

# CITY OF CLAYTON, OHIO

## RESOLUTION NO. R – 01 – 23 - 13

### A RESOLUTION AUTHORIZING AND APPROVING AMENDED CREDIT CARD POLICY FOR THE CITY OF CLAYTON

**WHEREAS**, Governor Kasich signed into law H.B. 312 (codified at Ohio Revised Code 717.31) requiring the legislative authorities of municipal corporations that hold a credit card account to adopt a written policy for the use of credit card accounts no later than February 2, 2019; and

**WHEREAS**, on January 17, 2019, Council authorized adoption of a Credit Card Policy via approval of Administrative Policy 1.3; and

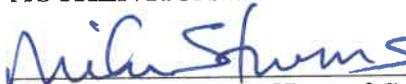
**WHEREAS**, City staff has recommended specific amendments to the current Credit Card Policy-Administrative Policy 1.3.

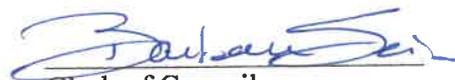
**NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLAYTON, STATE OF OHIO:**

1. That the current City of Clayton Credit Card Policy-Administrative Policy 1.3, appended hereto as *Exhibit A*, is hereby amended as follows:
  - a. To increase the credit card limit for each Battalion Chief position (3) from \$500.00 to \$1,000.00;
  - b. To increase the credit card limit for the position of Director of Golf Operations from \$500.00 to \$1,000.00;
  - c. To add a \$1,000.00 credit card limit for the position of Events Manager.

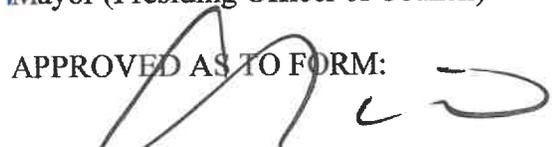
ADOPTED BY COUNCIL ON JANUARY 19, 2023.

AUTHENTICATION:

  
\_\_\_\_\_  
Mayor (Presiding Officer of Council)

  
\_\_\_\_\_  
Clerk of Council

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Law Director

CERTIFICATION OF PUBLICATION

This shall certify that that the text of the above referenced enactment or a summary thereof was published once in the following newspaper and a summary posted in three places of public access as designated by Council.

Name of newspaper

Brookville Star

Date of publication

January 25, 2023

Barbara Se

CLERK

## Exhibit A

ADMINISTRATIVE POLICY 1.3  
Issued June 2001  
Revised January 2019

### CREDIT CARD USE POLICY

#### I. PURPOSE

The purpose of this policy is to provide internal controls and accurate accounting procedures with regards to the use of credit cards, while increasing purchasing flexibility. Also, to ensure the City of Clayton bears no legal liability from inappropriate use of credit cards. The City of Clayton may make available the use of credit cards to employees with purchasing responsibilities. Use of credit cards is considered to be a privilege and is not a right for any employee of the city. This privilege may be revoked for failure to adhere to any or all of the policy, guidelines and/or instructions set forth in this document. Employees that use credit cards, by their acceptance of the credit card, agree to comply with the city's credit card policy, guidelines for usage, and instructions set forth below. This document also references related policies which can be found with other City Administrative Policies.

#### II. POLICY

It is the policy of the City of Clayton to utilize its established purchasing procedures via paper check and purchase order for normal purchases. However, there may be situations where the preferred method of payment is not the most effective. The City of Clayton will allow the use of the City Credit Card for the following reasons:

- When traveling on official City business
- When a check form of payment is not accepted (such as official city business meal)
- When a check form of payment is not conducive to operational efficiency, and
- When making online purchases for City business

The City Credit Card may NOT be used for the following reasons:

- Personal purchases of any kind
- Personal cash advances through automated teller machines or through a bank teller
- Alcoholic beverages
- Any product or service that is not considered "official City business" or any use of city funds considered "inappropriate"
- Entertainment

#### III. GUIDELINES

A. The purchasing system provides for the policies and procedures for control of the City's expenditures. These controls include the review and approval of purchase

requests by the City Manager. As purchases are approved, a purchase order (P.O.) number is then assigned. This established system ensures purchasing activity is limited to the appropriations available and that the purchases can be appropriately tracked. The expenditure of city funds must be for a proper public purpose.

- B. Each credit card will have a predetermined spending limit.
- C. Each person issued a credit card (the cardholder) will be responsible for maintaining spending under its spending limit, within the monthly billing cycle.
- D. The City of Clayton is a tax-free Government entity. Purchases should be obtained without tax, whenever possible. Tax exemption forms may be obtained through the Finance Department, after the purchase request has been approved.

#### IV. ISSUE

The City credit card will be issued to only the following individuals and at the listed limit (these limits can be increased for a temporary period of no more than three months as approved by the City Manager):

- City Manager \$2,500
- Director of Finance \$15,000
- Assistant to the City Manager \$2,500
- Public Services Director \$2,500
- Director of Development \$2,500
- The Departments of Administration & Finance, to be held in the Finance Department \$500
- The Police Chief \$2,500
- The Fire Chief \$2,500
- Each Fire Battalion Chief (3) \$1,000
- Director of Golf Operations \$1,000
- Events Manager \$1,000
- Mechanic \$500

#### V. PROCEDURE

- A. Credit cards will be issued from the Finance Department. Each cardholder will sign a "City of Clayton Credit Card Agreement" (*see attachment A*). The agreement requires each cardholder's signature, along with the card number that is issued. The credit card will display the employee's name as well as the City of Clayton's name on the face of the card.
- B. When a credit card is needed to complete a purchase for City business, the card holder shall notify the Finance Department and sign-out their specific card. Upon approval, a P.O. number must be acquired from the Finance Department. The Credit Card Log-In/Log-Out Sheet (*see attachment B*) must be completed when

the card is signed out as well as when the card is signed back in. The card must be returned and signed-in no later than three (3) business days after the receipt of the monthly statement. The Finance Department shall meet with the card holder, review/reconcile the monthly statement, confirm adherence to the policy, and only then may the card be signed-out again for future City business purchases.

- C. It is the cardholder's responsibility to obtain itemized transaction receipts from the vendor each time the credit card is used. Original receipts will be matched to the cardholder's monthly statement. For cardholders who check out a card from the Finance Department, original receipts must be turned in at the time the card is returned. The following guidelines apply:
- Original receipts must be attached for all purchases of goods and services regardless of cost. This includes charges for meals and goods.
  - Receipts must be itemized receipts, detailing each item purchased. If a tip was added to a meal purchase, the itemized and summary receipts must be turned in.
  - Missing receipts – Cardholders must attempt to get the receipt from the vendor. If the receipt is not available, the cardholder must provide explanation for the transaction by filling out a "Missing Receipt Disclosure" form (*see attachment C*) for each missing receipt. The "Missing Receipt Disclosure" form may be found on the Administration folder on the R drive.
  - Officers and Employees are liable in person and upon any official bond the officer or employee has given to the political subdivision to reimburse the treasury for the amount for which the officer or employee does not provide itemized receipts in accordance with this credit card policy.
- D. Credit card numbers are not to be stored on any websites for online purchases, travel-related reservations, etc.
- E. Cards cannot be used for IRS reportable payments for services (i.e., independent contractor services for which a 1099 must be issued for amounts totaling in excess of \$600.)
- F. Cards may be used for vendors who are incorporated, governmental or tax exempt and online purchases of goods or travel.
- G. Cardholders must comply with all city expense and travel policies. See 2017 Purchasing and Procurement Policy and Personnel Manual Travel Policy (Article 30) for additional information.
- H. For Emergency situations, purchases will be processed as a Then and Now procurement.

- I. The Finance Director shall annually report to City Council all rewards received by the City for the use of the credit cards.

**VI. DISPUTES & RETURNS**

- A. If items purchased with the credit card are found defective or the repair or service is faulty, the cardholder will be the responsible party to return those items, receive reparation or receive the credit for the purchase. If the merchant refuses to replace or correct the faulty item, then the purchase is considered to be "*in dispute*".
- B. All disputed items must be brought to the attention of the Director of Finance by the cardholder.
- C. The Finance Department must annotate all disputed items on the monthly account billing statement.

**VII. LOST OR STOLEN CREDIT CARDS**

- A. Should a credit card be lost or stolen, it is the responsibility of the cardholder to *immediately* notify the financial institution upon discovery of the card being lost or stolen.
- B. It is the responsibility of the card users and the cardholder to notify the Director of Finance *within one working day* of a lost or stolen credit card. Any suspicious use/activity of a credit card shall be reported to the Director of Finance immediately when noticed. Failure to do so may be grounds for termination of card use and/or responsibility.

**VIII. EMPLOYEE TRANSFER & TERMINATION**

- A. Should a cardholding employee discontinue employment with the City of Clayton, the Director of Finance will be responsible for canceling their credit card. The canceled card must be returned to the Finance Director before the employee's last day of employment with the City and the Finance Director and employee shall review receipts and reconcile the credit card before the employee's last day of employment with the City.

**IX. REQUESTS FOR CREDIT CARDS OR CHANGES TO EXISTING CARDS**

- A. All requests for initial credit cards will go to the City Manager.
- B. Any changes to an existing credit card requires approval of the City Manager.

**X. STORE CREDIT CARDS**

- A. Store issued credit cards (such as Tractor Supply, etc.) will follow the same procedures for bank credit cards, as discussed in Items III through IX.

- B. For store accounts that do not utilize physical cards (i.e. Lowe's), Department Heads must approve employees who are allowed to be listed as authorized purchasers. Employees must contact Finance Department to obtain a purchase order before the purchase is made. Once purchased, the Department Head must sign off on the receipt and present receipt to the Finance Department to be attached to the purchase order. A reconciliation will be performed between the receipts, purchase orders and store statement each month.
- C. For Amazon Prime account, only those individuals authorized to have credit cards may have access to the account. All purchases made through Amazon Prime must be purchased with the individuals credit card. As stated previously, credit card numbers are not to be stored on Amazon Prime website or any other website.

## **XI. EMPLOYEE MISUSE**

- A. Any employee who knowingly misuses a city issued credit card for purposes not authorized would be in violation of the 2017 Purchasing and Procurement Policy as well as Ohio Revised Code §2913.21. The employee will be subject to disciplinary action as described in the Personnel Manual (Article 5) as well as any actions directed by Ohio Revised Code §2913.21. Employees are personally liable for unauthorized charges and any associated fees. If, through no fault of the employee, the credit card is illegally accessed and used by a third party, the employee will not be personally liable for charges and fees directly resulting from the illegal access.

**ATTACHMENT A**

**Credit Card Agreement**

The City of Clayton is pleased to present you with this City Credit Card. It represents the trust in you and your empowerment as a responsible agent to safeguard and protect City assets.

I \_\_\_\_\_, hereby acknowledge receipt of a City of Clayton Credit Card.

City of Clayton Credit Card Number: \_\_\_\_\_ As cardholder, I agree to comply with the terms and conditions of this Agreement and the Credit Card Use Policy (City of Clayton Administrative Police 1.3, last revision issued).

I acknowledge receipt of said Agreement and confirm that I have read and understand their terms and conditions. I understand that the City of Clayton is liable to Elan Financial Services and VISA for all City of Clayton charges.

I agree to use this card for City of Clayton approved, business purchases only and not to charge personal purchases. I understand that the City of Clayton will audit the use of this card and report any discrepancies.

I further understand that improper use of this card will result in disciplinary actions to possibly include loss of purchasing card responsibility and/or use. I understand I will be held personally liable for unauthorized charges and any associated fees incurred by me. If, through no fault of the employee, the credit card is illegally accessed and used by a third party, the employee will not be personally liable for charges and fees directly resulting from the illegal access.

I understand that the City of Clayton may terminate my right to use this card at any time for any reason. I agree to return the card to the City of Clayton upon request or upon separation of employment.

**Cardholder:**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Department: \_\_\_\_\_

**Expired Card Returned:**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Witness: \_\_\_\_\_

Witness Printed Name: \_\_\_\_\_

