

CITY OF NEWTON, MASSACHUSETTS  
COMPTROLLER'S OFFICE/PURCHASING DEPARTMENT  
**CREDIT CARD PROCUREMENT POLICY**

The municipal finance laws of the Commonwealth of Massachusetts and the ordinances of the City of Newton prescribe standard methods for procuring goods and services necessary for the delivery of City services. These methods are intended to make certain that assets, liabilities, revenues, expenditures, and fund balances of the City are accurately accounted for; that City funds are only used in accordance with the budget, grant awards, trust agreements, and state, federal and local laws; and that goods and services are acquired at the least possible cost to the City, consistent with necessary quality.

Unless otherwise authorized, all goods and services are to be procured through an open and competitive process, under the direction of the City's Chief Procurement Officer and documented with a standard purchase order or contract approved prior to the actual purchase by the Chief Procurement Officer; the Comptroller; and the Mayor or his designee.

In recognition of the fact that there are certain limited situations where operating departments need flexibility for small purchases that cannot be made under the standard procurement system, the Mayor has authorized (2) credit cards for use by the Chief Procurement Officer and the Assistant Purchasing Agent. The only employees and/ or officers of the City of Newton who are authorized to incur financial obligations on behalf of the City with these credit cards are the Chief Procurement Officer and the Assistant Purchasing Agent. By accepting custody of these cards, the Chief Procurement Officer and Assistant Purchasing Agent assume personal responsibility for any unauthorized use of the credit cards.

The Chief Procurement Officer and Assistant Purchasing Agent are to retain custody of the credit cards at all times and may only use them for purchases that have been authorized in writing by a department head of the City, and for purchases that the Comptroller has certified available funds. All financial obligations incurred with one of the credit cards are to be reported to the Comptroller immediately and the Comptroller is to reserve funds for the payment of all such obligations on the City's general ledger immediately upon notification.

Credit card purchases are to be limited to emergencies and to procurements for which the Chief Procurement Officer or Assistant Purchasing Agent have determined that City's standard procurement and/or accounts payable process can not be used.

Use of a City of Newton credit card is prohibited for any of the following purposes:

- Purchase of meals, alcoholic beverages, tobacco products, or entertainment.
- Purchase of gifts.

- Out-of-state travel expenses.
- Cash advances
- Personal advances or loans.
- Any individual purchase of greater than \$1,000, without the prior concurrence of either the Mayor; Chief Financial Officer; or Chief Operating Officer.

**Requests for Credit Card Purchases:** All requests for credit card purchases shall be made to the Chief Procurement Officer, with a copy to the Comptroller, in a form approved by the Chief Procurement Officer. All such requests shall contain the following information:

- Identification of goods and/or services to be purchased and the reasons why the goods and services cannot be acquired through the City's standard procurement process.
- Identification of the recommended vendor and the vendor's internet address and telephone number.
- Identification of the estimated cost of the purchase and the general ledger key-organization and account to be charged for the purchase.
- Authorization for the Comptroller, with the approval of the Chief Procurement Officer, to charge the identified general ledger key-organization and account at the point that evidence of the delivery of the goods and services have been received, and the City has been invoiced by the credit card company.

**Credit Card Purchases:** No credit card purchase shall be executed until such time as the Chief Procurement Officer has received confirmation from the Comptroller that funds are available for the purchase and the key-organization and account identified by the requesting department is appropriate for the requested purchase. As soon as this confirmation is received and the purchase is executed, the Chief Procurement Officer or Assistant Purchasing Agent shall confirm the purchase with the requesting department and the Comptroller. The Comptroller shall then record a formal encumbrance against the general ledger key-organization and account for the liability associated with the purchase.

**Credit Card Purchase Receiving Report:** As soon as the requesting department takes delivery or receives the goods and/or services acquired through the credit card purchase, the Chief Procurement Officer and Comptroller shall be notified and provided with a written receiving report for the purchased goods and/or services. The receiving report shall contain the signature of the employee who actually confirmed receipt of the purchased goods and or services and shall serve as documentation for payment of credit card charges for the goods and/or services.

**Credit Card Payments:** An original invoice for all credit card purchases shall be forwarded to both the Chief Procurement Officer and Comptroller by the credit card issuer on a monthly basis. After verifying that all charges on the credit card invoice are correct and that the requesting department has confirmed the receipt of all related goods and services, the Chief Procurement Officer will promptly authorize payment to the credit card issuer through the City's standard accounts payable process. All credit card payments will reference the encumbrance recorded by the Comptroller at the time that the credit card purchase took place and may not exceed the amount reported at that time, without the prior approval of the requesting department and Comptroller.

**Credit Card Purchase Reporting:** The Chief Procurement Officer and Comptroller shall make an annual report to the City's Chief Financial Officer and Finance Committee of the Board of Aldermen not later than January 15 of each year, summarizing the dollar amount of credit card purchases and the nature of all such purchases, by department. The report shall include reference to any material control issues encountered in connection with the credit card program.