

RESOLUTION NO. 05-19

CITY OF CENTERVILLE, OHIO

SPONSORED BY COUNCIL MEMBER John Beals ON THE 28th
DAY OF January, 2019.

A RESOLUTION TO ESTABLISH A CREDIT CARD POLICY AND PROCEDURES FOR THE CITY OF CENTERVILLE PURSUANT TO HOUSE BILL 312 AND COMPLIANCE WITH OHIO REVISED CODE SECTION 717.13(A).

WHEREAS, the Ohio State Legislature has recently enacted House Bill 312, regulating the use of credit cards and debit cards by political subdivisions; and

WHEREAS, House Bill 312 (“HB 312”) further requires the legislative authority of a political subdivision that holds a credit card account to adopt a written policy, which must comply with the various requirements of Ohio Revised Code Section 717.13, for the use of credit card accounts; and

WHEREAS, HB 312 required political subdivisions to adopt new credit card Policy not later than three months after HB 312’s effective date of November 2, 2018; and

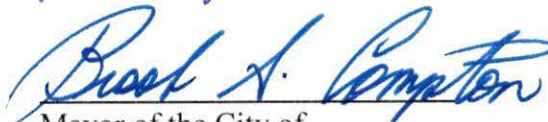
WHEREAS, this Council wishes to establish the City’s policy pertaining to use of the City Credit Cards in order to comply with current law.

NOW, THEREFORE, THE MUNICIPALITY OF CENTERVILLE HEREBY RESOLVES:

SECTION 1. The City of Centerville’s Credit Card Policy is hereby enacted as set forth in substantially the same form as attached hereto as “Exhibit A”.

SECTION 2. This resolution shall become effective at the earliest date allowed by law.

PASSED this 28th day of January, 2019.



Mayor of the City of
Centerville, Ohio

ATTEST:

Carin R. Andrews

Clerk of Council
City of Centerville, Ohio

CERTIFICATE

The undersigned, Clerk of Council of the City of Centerville, Ohio, hereby certifies the foregoing to be a true and correct copy of Resolution Number 05-19 passed by the Council of the City of Centerville, Ohio, on the 28th day of *January* 2019.

Carin R. Andrews

Clerk of the Council

Approved as to legal form and consistency with existing ordinances, the Charter and constitutional provisions.

Department of Law
Scott Liberman
Municipal Attorney

EXHIBIT "A"

CITY OF CENTERVILLE CREDIT CARD POLICY AND PROCEDURES

1. Purpose:

The purpose of this policy is to insure that all use of credit cards by city employees is in compliance with the requirements established by Ohio Revised Code Section 717.31(A), and to insure that all purchases made by their use are for proper public purposes.

2. Definitions

"**Credit card account**" means any bank-issued credit card account, store-issued credit card account, financial institution-issued credit card account, financial depository-issued credit card account, affinity credit card account, or any other card account allowing the holder to purchase goods or services on credit or to transact with the account, and any debit or gift card account related to the receipt of grant moneys.

"**Credit card account**" does not include a procurement card account, gasoline or telephone credit card account, or any other card account where merchant category codes are in place as a system of control for use of the card account.

"**Presentation Instruments**" are also known as or include credit cards.

3. Officers or Employees Authorized to Use a Credit Card Accounts

Credit Cards may be used by the following:

- a. The City Manager or the City Manager's designee.
- b. The Director of Finance or the Director of Finance's designee.
- c. The Public Works Director or the Public Works Director's designee.
- d. The Police Chief or the Police Chief's designee.
- e. The Police Staff Services Coordinator.
- f. Police Department Secretary.
- g. The Community Resources Coordinator or the Coordinator's designee.
- h. The Administrator of Benham's Grove or the Administrator's designee.
- i. The IT Manager.
- j. The Yankee Trace Food Service Director or designee.

- k. The Yankee Trace Maintenance Director or designee.
- l. The Clerk of Council or the Clerk's designee.

4. Types of Expenses for Which a Credit Card Account May be Used

- a. Credit Card Account purchases **MUST** be for proper public purposes. Expenditures must be for authorized City work-related expenses that benefit the City. Examples of appropriate expenditures are:
 - i. Tools to complete City tasks and owned by the City, including online purchases.
 - ii. Materials and/or supplies that are necessary for completion of a City project, including online purchases.
 - iii. Travel expenses (i.e. lodging, transportation, seminar fees, etc.), including online purchases.
 - iv. Motor vehicle repair and maintenance expenses for City owned vehicles or equipment with prior authorization.
- b. Credit Card Accounts **CANNOT** be used the following expenses:
 - i. Personal expenses, including, but not limited to entertainment, personal goods, personal services. Any purchase/use for personal benefit rather than the benefit of the City (proper public purpose) is an unauthorized use and misuse of a credit card.
 - ii. Alcohol.
 - iii. Cash Withdrawals - No officer or employee of the City shall make a cash withdrawal (to include additional cash with purchase).
 - iv. Refunds - No officer or employee of the City shall accept a cash refund. ANY refund or credit for returned materials (goods) must be entered by the vendor against the "credit card" for the City.
 - v. Gift Cards
- c. No late charges or finance charges shall be allowed as an allowable expense unless authorized by City Council.

5. Procedure for Acquisition, Use and Management of the Credit Card Accounts

- a. The Director of Finance is responsible for administration of City credit card accounts, to include, but not limited to, selection of card provider, payment of credit card bills, managing issuance of cards, and ensuring proper use.
- b. Documentation will be kept/filed with the credit card account at the business, such as tax exempt forms.

- c. The Director of Finance shall not retain general possession and control of all credit card accounts, and presentation instruments related to the account.
- d. City credit cards retained by any authorized Officer or Employee shall be safeguarded when not in use.
- e. The Director of Finance may develop additional internal accounting controls for management and use of credit card accounts.
- f. Procedure for Reporting Lost or Stolen Credit Cards. Whenever any officer or employee who is authorized to use a credit card suspects the loss, theft, or possibility of an unauthorized or unlawful misuse of a credit card account or a credit card, the officer or employee shall notify the Director of Finance and City Manager **immediately**, and subsequently make a report in writing. The Director of Finance, in turn, shall immediately notify cardholder services to place a hold on the relevant credit card account.

6. Procedure for Submitting Itemized receipts to the Director of Finance of a credit card account and presentation instruments related to the account including cards and checks.

- a. The Presentation Instrument(s) related to any credit card account shall be limited to a credit card(s) – no other Presentation Instrument such as checks shall be obtained or used.
- b. Appropriation and encumbrance (Purchase Order) credit cards will still require the normal appropriation and encumbrance system to be followed. All purchases via credit cards must assure that any and all purchases have sufficient funds appropriated and encumbered to cover the purchase and/or daily/weekly/monthly maximum purchase limits. Additional controls and/or other purchasing procedures established by the Director of Finance may also be required to be followed. (Departments must have opened a purchase order prior to making purchases and have sufficient funds to cover purchases.)
- c. Approval from/by the Director of Finance, City Manager, Assistant City Manager and/or the Department Head for purchases with City credit cards must be obtained prior to purchases.
- d. Debt incurred as a result of use of a credit card pursuant to this policy shall be paid from moneys appropriated to specific appropriation line items of the department for work-related expenses.
- e. Itemized Receipts
 - i. For every transaction/use of a credit card, the user/purchaser must submit an itemized receipt to the Director of Finance or designee as soon as practical.

- ii. The itemized receipt shall have the purchase order number written on it.
 - iii. The itemized receipt shall have the purpose and/or “project” for which the purchase was made written on it.
 - iv. For all travel related expenses, purchases must also comply with the itemized receipt requirements set forth by the City.
 - v. A credit card statement will **NOT** suffice for itemized receipt.
 - vi. Missing documentation (itemized receipts) may result in an employee being personally responsible for the purchase/expense, and/or may be considered misuse of a credit card.
- f. No Copies of a credit card shall ever be produced.
- g. Every effort shall be made to assure that a purchase with a credit card account is exempt from any and all taxes possible.

7. Procedure for Credit Card Issuance, Credit Card Reissuance, Credit Card Cancellation and the process for Reporting Lost or Stolen Credit Cards

- a. Whenever any officer or employee who is authorized to use a credit card suspects the loss, theft, or possibility of an unauthorized or unlawful misuse of a credit card the officer or employee shall notify the Director of Finance and City Manager **immediately**, and subsequently make a report in writing. The Director of Finance, in turn, shall immediately notify cardholder services to place a hold on the relevant account.
- b. The City Manager or the Director of Finance is responsible for administration of City credit card accounts, including but not limited to cancellation of credit card accounts.

8. Maximum Credit Limits for Credit Card Accounts

Credit cards will have credit limits to be determined by the Director of Finance with a maximum credit limit per card not to exceed \$25,000.

9. Misuse of a credit card

The use of a City credit card account for expenses beyond those authorized by this Policy, or any failure to comply with this Credit Card Policy and Procedures, constitutes misuse of a credit card account.

a. Criminal Penalty

An officer or employee of the political subdivision or a public servant as defined under section 2921.01 of the Revised Code who knowingly misuses a credit card account held by the City of Centerville violates section 2913.21 of the Revised Code, as well as any other applicable

criminal penalty.

b. Disciplinary Action

Misuse of a credit card account may also subject an officer or employee of the City to disciplinary action.

c. Liability

The officer or employee is liable in person and upon any official bond the officer or employee has given to the political subdivision to reimburse the treasury the amount for which the officer or employee does not provide itemized receipts in accordance with this policy and/or for any other unauthorized use of a "credit card" as established by this policy.

10. Presentation Instruments for All Credit Card Accounts

The name of the "City of Centerville" shall appear on each Presentation Instrument related to any credit card account.

11. Compliance Officer

- a. Since the Director of Finance does not retain general possession and control of the credit card account and presentation instruments related to the account including cards and checks, the City Manager is to appoint a City employee to be the City's Compliance Officer.
- b. The Compliance Officer may not use a credit card account and may not authorize an officer or employee to use a credit card account.

12. Quarterly Reports to City Council

The Compliance Officer and the City Council shall review the following at least quarterly:

- a. The number of credit cards and accounts issued;
- b. The number of active cards and accounts issued;
- c. The cards' and accounts' expiration dates; and
- d. The cards' and accounts' credit limits.

13. Annual Report of Rewards of Credit Card Accounts

The Director of Finance or its designee shall file a report with City Council detailing all rewards received based on the use of the political subdivision's credit card account on an annual basis.

14. Subject to Audit

All purchases via credit cards are subject to audit by the City Manager and the City Manager's designee, the Director of Finance and/or the Auditor of State to verify compliance with this policy and/or State law. Auditing by the Director of Finance will be by periodic internal reviews of purchases via credit cards. Any non-compliance discovered by the City Director of Finance will be reported to

the Auditor of State. Non-compliance may result in a finding by the Auditor of State.

15. Improper Expenditure

If it is determined that there has been a credit card expenditure beyond the appropriated or authorized amount and/or in non-compliance with this policy, the Director of Finance and/or the Department Head shall immediately notify the City Manager and Department Head of such actions.

16. Signed Acknowledgement

All authorized users of City credit cards shall sign acknowledgment of this Credit Card Policy and Procedures before receiving a City credit card. See Attachment "A".

ATTACHMENT "A"
Credit Card Holder Acknowledgment Form

I, _____, an employee or officer of the City of Centerville, acknowledge: that I:

1. have received a copy of the City's Credit Card Policy and Procedures, and
2. have read and understand the City's Credit Card Policy and Procedures, and
3. agree to conform to all the conditions and requirements of the City's Credit Card Policy and Procedures, and
4. accept personal responsibility for the safeguard and proper use of any and all City credit cards, which either have been provided to me or "checked out" for use in performance of my City duties, and
5. understand that I am personally liable for the misuse of any City credit cards provided to me or "checked out" by me, and
6. shall be held personally responsible for the misuse of any City credit cards provided to me or "checked out" by me, and
7. shall be held personally responsible for inappropriate charges made on any City credit cards provided to me or "checked out" by me, and
8. shall be held personally responsible for failing to timely provide the Director of Finance with itemized receipts, and
9. shall be held personally responsible for failing to timely notify the Director of Finance that a City credit card(s) provided to me or "checked out" by me is lost or compromised, and
10. understand the Director of Finance or the City Manager, shall, at a minimum, discontinue my use of a City credit card for violation or misuse of the credit card, and
11. understand my misuse of any City credit cards may lead to discipline, which could include termination/demotion, and
12. understand my misuse of any City credit cards may subject me to potential criminal penalties in addition to potential discipline, and
13. hereby authorize that any inappropriate charges may be withheld from my salary.

Employee's Printed Name

Employee's Signature

Date _____