

# Credit Card Policy

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## Baldwin Public Library Birmingham, MI

The purpose of the credit card policy of the Baldwin Public Library is to facilitate purchases for the Library.

1. The Director will be responsible for the issuance, account monitoring, and retrieval and generally for overseeing compliance with the credit card policy.
2. The Director or a Library employee designated by the Director may use the credit card, only for goods or services for the official business of the Library. Documentation detailing the goods and services purchased must be submitted before payment can be approved.
3. The Director is responsible for the protection of the credit card and will immediately notify the financial institution issuing the card if the card is lost or stolen.
4. The Library will use disciplinary measures consistent with current law for unauthorized use.
5. Any benefits derived from the use of the credit card will be the property of the Library.
6. The balance due on the credit card account will be paid within the balance period indicated on the monthly statement. The Baldwin Public Library accepts full responsibility for the debt incurred on the credit card.
7. Only credit cards that have no annual or monthly fees will be used.
8. The Director must immediately surrender the credit card upon leaving the employ of the Library.

## **BALDWIN PUBLIC LIBRARY CREDIT CARD GUIDELINES**

### **I. Guidelines**

**A. CARD USE-** A credit card will only be issued to the Library Director. It will be honored for Library business by any vendor or merchant who accepts the card. The card has an authorized maximum spending limit of \$10,000. Purchases made via the credit card must comply with the Library's financial policy and purchasing guidelines. This card in no way changes such policies. It merely provides a method for making certain payments. Violations of the Library Credit Card Policies and Guidelines may result in revocation of use privileges and termination of employment. Anyone who has inappropriately used the credit card will be required to reimburse the Library for all costs associated with such improper use.

**B. TRANSACTION PROCEDURE-** All credit card transactions can be performed in person, over the phone, or through the mail. When the credit card is used, please follow the Guidelines below:

1. Tell the merchant that payment will be made with the Library's credit card and that it is a non-taxable purchase. If it is a phone or mail order, give the merchant the card number and expiration date. If you are making the purchase in person, present the card to the merchant.
2. Retain all receipts and credit card slips.
3. Follow Library Guidelines for Director approval and payment of the charges in advance of using the card.

**C. TAX EXEMPTION-** You must notify the vendor or merchant that your credit card transaction should be tax exempt if it is for goods or services purchased in the State of Michigan. The attached letter on Library letterhead should be presented to the vendor if it requests documentation for tax and audit purposes.

**D. ITEMS THAT CAN BE PURCHASED WITH THE CREDIT CARD-** The credit card may be used for any of the following city related travel expenses:

1. Travel expenses
2. Conference registration fees.

3. Library Materials, Equipment, Supplies, Contracted Services and Operating Expenses.

The credit card may not be used for personal or non-Library use.

## **F. CREDIT CARD SECURITY**

1. The credit card must be kept in a secure location.
2. **Credit Card Account Number-** The bookkeeper will keep a permanent record of the card, the credit limit established, the date issued and the date returned.
3. **Use by someone other than the cardholder-**The only person entitled to use the credit card is the Director whose name appears on the face of the card or someone authorized by the Director.
4. **Lost or Stolen Cards-** If the credit card is lost or stolen, the bookkeeper is to be immediately notified. The bookkeeper will notify the issuing agency.

## **II. INTERNAL CONTROL GUIDELINES**

### **A. BOOKKEEPER'S RESPONSIBILITIES**

1. Upon receipt of the credit card statement, the bookkeeper is responsible for reviewing the statement for accuracy. This will include reconciling original receipts to the statement transactions.
2. The bookkeeper will prepare the statement for payment on the next available bill listing. If necessary, checks will be issued prior to approval of the warrant list to avoid finance charges. All charge slips must be given to the bookkeeper and attached to the credit card bill when it arrives. The bookkeeper will verify that the expenditure and the bill are accurate. The receipt should contain information certifying the appropriate use of the card.
3. The bookkeeper will be responsible for coordinating the waiving and/or reversing of any and all annual fees and/or finance charges.
4. The bookkeeper must retain the approved credit card statements and accompanying receipts on file for seven years.

- B. LIBRARY DIRECTOR'S RESPONSIBILITIES-** The Director is responsible for ensuring activity and account information is noted on the credit card statement for each line of entry. The Library director will sign the

statement for approval of payment. The approval will attest to the appropriateness of the expenditures.

1. Will use the credit card in compliance with the Library's Financial Policy and Purchasing Guidelines. The Library employee will generate a Request to Purchase form for Supplies, Library Materials, Supplies, Contracted Services, Equipment, or Operating Expense. If there is a pre-printed form, it will be completed and attached to the request form used by the Library. The Director must approve purchases in advance of expenditure being made or order placed.
2. Retain all sales slips/register receipts. These receipts must be submitted to the bookkeeper to reconcile against the monthly credit card statement. Library Guidelines for management approval and payment of charges must be followed.
3. If the credit card transaction has been made over the phone or by mail, submit a confirming copy of the requisition identifying the date and purpose of the transaction to the Director for approval and signature.
4. Ensure that the credit card guidelines defined by the Baldwin Public Library's Credit Card Policies and Guidelines are met.
5. Report lost or stolen cards to the bookkeeper and/or Library Director immediately.

Adopted by Library Board December 16, 2002, amended February 20, 2006