

**TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY
DEBIT CARD POLICY**

Adopted: April 11, 2023

1. **Purpose:** It is commonplace for organizations to use credit or debit cards for the convenience of making purchases on behalf of the organization, particularly in instances where purchases can only be made via a credit or debit card as manual checks are not accepted (*i.e.*, internet purchases, conference registrations, etc.). In order to simplify the process for purchasing certain items on behalf of the Town of Montgomery Industrial Development Agency (“Agency”), the Agency adopts the following policy on the use of debit cards. The purpose of this policy is to set forth the procedures and requirements for proper use of Agency debit cards.

2. **General Policy:** The Agency, at the discretion of the Board of Directors, shall maintain a debit card account for use by Agency officers and employees, including employees of the Town of Montgomery whom have been designated to work for the Agency by contract agreement (collectively, “employees”). This policy applies to all officers and employees who are permitted to use Agency debit cards to pay for actual and necessary expenses incurred in the performance of work-related duties for the Agency.

3. **Card Type and Limit:**
 - A. The Agency shall utilize a single banking institution Agency for the issuance of no more than two (2) debit cards, which shall be the same bank where the Agency maintains its checking account.
 - B. Debit cards will be issued in the name and liability of the Town of Montgomery Industrial Development Agency.
 - C. Agency debit cards shall be linked to a dedicated debit card account that is separate from any other Agency bank account, including the Agency checking account.
 - D. The debit card account shall have a maximum balance of \$5,000.00 at all times.

4. **Authorization:**
 - A. Only authorized officers and employees shall be permitted to use Agency debit cards and have signing authority.
 - B. The following individuals have been authorized to use Agency debit cards:
 - i. Executive Director
 - ii. Treasurer
 - iii. Chairman
 - iv. Administrative Secretary
 - C. An officer or employee who is authorized to use and is issued an Agency debit card (“Cardholder”) shall be responsible for its use and shall not allow the card to be used by anyone else or for any unauthorized purchases.
 - D. The Cardholder shall complete and sign the statement attached to this Policy and submit it to the Treasurer prior to use of the Agency debit card.
 - E. The Cardholder will sign the debit card immediately upon receipt.

- F. Acceptance of the debit card by the Cardholder implies acceptance and agreement with the policies and procedures set forth in the debit card agreement.
- G. All Cardholders are authorized to view the debit card bank account online, but only the Treasurer and Chairman are authorized to approve transfers between the debit card account and Agency checking account.
- H. All Cardholders must immediately surrender the Agency debit card upon termination of employment or office. The Agency reserves the right to withhold the final payroll check and payout of any accrued leave, if applicable, until the card is surrendered.

5. Use of Card:

- A. The Agency debit card shall be used only for official business of the Agency to pay for actual and necessary expenses incurred in the performance of work-related duties for the Agency when payment by check or EFT/wire transfer is not an available or convenient option.
- B. All purchases made on the Agency's debit card must comply with the Agency's Procurement Policy and Travel and Discretionary Funds Policy.
- C. Debit card purchases shall not exceed the authorized budget for respective line item accounts unless otherwise approved by the Agency Board of Directors.
- D. The Cardholder shall present verification of the Agency's tax exemption status for all in-state purchases and lodging charges.
- E. Agency debit cards shall not be used for cash withdrawals or cashback from purchases, any personal or unauthorized expenses, or for any illegal purchases.
- F. Unauthorized or improper purchases will result in debit card revocation and discipline of the employee. Any individual who makes an unauthorized purchase with an Agency debit card shall be required to reimburse the Agency for the purchase. The Agency shall take appropriate action to recoup unauthorized or improper expenditures including recovering the amount of such unauthorized purchases from an employee's paychecks.

6. Recordkeeping and Reconciliation

- A. All debit card purchases shall be substantiated with an itemized purchase receipt detailing the goods or services purchased, cost, and date of the purchase, together with documentation of prior approval (if any) and the official business explanation.
- B. Receipts and documentation must be submitted to the Treasurer for all debit card purchases within 7 days of the purchase to reconcile against the monthly debit cards statement. Failure to submit such documentation may result in the cardholder being personally liable for the undocumented charges.
- C. At the end of each month, the Treasurer is to review the monthly debit card bank statement and reconcile it with the receipts and documentation received for that month.
 - (i) The Treasurer should determine that all purchases are supported by adequate documentation and investigate any variances.
 - (ii) If there are any unsubstantiated activities identified within the reconciliation process, the Cardholder shall notify the Treasurer in writing explaining why an invoice, receipt or prior approval was not obtained and shall certify that the debit card charge was valid and a reasonable business expense.
 - (iii) Any purchase without appropriate supporting documentation requires a detailed explanation and description and the written approval of the Treasurer (or Board Chairman in the case of Treasurer charges).

(iv) Purchases made by the Treasurer shall be reviewed and reconciled by the Board Chairman.

- D. Once the reconciliation is complete, the Treasurer (and Board Chairman in the case of Treasurer purchases) shall initial the reconciliation to show it has been completed and include a copy in the monthly Financial Report.

7. Safekeeping and Monitoring of Debit Cards

- A. The Cardholder is responsible for the physical security, protection and custody of the debit card at all times.
- B. Agency debit cards shall be kept in a secure location when not in use. After use, the debit cards shall be immediately returned to the secure location from which it was obtained.
- C. Cardholders must take proper care of Agency debit cards and shall take all reasonable precautions against damage, loss or theft. Any damage, loss or theft must be reported immediately to the Treasurer and Board Chair, and the appropriate financial institution. Failure to take proper care of debit cards or failure to report damage, loss or theft may subject the Cardholder to financial liability.
- D. The Treasurer (or Board Chairman in case of Treasurer usage) shall monitor the use of each Agency debit card and report any serious problems and/or discrepancies directly to the Agency Board of Directors.

- 8. Fraud and Abuse Reporting:** Any employee or officer that discovers potentially fraudulent, abusive or otherwise questionable debit card activity shall report activity to the Treasurer and Board Chairman. These types of transactions will be investigated upon notice and the Cardholder's account may be suspended during that investigation period.

**TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY
CARDHOLDER STATEMENT**

I, the undersigned, have thoroughly read, understand, and agree to adhere to the Town of Montgomery Industrial Development Agency Debit Card Policy duly adopted by the Board of Directors on April 11, 2023 as it currently exists and as it may be subsequently revised from time to time.

Print Name

Title

Date

Signature