

RECORD OF RESOLUTIONS

Resolution No. 2019-C

January 28, 2019

City of Bellbrook

Resolution No. 2019-C

A Resolution Establishing Credit Card Policies and Procedures for the City of Bellbrook 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 a new credit card policy in compliance with these requirements 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 City credit cards to comply with the current law.

Now, Therefore, the City of Bellbrook Hereby Resolves:

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

Section 2. That this resolution shall take effect and be in force forthwith.

Robert L. Baird, Mayor

Pamela Timmons, Clerk of Council



Credit Card Policy

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 services.

2. Exclusion

It should be noted that the City will not obtain or maintain any debit cards.

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

Credit Cards may be used by the following:

- The City Manager and/or the City Manager's designee
- The Service Director and/or the Service Director's designee
- The Police Chief and/or the Police Chiefs designee
- The Fire Chief and/or the Fire Chief's designee

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

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:

- a. Materials and/or supplies that are necessary for completion of a City project, including online purchases.
- b. Travel expenses (i.e. lodging, transportation, seminar fees, etc.), including online purchases.
- c. Motor vehicle repair and maintenance expenses for City owned vehicles or equipment with prior authorization.

5. Credit Card Accounts CANNOT be used the following expenses:

- a. 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.
- b. Alcohol
- c. Cash Withdrawals - No officer or employee of the City shall make cash withdrawals (to include additional cash with purchase).

- d. 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.

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

- a. The City Manager/Finance Director 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. All credit cards shall bear the name of the "City of Bellbrook"
- c. The City Manager/Finance Director shall not retain general possession of all credit card accounts and each employee issued a credit card shall have permission to possess the card issued in their name.
- d. City credit cards retained by any authorized Officer or Employee shall be safeguarded when not in use.
- e. No copies of a credit card shall ever be produced.
- f. The City Manager/Finance may develop additional internal accounting controls for management and use of credit card accounts.

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

- a. Approval from/by the City Manager/Finance Director or the Department Head for purchases with City credit cards must be obtained prior to purchases.
- b. Credit cards still require the normal appropriation and encumbrance (purchase order) system to be followed. All purchases made via credit cards must assure sufficient funds are appropriated and encumbered to cover the purchase and/or daily/weekly/monthly purchase limits. Additional controls and/or other purchasing procedures established by the City Manager/Finance Director 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. Itemized Receipts
 - 1. For every transaction/use of a credit card, the user/purchaser must submit an itemized receipt to the City Manager/Finance Director or designee as soon as practical.
 - 2. The itemized receipt shall have the purchase order number written on it.
 - 3. The itemized receipt shall have the purpose and/or "project" for which the purchase was made written on it or referred to in the description of the purchase order.
 - 4. A credit card statement or handwritten receipt will NOT suffice for an itemized receipt.
 - 5. 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.
 - 6. Every effort shall be made to assure that a purchase with a credit card account is exempt from any and all taxes possible.

- d. 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.

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

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

9. Maximum Credit Limits for Credit Card Accounts

Credit cards will have credit limits to be determined by the City Manager/Finance Director with a maximum credit limit per card not to exceed \$5,000.

10. 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 Bellbrook 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.

11. Compliance Officer

- a. Since the City Manager/Finance Director 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 have their own 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' accounts/credit limits

13. Annual Report of Rewards of Credit Card Accounts

The City Manager/Finance Director or their 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, if applicable.

14. Subject to Audit

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

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

- have received a copy of the City's credit card policy, and
- have read and understand the policy, and
- agree to follow all of the requirements and conditions of the policy, and
- accept personal responsibility for the safeguard and proper use of any and all city credit cards that have been provided to me, and
- understand that I am personally liable and responsible for the misuse of any City credit card, and
- understand that any misuse of a City credit card may lead to discipline and criminal penalties, and
- hereby authorize that any inappropriate charges may be withheld from my salary.

Employee's Signature

Date