



Credit Card Purchasing Policy		
Original Adoption:	06/23/2015	Reference No. FIN-005
Reviewed/Updated:	TBD	

**PURPOSE:** To prescribe the policies and procedures for procuring commodities and services using a credit card.

**SUMMARY:** Credit cards provide City of Mound Department Heads and Supervisors with purchasing authority the ability to effectively and efficiently make small, delegated purchases. The City of Mound utilizes the Wells Fargo Elan Credit Card. Any other type of store, business, individual liability, or corporate *credit card* account is not allowed.

The Eland Credit Card may be used for any single purchase that is \$5,000 or less and is made in accordance with standard procurement practices (see Financial Procedure FIN-003). The Eland Credit Card should only be used sparingly and when the situation warrants it (on-line purchases).

The procurement card must not be used for:

- o Personal use
- o Contracted items
- o Splitting orders (multiple transactions to same vendor for one purchase)
- o Health, legal and medical services
- o Cash advances
- o Personal travel related expenses
- o Services from a 1099-reportable vendor.

#### PROCEDURES:

Department Head/Supervisor Cardholder:

The procurement card is to be used for City of Mound purchases. Personal use is strictly prohibited.

Cardholders are required to do the following:

- Ensure all purchases comply with City policies and procedures
- Ensure that any other individuals do not use your card
- Verify the vendor is not 1099 reportable (see Financial Procedure xx.xx for definition).
- When purchasing meals or catering for group meetings, obtain a list of attendees, document the business purpose of the meeting, and ensure that the cost per meal does not exceed the applicable travel rates.
- Request tax exemption providing a copy of the tax-exempt letter as requested, with the exception of the Liquor Store who is only exempt from Hennepin County Stadium Tax.
- Obtain all sales receipts and related documents. **All claims presented for payment must be in writing and itemized. The original invoices or receipts, and a signed purchase order (P.O.), if applicable, must be submitted to Accounts Payable by the THIRD Wednesday of the following month (example: transaction date: 1/22/XX, receipt and PO due to A/P by 2/21/XX).** Receipts must contain relevant details for each item purchased including quantities, description of the items(s) purchased, the price of each item, total charge amount and the vendor's name.

- When making a purchase by phone or fax, the vendor will request your Visa account number and expiration date (some vendors may require you to give them the three-digit security code number located on the back of the card). Request that the vendor mail, or include with the order, a paid invoice/receipt for your documentation.
  - When making a purchase via the internet, you will need to document the items(s) purchased and the final cost. You may print the screen at the end of the transaction or if the vendor sends you a detailed confirmation email you may use it in lieu of a receipt or invoice for documentation purposes.
  - It is the cardholder's responsibility to ensure he/she has a receipt or paid invoice for each transaction on his/her credit card.
- Ensure each transaction on the monthly statement received from Eland is accurate. The Finance Department submits a monthly payment report itemizing the charges and where they were coded to for the City Council's approval.
  - Report lost or stolen cards immediately to credit card service provider and to the Director of Finance.