

Village of Warwick
Credit Card Account Policy
Adopted & Effective: March 15, 2021

PURPOSE

This policy and procedures are intended to ensure that appropriate internal controls are established within each department procuring with credit card accounts so that they are used for authorized purposes only.

SCOPE

As used in the policy and procedures “Credit Card Account(s)” means any bank issued credit card account, store-issued credit card account, or any other card account allowing the holder to purchase goods or services on credit or to transact with the account. The policy strictly prohibits the following:

1. Credit Card Account(s) that allow cash advances or cash back from purchases.
2. The use of debit card accounts for any purpose.
3. Automatic payment deductions to pay credit card bills.
4. Payment of credit card claims without documentation.

AUTHORIZING THE USE OF CREDIT CARDS

The procurement of each credit card, including the assignment of the credit limit, must be authorized by the Village Board of Trustees before it is issued.

Only a Department Head or Elected Official may request to open a credit card account or store issued credit card account for approval by the Village Board of Trustees.

If a credit card is approved, it is the responsibility of the Village Treasurer to process the application, including signing the application and assigning the credit limit.

All credit cards must be issued in the names of the employees for accountability; however, the name of the Village of Warwick must also appear on each presentation instrument related to the account including all cards and statements.

Credit card holders must be trained and acknowledge in writing that they understand their responsibilities as set forth in this policy and are therefore required to sign the “Village of Warwick Credit Cardholder Agreement” (attachment A) prior to the issuance of a credit card and provide the document to the Village Treasurer’s Office.

A master list of all credit cards will be maintained in the Treasurer’s Office and the list must be reviewed and updated annually by the Village Board.

All existing credit cards that are no longer needed or accounted for must be cancelled.

The Mayor, Village Board of Trustees or Village Treasurer is authorized to revoke the use of any credit card issued and immediately require the surrender of the credit card.

MAINTENANCE OF CREDIT CARDS

All Village of Warwick credit cards will be maintained in the Treasurer's Office and stored in a locked secure location when not being used by authorized personnel.

Upon written approval by the Mayor, a request must be made to the Village Treasurer to sign-out a Village of Warwick credit card. The authorized user must sign the Village of Warwick Credit Card Logbook, maintained by the Village Treasurer, noting the date, individuals name, department, reason for use of the credit card, estimated cost of the purchase, and date approval of the purchase was received.

Immediately after the authorized purchase is complete, the credit card must be returned to the Treasurer's Office. The authorized user must sign the logbook, noting the date the credit card was returned.

The Village of Warwick Credit Card Logbook will be maintained by the Village Treasurer for the use of all credit card transactions.

USE AND MANAGEMENT OF AN ACCOUNT

1. Before any purchases are made, the department head, or their designee, should verify that a purchase order has been approved by the Mayor for the related expenses. If the card will be used for travel and registration, it must have prior approval from the Village Board of Trustees.
2. Employees should make every effort to ensure that purchases do not include sales tax. Tax-exempt certificates are available through the Treasures Office. Sales tax may be paid for minimal expenditures from one-time vendors who refuse the exemption, but sales tax should not be paid where the purchases are for more substantial expenditures. The official and employee may be personally responsible for payment of sales tax. Exceptions will be made for online vendors who do not recognize the Village of Warwick's tax-exempt status.
3. Officers and employees are responsible for all charges made to the card via phone, fax, or online. Detailed itemized receipts for each charge on the account must be retained and attached to the voucher. A printed copy of the completed online purchase must be provided for all online purchases.
4. Detailed receipts must be retained and promptly given to the employee's department head, or their designee. Failure to provide receipts will result in the employee's responsibility for the charges. Additionally, the credit card holder(s) must provide the name(s) of anyone who incurred the expense. (For example, if food was supplied at a meeting, indicate who was in attendance.)
5. Monthly statements will be sent to the main account holder/department.

- a. Upon receipt of the statement, the receipts will be matched to the detailed charges and vouchered per the Treasurer's Office.
 - b. Any items that do not have a receipt will be the personal responsibility of the card user.
 - c. Bills will be vouchered and paid in a timely manner to not incur late charges/fees.
 - i. If late fees are incurred, it is the responsibility of the department head, or their designee, to request the charges be removed.
 - ii. The Payment of late fees on habitually tardy bills will become the responsibility of the department head, or their designee.
6. Quarterly, all departments with credit card accounts must report the following information to the Village Treasurer and Village Board of Trustees:
- a. Lost or stolen cards.
 - i. The initial loss must be reported immediately to the Village Treasurer for immediate cancellation of the card.
 - b. Cards and accounts used during the quarter.
 - c. Number of active cards and accounts.
 - d. Expiration dates of all cards.
 - e. Credit limits for all cards.
 - f. Incentives/Rewards.
7. Credit cards are to be returned to the Village of Warwick immediately upon ending employment.

OFFICERS & POSITIONS AUTHORIZED TO USE A CREDIT ACCOUNT

- 1. Mayor

RESTRICTING CREDIT CARD USE

Certain types of vendors or purchases must be blocked using Merchant Category Codes, such as charges from dry cleaners or health spas as detailed in the Accredited Standards Committee X9.

TYPES OF EXPENSES

Prohibited Expenses:

The following purchases are strictly prohibited:

- 1. Alcoholic beverages.
- 2. The use of credit cards for personal expenses – no exceptions.
- 3. Cash advances or cash back from purchases.
- 4. Items or services on term contracts, unless approved by the Village Board of Trustees.
- 5. Utility payments.
- 6. Phone and wireless services.
- 7. Maintenance agreements, unless approved by the Village Board of Trustees.

8. Purchases not related to the business of the Village of Warwick.
9. Automatic payment deductions, unless approved by the Village Board of Trustees.

Allowed Expenses:

1. Travel/Training – Expenditures related to approved travel and training such as registration, accommodations, parking, and meals.
 - a. Parking charges and meal charges will only be covered with a receipt stating the charge. The date on the receipts must match the approved travel dates.
2. Supplies – If not available through a purchase order or in emergency situations.
3. Other Village of Warwick related expenses that are not prohibited above.
4. Emergency purposes related strictly to Village of Warwick related expenses.
 - a. All card holders who use the credit card for emergency purposes must provide clear documentation to justify the need.

CREDIT LIMITS

Total credit card limits will not exceed \$5,000.

The credit limit for each purchase is \$500. Purchases over this limit require prior authorization from the Village Board of Trustees for any activity above the \$500 limit.

INCENTIVES PROGRAMS/REWARDS

Any incentives/rewards derived by the use of the Village of Warwick credit card will be the property of the Village of Warwick. All incentive/rewards must be reported to the Village Treasurer and Village Board of Trustees.

MONTHLY REVIEW & AUDIT DUTIES

Credit card statements and activity broken down by the credit card holder are to be analyzed on a monthly basis by the Village Board of Trustees for unauthorized charges and other discrepancies, including the card holder's job duties. The Village Board must review credit card bills and watch for red flags such as unusual destinations or items on the card. Additionally, the Village Board must verify that the items purchases were received.

The Village Treasurer must present monthly to the Village Board of Trustees a credit card account transaction detail from the previous month. The Village Board of Trustees must review the monthly credit card account transaction detail and approve it via Board motion at a regular Board meeting.

LOST OR STOLEN CREDIT CARDS

Lost or stolen cards must be immediately reported to the department head, or their designee. Once reported, the department head, or their designee, will call the bank or store, and the Treasurer's Office to report the card as lost or stolen.

CANCELLATION OF CREDIT CARDS

Once a card is determined as unnecessary/unneeded, the following steps must be taken:

1. The department head is required to inform the Village Treasurer of the unneeded card.
2. The department head and/or Village Treasurer must contact the issuing bank and request that the card be cancelled.
3. Once the card is canceled, it must be destroyed.
4. The department head, or their designee, will report the canceled card to the Village Treasurer and Village Board of Trustees on their quarterly report.

REISSUANCE OF CREDIT CARDS

Lost or stolen cards will be reviewed by the Village Board of Trustees for reissuance based on circumstances.

ATTACHMENT A
VILLAGE OF WARWICK
CREDIT CARDHOLDER AGREEMENT

Requirements for use of a Municipal Credit Card (including store credit):

1. The credit card is to be used only to make purchases at the request of, and for the legitimate business of, The Village of Warwick, Warwick, NY.
2. The credit card must be used in accordance with the provisions of the Credit Card Policy and Procedures established by the Village of Warwick, Warwick, NY, as attached hereto.

Violations of these requirements may result in revocation of use privileges. Employees found to have inappropriately used the credit card will be required to reimburse the Village of Warwick for all costs associated with such improper use through direct payment or payroll deduction. Disciplinary action(s) may be taken up to and including termination. The Village of Warwick will investigate and commence, when appropriate, criminal prosecution against any employee found to have misused the credit card or who violates the provisions of the cardholder agreement.

Credit Card Account Number: _____

Received By (Print Name): _____

I acknowledge receipt of the attached Credit Card Policy and Procedures and agree to abide by said Policy and Procedures.

Signature: _____

Date: _____

(Below for Village of Warwick Treasurer's Office Only)

Credit Card Return Date: _____

Village Treasurer (Print Name): _____

Village Treasurer (Signature): _____