CITY OF ST. PAUL PARK, MINNESOTA
CREDIT CARD POLICY

Purpose

The purpose of this policy is to establish parameters and provide guidance governing the issuance and use of credit cards by City of St. Paul Park employees.

Background

Minnesota Statute 471.382 allows for a city council to authorize the use of a credit card by any city employee otherwise authorized to make a purchase on behalf of the city, and, in a situation that a purchase by credit card is not approved by the city council, the employee is personally liable for the amount of the purchase. All purchases by credit card must otherwise comply with all statutes, rules, and policies applicable to city purchases.

Policy Statement

When there is a demonstrated need, the City of St. Paul Park will provide credit cards to management staff with approval by the City Administrator.

Policy

Credit cards will not be used for carrying debt. Therefore, the entire credit card balance shall be paid in full each month.

The credit card may be used to purchase supplies, equipment and services necessary for the efficient administration of City business; convenience shall not be a primary factor in making City purchases by credit card. It is preferred that the City be invoiced by the vendor against using a credit card. Credit cards shall only be used in instances whereby other means of payment are not feasible. When the credit card is used, the vendor should be informed of the tax exempt status. Sales tax is not considered an authorized purchase.

Purchases made with the credit card must be consistent with other state laws. Minnesota Statute §471.38, subd. 1 states claims presented for payment must be in writing and itemized. Bills received from a credit card company lack sufficient detail to comply with these statutory requirements. As a result, receipts are required to support the items listed as charges on the credit card statement. In addition, credit card charge receipts that only show the amount charged are not sufficient receipts for payment because the charge slip lacks detail of what was purchased. Under Minnesota law, a council cannot approve payment for an invoice without proper back up for the credit card purchase. The cardholder will be personally liable for any purchases not approved for payment by the City.

Employees must sign an agreement with the City of St. Paul Park regarding use of the credit card, agreeing to comply with all terms and conditions of this policy and other such policies that relate to City purchases.
**Purchase Authority**

- Purchases must be work related and not for personal use. Use of the credit card for personal purchases is strictly prohibited.
- Credit cards shall **not** be used to purchase fuel for personal vehicles, purchase meals, or to withdraw cash.
- Any single transaction more than $1,000 must have prior authorization by the City Administrator.
- Credit limit on individual cards shall be $2,500. Exception may be granted to appropriate personnel with approval from the City Administrator.

**Cardholder Responsibility**

Upon receipt of the credit card statement, it is the cardholder’s responsibility to review their individual statement and ensure all transactions posted are legitimate transactions. The cardholder is responsible for ensuring any erroneous charges, disputed items, and returns or adjustments are resolved.

It is the cardholder’s responsibility to obtain and provide substantiation for each transaction. Cardholders must submit a receipt or invoice that is itemized and describes in detail the item or service purchased, the vendor, date, and amount. If the cardholder does not submit proper documentation, the cardholder becomes personally liable for the amount of the purchase. An invoice without substantiation cannot be approved for payment by a city under Minnesota law.

It is necessary that the cardholder safeguard the credit card and protect it from theft and unauthorized use. This includes:
- immediately reporting lost cards or unauthorized use to the credit card company, as well as to the Finance Director;
- promptly destroying expired credit cards;
- keeping the credit card in a secure location;
- taking appropriate precautions when using the credit card to make online purchases, ensuring that the online site utilizes industry recognized encryption transmission tools;
- immediately surrender the credit card to the Finance Director upon termination, resignation, retirement, administrative leave, leave of absence, or any other means of leaving employment.

Credit card statements require an accounts payable voucher to be submitted and approved before payment will be processed. The voucher must have proper documentation attached, including itemized receipts, and other substantiation as per City policy, and provide for the appropriate account code for each transaction. The accounts payable voucher, credit card statement and all documentation, should be submitted to the Accounting Technician within three working days of statement receipt (due to the short turnaround time to submit timely payment and avoid finance charges on the balance due).

**Misuse**

Employees may be disciplined, up to and including discharge, for misuse as stated in this policy or as deemed appropriate by the City Council.

**Cancellation**

The City of St. Paul Park reserves the right to cancel a credit card at any time for any reason.