

**CITY OF OAKWOOD**  
**ADMINISTRATIVE POLICIES AND PROCEDURES**

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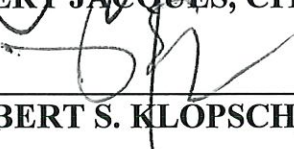
**POLICY NO. 17**

**SUBJECT: City Credit Card Account Usage**

**DATE:           ORIGINATED: June 21, 2010**  
**REVISED: January 31, 2019**  
**REVISED: June 1, 2019**

**RECOMMENDED BY:**   
\_\_\_\_\_  
**CINDY STAFFORD, FINANCE DIRECTOR**

**CONCURRED BY:**   
\_\_\_\_\_  
**ROBERT JACQUES, CITY ATTORNEY**

**APPROVED BY:**   
\_\_\_\_\_  
**NORBERT S. KLÖPSCH, CITY MANAGER**

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**POLICY:** The City shall provide City issued credit cards to be used for authorized City purchases in accordance with all federal and state laws, and all local laws and policies issued by the city of Oakwood. **The “City of Oakwood” name must appear on all presentation instruments related to the accounts, including all cards and checks.** Cardholders or employees designated as responsible for credit card accounts are required to safeguard the accounts and cards to reduce the risk of theft or fraud. These individuals are also responsible for following all purchasing guidelines when using the account or card to make purchases, including entering a requisition for the purchase, presentation of the sales tax exemption letter to the vendor, and forwarding to Finance detailed itemized receipts to allow for accurate and complete reporting of credit card transactions within the City’s financial accounting system.

**PURPOSE:** The purpose of this policy is to ensure City issued credit cards are properly safeguarded, only used for proper public purposes, in compliance with the Ohio Revised Code, and are reconciled timely to allow for accurate and complete reporting within the City’s financial accounting system.

**DEFINITIONS:**

*Credit Card Account* – Any bank issued credit card account, store issued credit card account, financial institution-issued credit card account, financial depository-issued credit card, or any other card or credit 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.

*Debit Card Account* – A card account issued by a financial institution which allows the holder to transfer money electronically to another bank account when making a transaction, including single-use cash and prepaid gift cards (not related to the receipt of grant monies.). These cards act like cash and do not have built-in restrictions over employee spending and are **not allowed** under current Ohio law (Section 2913.21 of the Revised Code.) The only exclusion would be debit card accounts related to the receipt of grant moneys and for law enforcement purposes.

*Compliance Officer Model* – A system in which the fiscal officer does not maintain physical control of credit cards. A compliance officer must be appointed and should not be the fiscal officer. The compliance officer will perform quarterly reviews of the number of cards, active cards, expiration dates, the credit limits for each card, and any rewards received for use of municipal credit cards.

*Custody and Control Model* – A system in which the fiscal officer maintains physical control of all City of Oakwood credit cards. Credit cards are signed out by authorized, designated users.

*Cardholder* – Employee named on the City issued credit card, or in the case of a City, departmental or virtual card, the employee assigned by the City Manager as responsible for the credit card or the employee who has signed out the credit card.

*Card User* – Employee who is using the credit card and will be responsible for the card and purchases made while in his/her possession.

*Virtual Card* – A City credit card that is not in physical form. This can be used for online purchases or other purchases that do not require presentation of the card for processing the transaction (e.g. Amazon Business.)

## **PROCEDURE:**

### **I. Issuance**

- a. The City Manager will review a request for a credit card account and determine if necessary.
- b. If approved, the new card or account will be set-up and received by the Finance Department. If a credit card, Finance will make a copy of the front and back of the credit card for safekeeping. Finance will update the credit card account detail spreadsheet and place the credit card in the binder maintained by Finance. The employee named on the card, or in the case of departmental or virtual cards, the employee designated by the City Manager as the responsible person (Cardholder) will be notified. The employee must sign a credit card account usage agreement. The credit card account usage agreement will be maintained in the employee's payroll file. No credit card will be signed out without the credit card usage agreement on file.
- c. Travel credit cards are available for use by employees. The travel credit cards are kept in the credit card binder in Finance and may be signed out for travel or miscellaneous purchases with an approved purchase order. The employee must sign a credit card account usage agreement. The credit card account usage agreement will be maintained in the employee's payroll file. No credit card will be signed out without the credit card usage agreement on file.



## II. Responsibilities

- a. Credit cards will be maintained in the Finance Department and may be signed out to authorized city personnel from time to time as necessary. An approved purchase order must be obtained prior to signing out a city credit card. The approved purchase order is the authorization to sign out a city credit card. The employee must sign the credit card's respective log when signing the card out and then when returning the credit card to Finance. The card shall be promptly returned to the Finance Department once the transactions are completed or travel is completed. In all cases a credit card must be returned to the Finance Department by the close of business on the employee's next day of work. The credit card must be returned to a member of the Finance department.
- b. The Cardholder is required to adequately safeguard the card to reduce the risk of theft or fraud. The card should be kept in a secure location and protected from misuse by unauthorized users. When using the credit card for internet purchases, users should ensure that the site utilizes industry recognized encryption transmission tools (e.g. https URL.)
- c. If the Cardholder will be allowing other departmental employees access to the card to make purchases, the Cardholder must give each Card User who will be using the card a copy of this policy and a credit card account usage agreement must be signed by the Card User acknowledging their responsibilities. The Cardholder shall be responsible for ensuring that these requirements are met prior to granting access to any Card User. Failure to do so will result in the Cardholder being held responsible for any charges made by the Card User.
- d. The Cardholder and any Card User may only purchase goods and services that have received prior authorization through the City's requisition process and which are in accordance with the City's Purchasing Policy #2.
- e. The Cardholder is responsible for knowing the credit card limitations and restrictions as noted below under section III, and following the same.
- f. If a card has been lost or stolen, the Cardholder or Card User must notify the Finance Department immediately. If City offices are closed, the Cardholder or Card User should report the lost or stolen card to the card company.
- g. If the Cardholder or Card User becomes aware of fraudulent charges, they must notify the Finance Department immediately. If City offices are closed, the Cardholder or Card User should report the fraudulent charges to the card company.
- h. It is each Cardholder's responsibility to follow-up on erroneous charges, returns or adjustments to ensure proper credit is given on subsequent statements. Finance will also review.
- i. Each Cardholder must obtain transaction receipts from the vendor each time the credit card account is used, including telephone and internet purchases. These are to be forwarded to Finance immediately or at the latest three (3) business days

from the date of purchase or return from business travel.

- j. Finance will keep statement data and proof of reconciliation, including receipts and packing slips, on file for a period consistent with the City's record retention policy.

### **III. Violations**

- a. Cardholder and Card User violations of this policy or any policy regarding the purchase of goods or services will be investigated and may result in any or all of the following actions, but not limited to: written warning, revocation of credit card privileges, cancellation of delegation of purchasing authority, disciplinary action, termination and/or criminal prosecution. The City Manager or designee has the authority to investigate and determine whether a violation of purchasing or credit card account policy has occurred and to determine action deemed most appropriate. If it appears that criminal conduct may have occurred, the matter will be referred to the City Safety Department Detective and City Prosecutor to determine appropriate action. Human error and extraordinary circumstances may be taken into consideration when investigating any violations.
- b. Violations of credit card account usage include but are not limited to:
  - Purchase of items for personal use;
  - Use of credit card for cash advances;
  - Failure to return the credit card when user has been reassigned, is terminated, or upon demand by the City;
  - Failure to turn in packing slips, receipts or other back-up documentation to Finance within three (3) business days of the purchase or return from traveling;
  - Sharing the credit card or account with unauthorized users.
- c. The credit card account remains the property of the City. It may not be transferred to, assigned to, or used by anyone other than users authorized by the City.

### **IV. Finance Director**

- a. The Finance Director or designee must annually file a report with the City Council and City Manager, and the State Auditor detailing all rewards received based on the use of the City credit card accounts.
- b. The Finance Department will review quarterly the credit card account spreadsheet and update the number of cards and accounts in the City's possession, the number of active City credit cards and accounts, expiration dates and the credit limits for each card and account.



## City of Oakwood Credit Card Account Usage Agreement

This City Credit Card Account Usage Agreement (“Agreement”) is between The City of Oakwood (“the City”) and

\_\_\_\_\_  
Name (Print) and Title

By my signature on this agreement, I agree to comply with and be bound by City Policy # 17, *City Credit Card Account Usage* and the following conditions:

1. I understand that all City credit cards or accounts are City property and I will be making financial commitments on behalf of the City when using any City credit cards or accounts. I agree that use of City credit cards or accounts are limited to proper public purposes authorized by the City. I agree City credit cards or accounts must not be used for any personal, unauthorized, or illegal charges and any such misuse will result in cancellation of City credit cards or accounts and may further result in disciplinary action up to and including termination of employment and criminal prosecution.
2. I understand that the City may review and investigate use of City credit cards or accounts and I have no expectation of privacy concerning any charges incurred. I will cooperate with any such investigation. I agree to be held personally liable for the total dollar amount of any improper charges incurred plus any administrative fees assessed in connection with misuse of City credit cards or accounts. I agree that any personal, unauthorized, or illegal charges made by me, including any administrative fees and / or finance charges assessed in connection with such charges, and paid for by the City on my behalf will be repaid through payroll deduction. I understand that payroll deduction will be subject to limits set forth by applicable law. If such deductions are not permitted by law or are insufficient to fully reimburse the City, I will repay the City these amounts and the City may take appropriate legal action to collect monies owed. If the City is required to take legal action to collect monies owed under this agreement, I agree to pay the City’s expenses, including attorney’s fees, incurred in its collection efforts. I agree that I may be liable for improper charges that result from allowing others to use City credit cards issued to me.
3. I agree to reconcile my expenditures and timely submit transaction receipts from the vendor each time the City credit card accounts are used by me, including telephone and internet purchases. These are to be forwarded to Finance immediately or at the latest three (3) business days from the date of purchase or return from business travel. If I fail to timely submit accurate and complete receipts and / or backup documentation, the City may consider the unsupported charges incurred in connection with the City credit cards or accounts as unauthorized, and may collect these amounts from me as described above.

**City of Oakwood**  
**Credit Card Account Usage Agreement**

4. I agree to return any City credit cards immediately upon request by the City Manager or upon termination of my employment for any reason (including retirement) with the City. I understand that this Agreement is revocable by me at any time upon written notice to the City Manager. If revoked, I understand I must stop using any City credit cards or accounts immediately and return any physical City credit cards issued to me with my revocation notice to the City Manager. I understand that if revoked, I remain responsible for any misuse and remain indebted to the City for any personal, unauthorized, or illegal charges made prior to the revocation and return of the City credit cards.

5. I agree to immediately notify Finance upon discovering City credit cards or accounts have been lost, misused, or stolen, or City credit cards or accounts have been subject to fraud, unauthorized use or misuse. I agree to cooperate with any investigation concerning the loss, theft, or suspected misuse of City credit cards issued to me or accounts with which I have been granted access.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Received By

\_\_\_\_\_  
Date

