

PURPOSE: To provide guidelines for use of the Town of Antigonish purchase/credit cards. As well as ensure compliance with the Town's Procurement Policy.

POLICY:

GENERAL

The Town purchase/credit card should be used where appropriate to ensure more efficient, cost-effective purchasing options. When applicable, credit cards should be used to alleviate the burden on Town Council members and employee's requirement to use their personal funds while booking travel, accommodations or other expenses approved within their department budget for Town business.

CARDHOLDERS

There shall be a minimum of two Cardholders for the Town of Antigonish. It shall be at the discretion of the Director of Corporate Services to recommend which full time employees are eligible Cardholders and all requests for staff purchase/credit cards must be approved by the CAO or their designate.

PURCHASE / CREDIT CARD TRANSACTIONS

It shall be at the discretion of the Director or their designate to approve all card transaction and/or monthly limits, provided that these limits do not exceed the authority as granted to that employee within the Town's Procurement Policy.

Only the Cardholder is authorized to use the purchase/credit card. Any purchases required by a non-cardholder will be facilitated by a Cardholder after receiving prior written approval from the Director or their designate.

Use of the purchase/credit card should not be used to avoid or bypass current purchasing or payment procedures and policies. Rather, the purchase/credit card should be used as a compliment to the existing purchasing processes.

Town purchase/credit cards should not be used with vendors which the Town has a pre-existing credit arrangement. Prior to using the card with a vendor which the Town does not have a pre-existing credit arrangement, Accounts Payable should first try to establish a credit agreement.

RANDOM AUDITS

Cardholders are subject to random audits of expenses and record keeping by the Director of Corporate Services or their designate. Any purchases made in contravention of either this Policy or the Procurement Policy shall be reported by the Director of Corporate Services to the CAO. Discovery of violation(s) of this policy may result in loss of card privileges or other disciplinary steps, as appropriate.

For all out of Town travel, a copy of the completed travel report for cross-reference to the purchase/credit card monthly statement must be provided.

TRANSACTIONS NOT PERMITTED

The following transactions are not permitted, and shall be considered to have been made in contravention of this policy:

- a) Splitting of total purchase cost, singly or between Cardholders to avoid transaction limits.
- b) Personal purchases.
- c) Non- Municipal use.
- d) Cash advances, money orders, bank drafts etc.
- e) Temporary help.

CARDHOLDER RESPONSIBILITIES

Each cardholder shall recognize and accept the following responsibilities upon receipt of a Town of Antigonish purchase/credit card:

- a) Use the Corporate purchase/credit card in accordance with this Policy and the Town's Procurement Policy.
- b) Ensure purchases are made in accordance with their signing authority or that of a Town Director, area of responsibility and departmental budget.
- c) Ensure proper coding of expenditures.
- d) Notify the Director of Corporate Services if there are problems with the purchase/credit card, the card is lost or stolen or any other situation that would require notification to the Director of Corporate Services.
- e) Notify the Financial Institution immediately if their card is lost or stolen.
- f) Log any item in dispute with the Financial Institution as soon as possible.
- g) Retain accurate records including transaction records and the accompanying detailed receipts at their workplace, and have available for audit at any time. At the time of the statement reconciliation, the Cardholder will attach the receipts, sign the statement and have record of the approval of purchases.
- h) Failure to provide this will result in a chargeback to the employee
- i) For all out of town travel, attach a copy of the completed Travel report for cross-reference to the credit card monthly statement.
- j) In the event of an error, Cardholders are **NOT** to make direct payment on their account for personal purchases made in error, payment is to be provided to Accounts Payable. If there are repeated instances of personal purchases made in error, card use shall be reviewed and may result in loss of card privileges.

DIRECTOR RESPONSIBILITY

The Director of Corporate Services shall recognize and accept the following responsibilities upon approving issuance of a Town purchase/credit card:

- a) Provide a written or electronic request, authorizing a purchase/credit card, within the prescribed limits, for an employee.
- b) Exercise discipline in cases where a Cardholder violates the provisions of this Policy.
- c) Document the incidents of reported lost or stolen credit cards. Initiate a requests for replacement cards.
- d) Review and reconcile the amounts expensed under the purchase/credit card to the appropriate account and identify any unusual transactions.
- e) Be responsible for, or appoint staff member(s) to act as the Card Co-ordinator to monitor and control the use of all purchase/credit card.
- f) Terminate the card when employee is terminated or no longer requires a purchase/credit card.
- g) Ensure all purchases are made in accordance with available departmental budget and individuals are operating within authority.

INTERNAL AUDITOR RESPONSIBILITY

The Director of Corporate Services shall:

- a) Act immediately upon receipt of advice that abuse or irregularities are known or suspected.
- b) Maintain records of all Cardholders.
- c) Where required, monitor transaction errors/disputed charges with the Financial Institution and follow up on outstanding items on a periodic basis.
- d) Ensure all card statements are reconciled by the appropriate employee, signed off and submitted on a regular basis.
- e) Perform audits to detect possible violations. The audit selection criteria would include, but not be limited to, meals over the total per diem allowance, air fare, splitting of purchases, miscellaneous/unusual/unique transactions, and random samples.
- f) Follow up with Cardholders as appropriate to investigate unusual transactions.
- g) Cancel a card when the Cardholder is terminated from employment or a Councillor's term ends.
- h) Follow up with the Financial Institution on lost/stolen cards to confirm the card is cancelled.

RECONCILIATION AND PAYMENT

The purchase/credit card carries corporate, not individual liability. Statements will be paid automatically through PAD from the Town's general operating bank account. Town Councilors or employees will not be required to pay the statement using their own funds.

It is required that all receipts for goods and services purchased be retained. If goods/services are purchase via phone, mail or online, ask the vendor to include the receipt with the goods when the product is shipped. This receipt is the only original documentation specifying whether or not tax has been paid against the purchase.

Process of reconciliation:

1. Each cardholder will receive a statement identifying each transaction made against that card during the billing cycle. Statements will be received by the Finance department and distributed to cardholders immediately upon receipt. Statement must be reconciled by you, against your receipts for accuracy.
2. Forward your reconciled statement to the Director of Corporate Services for review. All statements must be reconciled and returned to the Finance Department no later than 5 working days prior to the due date of payment on your statement.
3. All receipts will be maintained/stored by the Finance Department for audit purposes.
4. Although payment of the statements will be made automatically, card activity may be audited at any time.

DOCUMENTATION REQUIRED

All records shall be maintained at the Cardholders work location until such time as they are reconciled and attached to the monthly card statement, and submitted to the Internal Auditor for review. Records must be complete copies of purchase information including receipts as well as transaction verification slip.

DISPUTED CHARGES, RETURNS AND ASSISTANCE

In the event of disputed charges or a Cardholder has any questions, the Cardholder should contact the appropriate financial institution directly. In the event there are returns, the Cardholder must check to ensure credit notices are issued by the vendor, and attach the credit slip to the statement when reconciled. If a credit slip was not obtained, attach other documentation explaining the return. If credit does not appear by the second subsequent statement, the Cardholder must contact the financial institution directly.

The Cardholder must also advise the Director of Corporate Services if there is a dispute. The Cardholder must ensure that all required steps to register a dispute are followed.

Any charge you wish to dispute must be identified within 30 days of the statement date. The cardholder is responsible for the transactions identified on the statement. If an audit is conducted on a cardholder's account, receipts must be produced and/or other proof that the transaction occurred. If an error is discovered, the cardholder is responsible to show that the error or dispute resolution process has been invoked.

LOST OR STOLEN CARDS


The card assigned is the property of the Town of Antigonish and should be secured as a personal credit card would be. If the card is lost or has been stolen, or if the account number becomes the knowledge of someone else, notify the Director of Corporate Services and the Financial Institution's customer service centre immediately.

Once a card is reported lost or stolen, the card will no longer be accepted at any vendor. Prompt action in these circumstances can reduce the Town's liability for fraudulent charges.

DISCIPLINARY ACTION

A cardholder who makes an intentional unauthorized purchase in an inappropriate manner (as deemed by the Director of Finance) abuses credit card privileges will be subject to revocation of the credit card and disciplinary action including restitution to the Town of Antigonish, possible card cancellation, possible termination of employment or criminal prosecution.

If for any reason, disallowed charges are not repaid by the cardholder before the credit card billing is due and payable, the Town of Antigonish shall have a prior lien against and a right to withhold any and all funds payable or to become payable to the official or employee up to an amount of the disallowed charges and interest at the same rate as charged by the issuing credit card company.

<u>CAO's Annotation for Official Policy Book</u>	
Date of Notice to Council Members of Intent:	September 25, 2017
To Consider (Minimum 7 Days):	October 4, 2017
Date of Passage of Current Policy:	October 4, 2017
 _____ Chief Administrative Officer	<u>Oct 13, 2017</u> Date

**TOWN OF ANTIGONISH
PURCHASING/CREDIT CARD AGREEMENT**

DEPARTMENT	CREDIT CARD NUMBER

NAME OF EMPLOYEE	COUNCILLOR

Enclosed is your new Purchasing/Credit Card. Although this card is issued in your name, it is the property of the Town of Antigonish and must be used in accordance with the Town's policies, procedures and guidelines.

By signing this Agreement, you acknowledge that you have received the card indicated above, read and understand the Town's Purchase/Credit Card Policy and agree to comply with the following terms and conditions:

- I. This card is provided to you based upon the Town's need to purchase business-related goods and services in the course of day to day operations of the Town, within approved budgets and spending limits. This card may be revoked at any time based on a change of assignment or location.
- II. This card is for business-related purchases only. Any use of this card for purchases of a personal nature is strictly prohibited.
- III. You are the only person entitled to use this card and you are responsible for all charges made against it.
- IV. Any unauthorized use of this card will be considered an improper use of government funds and will be subject to appropriate disciplinary action.
- V. This card must be used in accordance with all municipal policies, procedures and guidelines respecting government purchasing and the use of cards as such policies, procedures and guidelines may from time to time be issued and amended.
- VI. Employee cards must be returned to the Director of Corporate Services immediately upon request and, in the event, upon your resignation, retirement or dismissal.

As the holder of this card, you are responsible for its protection and safekeeping. If this card is lost or stolen you are required to advise immediately, during working hours to contact the Director of Corporate Services.

Signature of Cardholder

Date