

**CREDIT CARD POLICY  
TOWN OF PEARL RIVER, LA  
#16-07-19**

**An ordinance approving the Town of Pearl River's Credit / Purchasing Card Policy.**

WHEREAS, proper business practices require strict control of credit card and credit card purchases on behalf of the town; and

WHEREAS, the attached Policy establishes such control and specifies a certain penalty in the event the Policy is not followed;

BE IT THEREFORE ORDAINED by the Pearl River Town Council that the Credit Card Policy attached hereof and made a part hereof is hereby approved and adopted.

BE IT THEREFORE ORDAINED that this ordinance shall become effective upon adoption.

**ADOPTED** this 19th day of July, 2016

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Mayor Clarence McQueen

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Carla Benelli, Town Clerk

# **CREDIT CARD POLICY**

## **TOWN OF PEARL RIVER, LOUISIANA**

Credit card accounts require Town Council approval and are only for the official business of the Town.

There are generally two types of credit card accounts: (1) general (e.g., VISA, Mastercard, etc.) and (2) stores (e.g., Wal-Mart, etc.)

Credit cards must be placed under strict control and be available for use in limited cases as set forth by this policy. Credit cards are not to be used for purchases that are subject to the requirements of the Louisiana Public Bid Law.

### **Applying for a Credit Card**

- The card must be issued in the Town's name using the Town's tax identification number
- The credit card must not allow cash advanced to be made.
- Application for cards for which an annual fee is charged is prohibited.

### **Security**

- The Town Clerk shall maintain a listing of all credit cards, including the card numbers, and the telephone numbers of the credit card companies.
- Unissued credit cards shall be secured under lock by the Clerk.
- Employees must immediately notify the Town Clerk if a credit card is missing, lost or stolen. The Town Clerk shall notify the Mayor and immediately cancel the card. If a card is stolen, the Town Clerk is to notify law enforcement.

### **ISSUANCE**

- The issuance of a credit card in the name of an individual shall be limited to Mayor, Chief of Police and Town Clerk and documented in writing using the *Annual Credit Card Agreement form and the Credit Card Issuance Log*.
- For store credit cards used in the purchase of goods and services, the Clerk shall maintain a written log to account for the checking out and return of the credit cards. The log shall

contain: (1) business purpose for using the card; (2) the purchase order number, if any; (3) the applicable signature approving the card being checked out; (4) dates of issue and return; and (5) signatures of both the Clerk and the employee upon issuance and return of the card.

## USAGE

- Any personal use or unauthorized use of a credit card may result in immediate termination of employment.
- All purchases must be approved in accordance with the Town's purchasing policies and procedures prior to the transaction. The approved purchase order is to be submitted to the Town Clerk.
- The following purchase are not allowed:
  - Cash advances on credit card
  - Alcoholic beverages
  - Tobacco products
  - Prescriptions and drugs
  - Capital equipment and upgrades over \$1,000.00. However, the Mayor is authorized to use a credit card for capital purchases or upgrades after following and documenting the appropriate procurement procedures.
- Purchases made by credit card must not circumvent the Town's purchasing policies or the Louisiana Public Bid Law.
- Employees shall obtain receipts or documentation as proof of purchase and shall document the business purpose on the receipts. Receipts for any meals and entertainment expenditures, if authorized, shall contain documentation of the names of all persons participation and the business discussed.
- Cards that are checked out and the receipts or documentation shall be returned upon completion of the transaction.
- Any on-line purchases with the Town Credit Cards must be shipped to a Town Owned Building unless authorized by the Mayor.
- The employee checking out the card is responsible for all use of the credit card until it is returned.
- The Mayor shall notify the St. Tammany Parish Sheriff's Office, District Attorney and the Legislative Auditor of any misappropriation of funds or assets of the municipality.

## RECORDKEEPING

- The employee checking out the card shall be responsible for reviewing the receipts or documentation transaction propriety, i.e. authorization to purchase, documentation of business purpose, etc. upon the return of the card.
- At the end of each billing cycle, the Clerk shall compare the card issuance log, purchase documentation, and purchase orders, if any, to the monthly card statement. During this review, the clerk shall ensure that: (1) all card purchases are supported by proper receipts or documentation; (2) no inappropriate purchases were made. (3) Any purchase without proper supporting receipts or documentation shall be fully detailed and explained in writing by the employee making such purchase. Written approval by the Mayor of the explanation shall be required.
- Account balances shall be paid in full monthly.

## PENALTY

Any employee who makes a credit card purchase and who does not comply with the provisions of the Policy may, at the discretion of the Mayor, be personally responsible for payment of all costs associated with the purchase.

BE IT THEREFORE ORDAINED by the Town Council of the Town of Pearl River that on July 19, 2016, this ordinance was adopted by a motion from Alderman Phillips and seconded by Alderman Bennett and will go into effect immediately upon its passage.

VOTING:

Yeas:	5
Nays:	0
Absent:	0
Abstain:	0

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Clarence D. McQueen, Mayor

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Carla Benelli, Town Clerk

**ADOPTED** this 19<sup>th</sup> day of July, 2016