



**TOWN OF HANOVER**  
**BOARD OF SELECTMEN**  
550 HANOVER STREET, SUITE 29  
HANOVER, MASSACHUSETTS 02339  
781-826-5000 ext. 1084

*David Delaney, Chairman*  
*John Tuzik, Vice-Chair*  
*Brian Barthelmes*  
*Emmanuel Dockter*  
*Jocelyn Keegan*

## **PROCUREMENT CARD (PCARD) POLICY AND PROCEDURES**

### **POLICY #14-02**

(Supersedes policy dated 6-16-14)

#### **Purpose and Scope**

The Town of Hanover has established a procurement card program. This program will allow the designated users to make purchases by phone, fax, online or in person and relieve employees of the financial burden of paying for work related expenses and subsequently seeking reimbursement. The purpose of these cards is principally for use in the purchase of lodging, transportation and travel expenses, and conference registration costs. These cards may also be used when it is the only acceptable form of payment by the vendor.

The Town of Hanover has contracted with Bank of America to provide Mastercard credit cards, called procurement cards. The procurement cards are to be used solely to purchase goods and services for the Town of Hanover.

The purpose of these policy and procedures is to establish guidelines to govern the issuance and use of procurement cards.

#### **Policy**

It is the policy of the Town of Hanover to allow the issuance and use of procurement cards to Department Heads. Procurement cards are to be issued at the discretion of the Town Manager in accordance with this policy.

#### **Procedures**

##### **Issuance of Procurement Cards and Established Credit Limits**

The authorized cards as of the adoption of this policy are as follows:

<u>Issued to:</u>	<u>Credit Limit</u>	<u>Issued to:</u>	<u>Credit Limit</u>
Town Manager	\$5,000	Community Services Director	\$1,000
Chief of Police	\$2,500	Fire Chief	\$2,500
Director of Public Works	\$2,500	Facilities Manager	\$2,500
Finance Director	\$2,500	School Positions	\$2,500

All cards will be mailed to the Town Manager for distribution.

The Town Manager shall not issue any additional cards, nor increase the credit limits of any existing cards, without first notifying the Board of Selectmen in writing.

#### **Use of a Procurement Card**

##### **Allowable Uses**

- Cards are to be used for Town of Hanover business only.
- Reservation and payment of travel arrangements

- Conference registrations that are required to be done via the internet
- Payment for goods/services via internet
- Payment for goods/services from vendor that does not accept other forms of payment
- Emergency purchases related to storm or catastrophic events

#### Prohibited Uses

- Personal charges – at no time are personal charges allowed on Town card
  - Cash advances
  - Alcoholic beverages
  - Entertainment of any kind
1. Authorized use of a procurement card – Only the authorized cardholder may use the procurement card. Under no circumstances may a cardholder give his/her card to another person.
  2. At the time of a transaction, the cardholder should advise the vendor of the Town's tax exempt status and provide the vendor with the Town's tax ID# embossed on the card.
  3. At the time of transaction, the cardholder must obtain an original, detailed transaction receipt that is marked by the vendor as "paid". The receipt should include the following information: vendor's name, date of transaction, description of each item purchased, unit cost and extension, the cardholder name and the signature of the cardholder.

*Food or restaurant receipts must be itemized and detailed with reason for the purchase. Restaurant receipts must include a detailed slip of the food served, along with the signed transaction receipt. Alcoholic beverages may not be charged to the procurement card.*

**Purchase over the Internet:** If the procurement card is used to purchase a good or service over the internet, the card user must print the confirmation page from the website showing the details of the order. In the case of a good purchased, upon receipt of the good, the packing slip should be attached to the confirmation page before transmittal to the program manager.

**Purchase by Phone:** If the procurement card is used to purchase a good or service over the phone, the card user should ask for a confirmation of the order by fax. In addition, the vendor should be asked to include an original, detailed receipt with the packing slip that accompanies the good at delivery.

#### Payment of Credit Card Statement

A cardholder must turn in original receipts to the Accounting office weekly. The cardholder is responsible for ensuring receipt of materials and services purchased with the card. The credit card statement will be mailed directly to the Finance Director. Once the statement has been received, the Town Accountant will match up all receipts to the statement activity. The statement will be paid within 25 days of receipt in full as to avoid all late fees and penalties on the account.

The cardholder is responsible for initially working with vendors on any erroneous charges, disputed items or returns. These issues may be brought to the Finance Director for assistance in resolving.

### Card Security

All employees authorized to possess a Town card shall always treat the card with a level of care that will secure the card and the account number to help prevent fraudulent use.

Storage of Credit Card – The card should be kept in an accessible but secure location at all times.

Card account number – The account number should be guarded carefully and should not be written down or posted within the office.

Lost or stolen cards – In the event that a card is lost or stolen, the employees shall immediately notify both the Town Manager and the Finance Director so that the appropriation action may be taken with the credit card company.

### Penalty for Wrongful Use

Any employee who violates the provisions of this policy shall be subject to disciplinary action up to, and including, dismissal, and may be subject to civil or criminal action.

The Finance Director reserves the right to conduct random audits of the procurement card program to ensure compliance with this policy.

The Town reserves the right to suspend or cancel any employee's card without warning at any time.

**EFFECTIVE DATE:** September 18, 2017

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