CREDIT CARD POLICY:

SECTION I. PURPOSE:

The purpose of this Policy is to establish guidelines and procedures for the use of Town issued credit cards for Town purchases.

SECTION II. AUTHORITY:

This Policy has been adopted by the Board of Selectmen in accordance with RSA 31:39 as it relates to their management of the Town's prudential affairs and their authority over expenditures.

SECTION III. DEFINITIONS:

A) *"Cardholder"*: Refers to employees, elected officials or committee members of the Town of Windham that have been issued a Town credit card.

B) *"Corporate Credit Card"*: A credit card account utilizing several individual cards, with individual purchasing limits, consolidated under one account for ease of billing and tracking. The credit card account to be utilized will be established by the Finance Office and employees will not be authorized to open separate credit card accounts with other financial institutions, department stores or other entities.

C) *"Credit Card Issuer"*: The financial institution utilized by the Town to provide credit cards.

D) *"Credit Limit"*: The maximum balance allowed for a particular cardholder over the course of a monthly billing cycle.

E) *"Department Heads"*: Management level employees, elected officials or committee members that have been charged with the oversight of a particular department's operations and budget.

F) *"Finance Office"* – Refers to the Assistant Town Administrator-Finance or authorized designee.

G) *"Town":* Town of Windham, New Hampshire

SECTION IV. OBJECTIVES:

The primary objective of the credit card policy is to establish guidelines for cardholders that have been issued Town credit cards for the purpose of purchasing Town goods and/or services as required based on their job position with the Town. The purpose of establishing a "corporate" credit card for Town purchases is as follows:

> 1. To facilitate a streamlined method of purchasing relatively small dollar items thereby reducing paperwork and processing time;

2. To eliminate the need for several "store" issued credit cards currently being utilized by several Town departments and consolidate into one "corporate" card;
3. To provide a method of purchasing items via the Internet, thereby taking advantage of more competitive pricing for certain goods;
4. To minimize the need for employees to utilize their own personal funds to procure goods and/or services for the Town.

SECTION V. SCOPE:

The Finance Office will oversee the issuance of credit cards in accordance with this Policy and in conjunction with the Town department heads. Cards will be issued to appropriate individuals who handle the purchasing needs of each department. The Finance Office will coordinate with the credit card issuer in determining appropriate individual credit limits (refer to separate Cardholder List maintained by the Finance Office). The overall credit limit for the Town shall not exceed $20,000.

SECTION VI. CREDIT CARD USE:

The credit card is to be used for Town purchases only. Use of the credit card for personal purchases or expenses with the intention of reimbursing the Town is prohibited. Cash advances through bank tellers or automated teller machines are prohibited.

Each credit card is embossed with the cardholder's name and shall not be lent to any other person. Cardholders are responsible for the security of their credit card and shall immediately notify the Finance Office if a card is lost or stolen. Cardholders shall sign the attached Cardholder Agreement as shown in Appendix A.

Cardholders shall be responsible for purchasing within established credit limits. Department heads shall be responsible for ensuring that any purchases with a Town credit card are conducted within authorized department budgetary limits.

Purchases made by Cardholders must be accompanied by original receipts and submitted to the Finance Office within five business days of purchase, so that they may be accounted for once the billing statement is received. Receipts must be stamped with the department head's authorization and budgetary allocation in accordance with the Town's Purchasing Policy.

If a return or exchange is required, department heads shall verify that proper credit was received from the vendor and submit the appropriate paperwork to the Finance Office to accompany the billing statement. In no case shall a cardholder accept cash in exchange for a returned item.

It is the responsibility of the cardholder to notify the Finance Office immediately if there is any suspected fraudulent activity on the credit card. It is essential that time frames and documentation requirements established by the credit card issuer be followed to protect the cardholder's rights in a dispute.

SECTION VII. TERMINATION:

Upon termination of employment or separation from acting in an official Town capacity for any reason, the cardholder must relinquish their credit card at the time of separation from the Town. The Finance Office will notify the credit card issuer in writing, and the cardholder's card will be immediately deactivated.

SECTION VIII : WAIVERS:

The Board of Selectmen may vote to waive any portion of this policy if the Board deems it to be in the best interest of the Town of Windham.

SECTION IX : AMENDMENTS:

This policy may from time to time be amended by the vote of the Board of Selectmen at a regularly scheduled Selectmen's Meeting. Notice of proposed changes shall be posted in at least two (2) public places, one of which must be the Town Hall, at least 14 days from the date of the meeting.

SECTION X : EFFECTIVE DATE:

This policy shall be effective upon a vote of the Board of Selectmen.

Adopted By Board of Selectmen – Date: April 26, 2010

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APPENDIX A

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Cardholder Agreement

I have read and understand the Credit Card Policy for the Town of Windham. I understand that any violations of this policy will result in disciplinary action in accordance with the applicable Town Personnel Policy and/or Collective Bargaining Agreements.

Cardholder Signature   Date