

Henderson County

**BUSINESS CREDIT
CARD USE POLICY**

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Effective March 1, 2012

Overview and Statement of Intent. Henderson County issues a business credit card for Department Heads and certain other authorized department employees and/or County Representatives to use for legitimate business purposes in accordance with the County's Purchasing Policy. Permissible uses for a County-issued credit card include expenses relating to justified in-County meetings (including meal expenses), travel, hotel accommodations and certain other non-emergency minor expenditures for which a Purchase Order is not required. Expenses that normally require the issuance of a Purchase Order may be purchased using a County-issued credit card only in emergency circumstances or if a Purchase Order has been issued authorizing the purchase. Under no circumstances is the use of a County-issued credit card intended to enable the cardholder to circumvent any provision(s) of any existing or future County Purchasing Policy and/or Travel Policy. Furthermore, use of a County-issued credit card does not alleviate the cardholder from his or her obligation to submit a Travel Statement in accordance with the County's Travel policy.

Purpose of Policy.

- I. To ensure that County transactions are carried out as effectively as possible through the use of credit cards as appropriate and in accordance with the Overview and Statement of Intent outlined in the preceding paragraph.
- II. To guard against any possible abuse of County issued credit cards.

Business credit cards will be procured by the Finance Department and will be issued in the name of Henderson County (hereinafter referred to as "*the County*") and the Department Head, authorized employee or County Representative (hereinafter referred to as "*Cardholder*").

The following procedures shall be observed when using a County issued business credit card:

1. Issuance of Card.

- a. Only one credit card will be issued per Cardholder. Prior to issuance of the card, Cardholders shall sign the Business Credit Card Compliance Agreement, a copy of which is attached to this Business Credit Card Use Policy as *Attachment 1*, stating they have read and will adhere to the policies and procedures outlined in this Policy. A signed original of the Business Credit Card Compliance Agreement must be on file in the Finance Department prior to the card's usage.
- b. Credit cards shall only be used by the cardholder. The Cardholder is responsible for payment or resolution of all charge transactions placed on the credit card, with no exceptions.
- c. In the event it becomes necessary to allow an employee who is not a cardholder to use a business credit card, the Finance Department may, upon proper written authorization by the employee's Department Head, issue a "floater" credit card that may be temporarily used by the employee.

- 2. Keep the Card in a Secure Location.** Cardholders are responsible for the safekeeping of the Business credit card. In the event that the card has been lost or stolen, or if unauthorized transactions are detected, it is the Cardholder's responsibility to immediately notify (1) the bank; and (2) the County Finance Department.

3. **Credit Limits.** Credit limits, including any increases in credit limits, will be established as appropriate and will be at the discretion of the County Finance Director.
4. **Credit Card Expenditures in General.** The Cardholder agrees that:
 - a. Under no circumstance is the use of a County-issued credit card intended to enable the cardholder to circumvent the existing County Purchasing Policy and established procedures regarding fixed assets, budgeting, purchasing and/or the use of Purchase Orders, or the cardholder's obligation to submit an itemized Travel Statement in accordance with the County's Travel policy.
 - b. The card will only be used for those activities that are a direct consequence of the Cardholder's function within the County and that under no circumstance will the card be used for personal reasons; furthermore, the Cardholder agrees to be personally liable for any unauthorized transactions unless the card is lost, stolen or subject to fraud on some part of a third party;
 - c. Maximum credit limits established for the card by the Finance Director will not be exceeded;
 - d. When using the card to make online internet purchases, the Cardholder shall make every effort to ensure that the purchase is made from a secure website using secure online access, thereby limiting the risk of fraud or theft;
 - e. All credit card purchases that require shipment will be shipped to the Cardholder's business address. In no instance shall any shipment resulting from a credit card purchase be shipped to the Cardholder's home address; and
 - f. Credit card statements will be periodically audited by County staff to ensure that the card is used for authorized purchases; adequate receipts and/or sufficient documentation to support purchases is provided by the cardholder; and card use is not in violation of County policies, including the County's Travel and Purchasing Policies. The cardholder agrees to allow and to cooperate fully with such audit and to immediately place into operation any recommendations resultant from such audit.
5. **Credit Card Expenditures in conjunction with County Travel.** When utilizing the business credit card for travel expenses associated with County business, the Cardholder agrees that:
 - a. In all cases involving travel (*even if the travel does not involve an overnight stay*) a Travel and Business Expense Reimbursement Request (a/k/a "Travel Statement") as depicted in *Attachment 2* will be completed by the cardholder. Use of the business credit card does not negate the responsibility of the Cardholder to complete a Travel Statement in accordance with the County's existing Travel Policy.
 - b. Use of the card for the purchase of alcoholic beverages is strictly prohibited;
 - c. In accordance with the County's Travel Policy, a Travel Request Authorization must still be obtained from the County Manager when County travel expenditures have been frozen. Use of the business credit card does not negate this requirement; and
 - d. Use of the business credit card to purchase in-room movies during the hotel stay while on County business is allowable; however such purchases shall be reimbursed to the County immediately upon filing a Henderson County Travel Statement for the related trip. Travel Statements submitted without the required reimbursement will forfeit future use of the business credit card and shall be considered misuse and grounds for disciplinary action in accordance with the County's Personnel Handbook and as described in Item 8 below.
6. **Credit Card Statements.** A monthly credit card statement will be mailed from the bank to the Cardholder. The Cardholder agrees:

- a. For all purchases, to obtain and retain sufficient supporting documentation (itemized receipts) to validate all expenditures made using the card. A credit card *authorization* receipt that does not include an itemized detail of purchases does not constitute supporting documentation. In the event sufficient documentation (including non-itemized, missing or lost receipts) is not provided, the Cardholder's privileges may be suspended.
 - b. To review the credit card statement and report any inaccuracies to the Finance Department;
 - c. To verify that the goods and/or services listed on the credit card statement were in fact received;
 - d. For each credit card statement, to (1) complete the "Business Credit Card Monthly Summary of Purchases" form as depicted as *Attachment 3*; (2) Attach itemized receipts supporting each expenditure to the credit card statement and Monthly Summary of Purchases; (3) for each purchase, note the departmental expense account code to be charged; (4) acknowledge approval of the expenditure; (5) verify that the expenditure has been made for official purposes by signing and dating the statement; and (6) if applicable, obtain approval of the expenditures by the Department Head; and
 - e. To forward the statement and supporting documentation to the Finance Department **at least ten days** in advance of the due date for payment in order that payment may be submitted without incurring late fees. **In the event more than three late fees are incurred within a six-month period, the cardholder's privileges will be suspended.**
7. **Return of the County Credit Card.** The Cardholder agrees to return the card in the event the Cardholder retires, resigns, or his or her employment with Henderson County is otherwise terminated. Additionally, the Cardholder agrees to return the card in the event it is determined there is no longer a need to retain his or her card or if the card has been cancelled by the bank. In accordance with Section 5.11 of the County's Employee Handbook, the Cardholder acknowledges that his or her final paycheck will be withheld until the credit card is returned to the Finance Director.
 8. **Credit Card Misuse.** In accordance with the County's Employee Handbook, any misuse of the business credit card will serve as grounds for disciplinary action, including and up to termination of employment with Henderson County. Additionally, whenever a breach in this Policy occurs, County Management must assess the nature of the breach and reserves the right to report the misuse to law enforcement for criminal investigation.

Attachments:

- 1: Business Credit Card Compliance Agreement
- 2: Business Credit Card Monthly Summary of Purchases
- 3: Travel & Business Expense Reimbursement Request

ATTACHMENT 1:

Henderson County **BUSINESS CREDIT CARD COMPLIANCE AGREEMENT**

Effective March 1, 2012

I have read and understand the Henderson County Business Credit Card Policy and agree to all terms outlined in the Policy. I understand and agree that the business credit card is issued to me with the express understanding that I will, at all times, comply with the following conditions:

USE:

1. The business credit card is the property of Henderson County and is in my possession and under my strict control. I am responsible for any and all charge transactions that are made using the credit card, excepting the unauthorized use of the card unless the card is lost, stolen or subject to fraud on some part of a third party.
2. I will not permit the card to be used by any person other than myself.
3. I will only use the card for official business purposes.
4. I will not use the card in an attempt to circumvent any existing Purchasing and/or Travel Policies, which include the requirement to obtain a Purchase Order before making a purchase that exceeds \$500.
5. If the credit card is used to pay for County-related travel expenses, I agree to immediately upon my return from said travel, submit a Travel Statement in accordance with the County's Travel Policy, *even if the travel does not involve an overnight stay*.
6. I will immediately report any unauthorized use of the card to the bank and to the Finance Director.
7. In accordance with Section 4(f) of the Business Credit Card Use Policy, in the event my credit card is audited by County staff, I agree to cooperate fully with such audit and to immediately place into operation any recommendations resultant from such audit.

MONTHLY RECONCILIATIONS:

1. I will be issued a monthly statement by the bank. I will ensure that all transactions appearing on the statement are verified by me to ensure that:
 - a. Transactions are supported by adequate documentation (itemized receipts) that are attached to each monthly statement when submitted to the Finance Department for payment; and
 - b. Goods and/or services that appear on the statement were actually received, have been delivered or provided.
2. I will submit my credit card statement and the "Business Credit Card Monthly Summary of Purchases" form as depicted in *Attachment 3*, along with all supporting documentation to the Finance Department at least ten days in advance of the payment due date. In accordance with Section 6(e) of the Business Credit Card Use Policy, I understand that in the event late charges are incurred on my credit card account three times within a six- month period of time, my credit card privileges will be suspended.
3. After reviewing the statement and attaching all supporting documentation, I will sign the statement and the Monthly Summary of Purchases form to indicate that the transactions appearing on the statement have been made for official County purposes. If applicable, my

Department Head will also sign the Monthly Summary of Purchases to indicate his or her review and approval of said purchases.

4. I will immediately advise the Finance Department and the bank of any change in my name or contact details.
5. I will immediately return my card to the Finance Department if I resign, retire or if my employment with Henderson County is otherwise terminated; or if it is determined that there is no longer a need to retain my card or if the card has been cancelled by the bank. Furthermore, in accordance with Section 5.11 of the County's Employee Handbook, I understand that my failure to return the card to Henderson County if my employment is terminated for any reason will result in my final pay being withheld until such time as the card has been returned to Henderson County.
6. I will immediately report the loss or theft of the card to the bank and to the Finance Department.
7. If there are any transactions on my statement that appear suspicious or if any unauthorized transactions are detected, I will immediately report said transactions to the bank and to the Finance Department.
8. I confirm that I have access to only one Business credit card.
9. I acknowledge that I have been trained and briefed on all aspects of the operation and use of the card.

Date: _____

Cardholder

Date: _____

Department Head (if different from Cardholder)

Date: _____

Finance Director

HENDERSON COUNTY

TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT REQUEST

This form is to be completed by all employees in the event the employee travels on behalf of Henderson County (even if the travel does not involve an overnight stay) or seeks reimbursement for personal funds expended on behalf of County business. For reimbursement requests, itemized receipts and/or supporting documentation should be included when this form is submitted. If the purchase was made using the County credit card, or a County gas card, itemized receipts must be submitted with the credit card statement and/or the department's monthly reconciliation for the gas purchases.

Instructions for Completion:

Employee Name:		Employee #:	
Department:		Department Code:	

TRAVEL DETAIL					
Date(s) of Travel:	Points of travel		Purpose	Miles (Round Trip Mileage)	Expense Code
	From	To			

CURRENT IRS MILEAGE REIMBURSEMENT RATE:				\$0.555
MILEAGE OWED TO EMPLOYEE FOR TRAVEL:				\$ -

EXPENSE DETAIL: MEALS (including Gratuities)					
Date of Purchase:	Breakfast	Lunch	Dinner	Total Daily \$	Expense Code
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
TOTAL: MEAL EXPENSES				\$ -	

OTHER EXPENSES (including Registration Fees, Air Fare, Hotel, Parking & Gratuities)			
Date of Purchase:	Description of Purchase:	Amount	Expense Code
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
		\$ -	
TOTAL: OTHER EXPENSES		\$ -	

TOTAL EXPENSES:	\$ -
LESS EXPENSES PAID USING HENDERSON COUNTY CREDIT CARD:	\$ -
LESS EXPENSES PAID USING HENDERSON COUNTY GAS CARD:	\$ -
LESS PAYROLL ADVANCE ON CHECK # _____	\$ -
TOTAL DUE TO / FROM EMPLOYEE:	\$ -

I hereby certify that travel distances, travel expenses and other expenses relating to this Reimbursement Request are a legitimate and necessary business expense of Henderson County, and that no Henderson County policy regarding Purchasing or Travel has been violated.

Employee Signature	Date
Department Head Signature	Date