



POLICY

CITY ISSUED CREDIT CARDS AND/OR PURCHASE CARDS

- A Purpose: To define the proper use of City provided credit cards and/or purchase cards.
- B Establishment: Approved for Adoption by Ordinance No.: _____
- C Effective: November _____, 2018

I. Purpose

The purpose of this Policy is to ensure that any City issued credit card and/or purchase card are closely monitored to provide for maximum security and to guard against misuse and/or losses for which the City may be held liable. This Policy is meant to comply with the mandates of Sub House Bill 312 enacted by the 132nd General Assembly. City use of these cards include circumstances where a purchase order is not accepted for the needed service, supplies and/or materials, or are purchased from a vendor who issues a purchase card to be used in conjunction with a purchase order. The City issued cards are not for personal use and will not be permitted to be carried by personnel on a regular basis for any reason.

II. General Guidelines

The cards are to be kept in the control of the Finance Director or his/her designee and will be supplied by the Finance Department. The Finance Director or designee will secure the cards in a safe or in a locked cash box in a secure drawer.

The Finance Director or his/her designee must keep a master list of all employees who are permitted to use City cards, along with each employee's title, a master list of cards, and the names that appear on each card, if applicable, within the department. Both lists must be updated, and the Finance Director or his/her assignee notified, whenever changes are made. A copy of both master lists must be on file in the Finance Department and must remain current.

Individuals wanting to use a card, must contact the Finance Director or designee. A log with the card name, date of sign in/out time, signature of individual using the card, and a valid purchase order number is to be kept by the Finance Director or designee. The Finance Director or designee must initial each entry on the log indicating approval of the card's use and the purchase.

Regular purchase order policy and procedures must be followed whenever an individual

anticipates using the card. Every purchase using any card must have a valid purchase order assigned to it before the purchase is legal. The purchase order must contain the vendor name, the description, account number, and estimated dollar amount. No purchase shall exceed a spending limit of One Thousand Dollars (\$1,000.00) without the express written consent of the Finance Director or designee. This will assure that sufficient appropriations exist to cover the anticipated charges. Once an invoice is received, return a copy of the purchase order and the receipt(s) to the Finance Department to complete the transaction.

It is the responsibility of the purchaser to request a receipt with every purchase and return the receipt with the credit card to the Finance Department. If the card is used for an internet purchase, the purchaser must print the confirmation, invoice, and billing information at the time of the purchase and return to the Finance Department.

The user must immediately advise the Finance Director if the card is damaged, lost or stolen.

Please be conscious of the sales tax-exempt status, particularly on lodging and other major expenses. The Finance Department will print the tax-exempt forms as needed.

III. Finance Director Responsibilities

A. Determining who should receive a card

The Finance Director or designee shall review, approve, and determine when a credit card or purchase card account will be opened. Cards will be issued to City employees only.

B. Retrieving cards from employees

The Finance Director or designee will retrieve cards from employees who resign from the City, change departments, or transfer to a position which no longer requires the use of a card.

C. Overseeing appropriate use of a card

The Finance Director or designees will:

- i.* Review all card transactions and management reports to ensure that the card is being used appropriately.
- ii.* Ensure all transactions are marked "Viewed" and "Approved" prior to recording in the General Ledger.

D. Ensuring documentation requirements are met

The Finance Director or designees will:

- i.* Ensure necessary detail and documentation are provided on all transactions.
- ii.* Ensure that itemized receipts and card statements are retained and kept in accordance with the City's Records Retention Schedule.
- iii.* Make an annual report to the legislative authority to the City of Green for all rewards received based on the use of the card.

IV. Rules and Procedures for Use

The card is for City business expenses only. It must not be used for personal purchases. The card is not transferable. It may be used by the cardholder only. Itemized receipts must be obtained for all transactions.

Pyramiding. Dividing one purchase into two or more, in order to stay within your transaction limit, is not permitted. Cardholders may not receive cash advances.

Cardholders are responsible for resolving discrepancies for that transaction(s), and ensuring credits are received in a timely manner. Any discrepancies must be reported to the Finance Director or designee. Cardholders may not receive cash back or in-store credits for any refunds or exchanges. The refund amount must be a credit applied to the card account. If a supplier mistakenly issues a refund check, it must be submitted to the Finance Department.

The City of Green is exempt from Ohio sales tax. Cardholders should not pay Ohio sales tax. The cardholder shall supply a tax-exempt form to the supplier before the card is charged. A copy of the City's tax-exempt form is available for the supplier.

If grant funds are being charged, cardholders are responsible for completing the requirements for the grant agency.

Cardholders may not make purchases that violate the City's Policy for restricting business transactions that may be perceived as a conflict of interest (purchases from a business in which individuals or their relatives have a financial interest).

V. Documentation Requirements

Employees must obtain an itemized receipt for every transaction. If a cash register receipt does not have a description, the individual must write the description on the receipt. Any transaction without a properly substantiated receipt, is subject to reimbursement to the City by the employee.

A receipt is defined as an invoice, cash register receipt, sales slip, or packing slip which contains an itemized list of goods purchased, with dollar amounts, and the name and location of the supplier. An employee of the supplier must sign handwritten receipts.

A. Purchases Made in Person

Retain the itemized receipt, in addition to, the card copy to properly substantiate the purchase.

B. Faxed or Mailed Purchases

Retain a copy of the order, as faxed or mailed, and the fax confirmation (if available) for your records.

C. Internet Purchases

At least one (1) of the following types of documentation is required:

- i. Print out of the completed online order form;
- ii. Print out of the online order confirmation; or,
- iii. Print out of the e-mail confirmation.

The user must immediately advise the Finance Director if a card is damaged, lost, stolen, or the subject of suspected fraudulent activity.

VI. Preventing Fraud

The cardholder should use basic security measures, as outlined below, to guard against fraud:

- A.*** Keep the card in a secure location; guard the card number carefully.
- B.*** Save receipts and statements in a secure area (these may contain the card number).
- C.*** Keep the card in view during the transaction and retrieve it as soon as possible.
- D.*** Know where the card is at all times. If the individual can't locate the card, notify the Finance Director or designee to cancel that card immediately.
- E.*** Be aware of what you are signing. Your signature can copy through to other papers that could be deliberately placed underneath for signature fraud.
- F.*** Audit your monthly statement closely. Make sure all charges shown are legitimate charges.
- G.*** Visit reputable and familiar merchants whenever possible.
- H.*** Report possible fraud immediately.

- I.* Do not discard credit card transaction receipts in public areas or discard the receipt in whole form. Thieves can acquire the card number from transaction receipts and statements.
- J.* Do not lend the card to anyone.
- K.* Do not give the card number to anyone over the phone unless you know they are a reputable vendor.

VII. Unauthorized Purchases

City credit and/or purchase card accounts may not be used to purchase the following items:

- A.* Personal items;
- B.* Alcohol and entertainment;
- C.* Controlled substances requiring a DEA license;
- D.* Employee relocation and relocation-related expenses;
- E.* Purchases that involve signing an agreement, license, or contract (e.g., leases);
- F.* Long term rentals (1 year or longer);
- G.* Contracted or personal service providers, specific to unincorporated 1099 service providers (i.e., photographic studios, dry cleaners, physicians, medical labs, auto towing or repair, etc.);
- H.* Weapons or ammunition;
- I.* Donations; and,
- J.* Fuel for a privately-owned vehicle or aircraft.

VIII. Inappropriate Use of Cards

Employees using City issued cards are responsible for safeguarding the card. If inappropriate use of the card is discovered, disciplinary action, up to and including discharge from employment, is possible. In the event of fraudulent use, the City may pursue legal prosecution.

Improper costs associated with prohibited purchases will be collected by requesting the employee to voluntarily repay the City; or, by the employee voluntarily agreeing to a payroll deduction; or, by the necessary legal action available to the City.

Upon the first notice of suspected credit card abuse, the Department Director shall immediately advise the Finance Director who will then consult with the Law Director. The Finance Director will initiate and coordinate an investigation of the suspected credit card abuse. The employee shall be given an opportunity to respond to the allegations being investigated.

Following an interview with the employee, and the completion of an investigation, the Finance Director shall issue a final written report to the Law Director, the Human Resources Manager, and the individuals Director.

Approved By:

Gerard M. Neugebauer, Mayor

Date

Acknowledgment:

As an employee of the City of Green, I understand that the issuance of the City Issued Credit and/or Purchase Card Policy is for City purchases only. I have read and understand the City's Policy on acceptable use of all City issued cards.

I agree to use cards only for authorized purposes. I will immediately notify the Finance Director if the card is damaged, lost or stolen.

I am aware that any violation of this Policy for City issued cards may subject me to disciplinary action, up to and including, discharge from employment if misuse of the card is documented.

Name (please print)

Signature

Date _____