



<b>CREDIT CARD POLICY</b>		
<b>EFFECTIVE: 9/9/2024</b>		<b>APPROVED: 9/9/2024</b>

**PURPOSE**

The Hutchinson County Credit Card Program is a mutual effort intended to delegate both authority and responsibility for small dollar purchases to front line people who are in the best position to know what they need. However, as a public entity, Hutchinson County is expected to be able to demonstrate to the public that we are spending our money wisely. All participants are responsible to ensure that the Hutchinson County Credit Card Program can withstand the scrutiny of the press, the public, and auditing.

This policy establishes the authority of the Commissioners Court to allow the use of County owned credit cards. This policy establishes both responsibility and accountability for the use of these credit cards. Although a card may be issued in an employee's name, it shall be considered Hutchinson County property and shall be used with good judgement.

As provided for in Vernon's Texas Codes *Annotated*, the Commissioners Court has the expressed oversight responsibility for all credit cards owned by the County and will be responsible for the approval and use of the cards. The Hutchinson County Auditor is responsible for card application, issuance, training, and credit card program administration. The County Auditor has determined that each credit card purchase will be limited based on each Departments' approved budget for goods and services.

This policy replaces and supersedes any previous County policy regarding the use of credit cards. The policy guidelines and procedures set forth below are applicable to all Hutchinson County officials and employees.

**GENERAL POLICY**

Hutchinson County provides credit cards for use by employees when it is not practical or possible to use the standard purchasing procedures for the County. Credit card purchases are subject to the Hutchinson County Purchasing Policies & Procedures manual and must have a purchase order PRIOR to purchase for all purchases over \$1,000.

Department officials will be responsible for requesting the number of cards needed in their department and providing the necessary application information to the County Auditor. Credit cards must be requested by submitting a CREDIT CARD REQUEST FORM to the County Auditor for each card requested. The Commissioners Court will approve the request for credit cards and an application form will be completed by the County Auditor. The credit card will be issued to the official or employee by the County Auditor upon signing of CARDHOLDER AGREEMENT which documents the cardholder's acknowledgement that they have been informed of the policies and procedures regarding the use of the credit card. The official/employee assumes responsibility for the Card and will be responsible for all charges made with the Card.

An employee who has been issued a card in their name or has checked out a department card from the Custodian is the only authorized user of that credit card.

Credit card images or numbers are not to be copied, faxed, e-mailed, or otherwise reproduced under any circumstances. Credit card information must not be given via fax or email. Credit card information should not be retained on any websites under any circumstances.



## **CREDIT CARD INVENTORY**

Each individually issued credit card is to be safeguarded by that individual. All department credit cards must be safeguarded by an appointed credit card custodian. All custodians will control the release and return of the credit card by using a CREDIT CARD SIGN OUT SHEET to document when the card is checked out and checked back in.

### **Credit Card Custodians:**

- **Department Custodian:** The department head may appoint themselves or an employee to be the custodian for that department's credit cards. The Auditor must be informed of who this appointed person is.
- **Location Custodian:** The County Auditor may appoint an individual to be the custodian for a location. i.e., Stinnett, Borger, Fritch. You may choose to leave your card with this person and check out the card as needed.
- **County Auditor Office:** You may choose to leave your card in the possession of the County Auditor's office and check out the card as needed.

When a credit card is needed, the custodian will release the card to the authorized user and the authorized user will sign out the card by signing the CREDIT CARD SIGN OUT SHEET. A CREDIT CARD SIGN OUT SHEET must be maintained by the custodian and will include the name of the employee, the date the card was given to the employee and the date the card was returned to the custodian. When the card is not in use, it is to be under the control and responsibility of the custodian. Once a sign out sheet has no room for other check outs, please return it to the County Auditor.

The employee will be responsible for the card and any charges made to the card during the period it is in their possession according to the sign out sheet.

All cardholder accounts are subject to periodic internal control reviews and audits designed to protect the interests of Hutchinson County. The cardholder/custodian must comply with these reviews and audits and may be asked to produce the card to validate its existence and produce receipts to verify appropriate use.

The cardholder/custodian must surrender and cease use of their credit card upon termination of employment whether by retirement, voluntary separation, resignation, or dismissal. The cardholder/custodian may also be asked to surrender the card at any time deemed necessary by the Hutchinson County Commissioners Court and/or County Auditor.

## **USE OF CREDIT CARDS**

The credit card may only be used for Hutchinson County business. The following types of purchases are generally acceptable for credit card use:

- Securing travel arrangements such as hotel, airfare, and rental cars
- Hotel, self-parking fees and toll fees for travel and training
- Registration for training
- On-Line Vendor Purchases
- Utilities
- Products, services, and other expenses when purchased in case of emergency. Emergency meaning that normal purchasing procedures could not be followed.
- Inmate meals when being transported – detailed receipt required; limited to \$15 per meal, per inmate
- Other services or supplies with PRIOR approval of the County Auditor

Whenever possible, cardholders should use County approved vendors or accounts if set up.



Expenses **NOT** acceptable for credit card use:

- Meals – other than inmate transport meals limited to \$15 per meal, per inmate
- Tips
- Alcohol
- Room Service
- Entertainment
- Non-emergency services or supplies without PRIOR approval of the County Auditor
- In room pay-per view
- Food at gas stations or drive-in groceries
- Any other purchases not approved in advance by the department head
- Sales Tax on any item not related to travel expenditures
- Cards are not to be utilized for products or services currently available from County contracts or vendors with an existing County account.
- Separate, sequential, and component purchases intended to circumvent State law or County Policy
- Purchases split to stay within credit card transaction limits
- Transaction amounts greater than the cardholders' transaction limit
- Any personal charge whatsoever

Each card will be set up with an approved credit limit and transaction limit. Temporary credit limit and/or transaction limit increases can be arranged subject to budget limitations.

## **DOCUMENTATION**

### **Documentation requirements apply to County credit cards used for travel and general purchasing and the fleet fuel cards.**

The credit card provider provides transaction information to the County Auditor via an online system. On a monthly basis, the cardholder/custodian will receive a statement listing all activity associated with their card. This activity will include purchases and credits made during the reporting period. While the cardholder/custodian will not be responsible for making payments, the cardholder/custodian will be responsible for the verification and reconciliation of all account activity. The cardholder/custodian must retain all detailed credit card receipts and corresponding invoices/tickets that clearly identify the supplier, goods or services purchased, and amount of sale. The reconciled statement must be returned to the Auditor's office within 5 business days of receiving the statement.

Accounts Payable will charge expenditures to the appropriate department budget line item and will contact the cardholder if additional information is required during the monthly payment process.

If a receipt is lost or unavailable, the employee must complete a MISSING RECEIPT AFFIDAVIT. The Auditor retains the right, at his/her discretion, to revoke the credit card should missing receipts become an issue.

The County is exempt from payment of any State of Texas sales tax, so the employee should make this clear to the vendor at the time of purchase. If the vendor charges sales tax, it is the employee's responsibility to contact the vendor and obtain a credit equal to the amount of the sales tax or reimburse the County for the amount of sales tax. (Tax Exempt form may be found on County Auditor's webpage)



### **LOST CARD/FRAUDULENT CHARGES**

The employee responsible for the card must take all necessary precautions to safeguard the card at all times. In the event the card is lost or stolen, or if the employee suspects the card or account number to have been compromised, the employee will notify the County Auditor immediately so that the card can be locked. The County Auditor will then take action to cancel and replace the card if necessary.

If the card is issued to an individual, that individual may also call the number on the back of the card to deactivate the card.

### **CREDIT CARD DISTRIBUTION AND RETURN**

The person using the credit card is responsible for returning the card and related receipt(s) to the designated custodian the next working day after returning to their station.

The card must be returned personally to the custodian. **DO NOT** place the card on their desk, clip it to the door, etc.

When traveling with a credit card, the employee is required to retain all detailed credit card receipts and corresponding invoices/tickets. The employee must turn in the receipts and detailed corresponding invoices/tickets in to the custodian for approval on the next business day after the employee returns from travel.

### **RESPONSIBILITY OF CHARGES**

Employees who have credit card privileges are personally responsible for all charges associated with the credit card. The County will not be responsible for any late charges and/or interest charged to the card. Responsibility for such charges will fall to the party responsible for their creation. Employees are required to follow this policy and provide receipt and detailed corresponding invoices/tickets promptly for payment of said charges. Failure to provide receipts and detailed invoices may result in the suspension of credit card privileges.

Sales tax on non-travel related items incurred by an individual neglecting to submit the proper tax exemption documentation to the vendor will be personally responsible for the repayment of the sales tax amount to the county or contacting the vendor for credit of the sales tax unless paying the tax is in the better interest of the County. Documentation must be received by the Auditor's office for any credit issued by the vendor.

### **VIOLATIONS**

Any official or employee who knowingly purchases or approves improper or fraudulent purchases will be responsible for payment of said charges and will be disciplined within department guidelines. The Commissioners Court will determine the financial decision of appropriate or inappropriate use. Any charges deemed to be the responsibility of the cardholder must be paid to the County Treasurer in the form of a check or money order within **14 days** of notification.

Reimbursements for purchases not received by the County Treasurer within **30 days** of notification will be deducted from the official/employee's paycheck per the CARDHOLDER AGREEMENT.

Any cardholder who uses the credit card illegally may be terminated from employment and the matter will be referred to the appropriate prosecutor's office for possible criminal charges.