, or used by anyone other than the designated Cardholder. The Cardholder is accountable for the activity on the card. The Township may suspend or cancel Cardholder privileges at any time for any reason. The Cardholder will surrender the credit card upon request to the Township Administrator or his/her designee.

Spending Limits

Each credit card has a pre-set limit of \$5,000 (including shipping, handling, and tax) that may not be exceeded under any circumstances, unless otherwise approved in writing by the Township Administrator.

Receipts

It is the Cardholder's responsibility to obtain transaction receipts from the merchant each time the credit card is used. Individual transaction receipts of the expenditures are to be attached to periodic statements and submitted to accounting. In addition, each purchase on the periodic statement must be provided to accounting with the appropriate budget account line item. Accounting will be responsible for review and approval of periodic statements. The accounting office must keep statement data and proof of reconciliation, including receipts and packing slips, on file for a period consistent with the record retention requirements of the law.

Disputed Items

It is the Cardholder's responsibility to follow-up on any erroneous charges, returns, or adjustments to ensure proper credit is given on subsequent statements.

Protecting the Credit Card

The credit card is valuable property which requires proper treatment by the Cardholder to protect it from misuse by unauthorized parties.

Validation and Safekeeping

Sign the credit card immediately upon receipt. The credit card should always be treated with the same care as personal credit cards, bankcards, cash, and checks. Keep your card(s) in an accessible, but secure location. When using the credit card for internet purchases, cardholders should ensure that the site utilizes industry recognized encryption transmission tools.

When the expiration date is passed and/or after you have received a new credit card, cut the old credit card in half and dispose of it. Make sure the credit card is returned to you after each charge and verify that the returned credit card has your name on it.

Lost or Stolen Credit Cards

If the credit card is lost or stolen, contact the Bank's 24-hour toll-free number immediately (1-800-316-6056), and then notify the Township Administrator or his/her designee.