

# RECORD OF ORDINANCES

Dayton Legal Blank, Inc.

Form No. 30041

Ordinance No. \_\_\_\_\_

Passed \_\_\_\_\_, 20\_\_\_\_

## CITY OF BELPRE ORDINANCE NO. 7 (2020-21)

### AN ORDINANCE ADOPTING A CREDIT/PURCHASING CARD USAGE POLICY FOR THE CITY OF BELPRE, OHIO

**WHEREAS**, Sub. H.B. 312 became effective November 2, 2018, and provides for the City, through its Council, to adopt a credit card policy that addresses: the officers or positions authorized to use a credit card account; the expenses for which a credit card account may be used; the procedures for the acquisition, use and management of a credit card account; then procedures for submitting itemized receipts; the procedure for credit card issuance, reissuance, cancellation, and for reporting lost or stolen credit cards; the maximum credit limits; and, the actions or omissions that qualify as misuse of a credit card account;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL  
OF THE CITY OF BELPRE, OHIO, THAT:**

#### SECTION I

This Council hereby adopts the City of Belpre, Ohio Credit/Purchasing Card Usage Policy, a copy of which is attached hereto as Exhibit "A" and incorporated herein.

#### SECTION II

This Ordinance is declared to be an EMERGENCY measure, necessary for the immediate preservation of the public peace, health and welfare of the citizens of the City of Belpre, Ohio, and for the further reason that the safeguards provided for in the Policy should be placed in effect as soon as possible; wherefore, this Ordinance shall take effect and be in full force immediately upon its passage and approval by the Mayor.

PASSED: August 10, 2020

[Signature]  
PRESIDENT OF COUNCIL

ATTEST: [Signature]

PRESENTED TO MAYOR: 8/11/20

[Signature]  
MAYOR

APPROVED BY MAYOR: 8/11/20

#### CLERK'S CERTIFICATION OF PUBLICATION

The undersigned Clerk of the Council of the City of Belpre, Ohio, does hereby certify that on August 11, 2020, this Ordinance was published by posting a copy of the same at the five public places designated by the City Council in Ordinance No. 18 (2006-07).

August 11, 2020  
Date

[Signature]  
CLERK

## EXHIBIT A

### City of Belpre

#### Credit/Purchasing Card Policy

Credit cards are purchasing tools which offer an alternative to the existing City of Belpre purchasing process. They provide an extremely efficient and effective method of purchasing and paying for goods and services.

All City credit cards shall be issued in the name of the "City of Belpre" and may also include the name of the custodian. The authorized Cardholder who handles a credit card is responsible for the appropriate use of City funds. The credit card is the property of the City of Belpre and may be rescinded at any time. The credit card is only to be used for the types of purchases outlined in this policy.

Each "Custodian" (as defined herein) shall keep a current record of transactions and receipts to protect himself/herself and the City. These records are important internal control elements of the electronic purchasing process and essential to the success of the credit card program.

Authorized Cardholders under this policy are the Auditor (\$5,000.00), Mayor (\$5,000.00), Safety-Service Director (\$5,000.00) and Belpre Chief of Police (\$5,000.00). The credit card issued to the Auditor shall be for the use of all City departments for which individual cards have not been issued and shall be kept by the Auditor who shall serve as the "Custodian" (as defined herein) of that credit card. The Credit Card provider shall be selected through the City of Belpre's bid process for a depository funds provider.

#### **PROCEDURE**

Credit cards simplify the purchasing and disbursement process by facilitating point-of-demand procurement. Purchasing authority is delegated to the authorized Cardholder enabling him or her to place an order directly with the supplier.

When a supplier requests a purchase authorization, the Credit Card system validates the transaction against pre-set limits established by the City.

All transactions are approved or declined (instantaneously) based on the following credit card authorization criteria:

- Number of transactions allowed per day (up to 10)
- Number of transactions allowed per month (up to 100)
- Single purchase limit per day per card (\$1,000)
- Spending limit per month
- Approved merchant commodity code

The authorization process occurs through an electronic system that supports the credit card processing services under the City of Belpre agreement with the card provider. In addition, the Auditor, Mayor and Safety-Service Director will have the capability to view transactions daily and create reports to effectively monitor the use of the credit cards.

## **PURCHASING GUIDELINES**

The credit card program will not circumvent the City of Belpre's purchasing rules and procedures. The Credit cards will not be used in place of a Purchase Order. As such, regular purchase order policy and procedures must be followed for all credit card purchases.

The card Custodian is responsible for the security of the card he/she is issued and for the purchases made with it. Consequences for card misuse are severe and penalties may include loss of job.

The regulations for the usage of credit cards are as follows:

- It is the responsibility of each Custodian to have control over all purchases made by each authorized employee using the credit card.
- The authorized employee must submit all requests for credit card deletions, additions or changes in writing to the Mayor, Auditor, or Safety-Service Director.
- The authorized employee using the credit card is the person that is responsible for tracking and reporting monthly purchases to the Auditor's Office.

## **RESTRICTIONS ON CREDIT CARD USE**

Credit cards cannot be used for the following: cash advances, traveler's checks, personal services, capital equipment (equipment purchases exceeding \$5,000.00), purchases of alcoholic beverages, tobacco purchases, and any other purchase that is not for a public purpose of the City of Belpre.

Credit cards cannot be used for the following transaction types listed below unless the Auditor has specifically approved the inclusion as an approved merchant commodity code on a specific credit card: airline tickets, automobiles and vehicle rentals, registration fees for educational programs (conferences, seminars, forums, and continuing education), and hotels.

## **PLACING AN ORDER**

When placing an order, the Cardholder should be able to provide the vendor the following credit card information:

- Identify himself/herself as a City of Belpre employee or elected official
- Indicate that the purchase will be made using a credit card
- Supply the provider card name
- Provide the individual card number
- Give the expiration date of the card
- Provide the complete delivery address
- Any other information necessary to make the purchase
- Never allow a vendor to maintain the credit card information for its files

## **ORDER VERIFICATION PROCEDURES**

Upon receipt of an order, the documentation received from the vendor (typically a sales receipt or packing slip) shall be kept for later reconciliation. Each month the card Custodian will receive a statement from the card provider showing all purchases made. It is the responsibility of the card Custodian to verify each purchase.

The card Custodian is responsible for ensuring receipt of goods and services. Items should be returned directly to the vendor by whichever means the vendor requires. The card Custodian is responsible for seeing that the proper credit is posted for any returned items.

### **PROOF OF PURCHASE DOCUMENTATION AND RECONCILIATION**

With the authority to purchase specific goods and services comes the responsibility to maintain adequate documentation at the source of the transaction. Whenever a packing slip or sales receipt is received by the authorized employee making the purchase, the sales receipt should be forwarded to the Custodian of the card as proof that the transaction occurred. The Custodian should retain this documentation until the monthly statement from the card provider is received. Any transaction without a properly substantiated receipt is subject to reimbursement of the City by the authorized employee that made the purchase.

After receiving the statement from the card provider, the card Custodian will need to verify all purchases made. The original documentation along with the correlating purchase order will be sent by the authorized employee to the Auditor's Office for processing.

All documentation must support the legitimate business purpose of all transactions made with the credit card. In addition to sales receipts and packing slips, the following are examples of supporting documentation: copies of order forms or applications, services reports when service is provided by a vendor, and cash register receipts.

### **DISCREPANCIES AND DISPUTE PROCEDURES**

The authorized employee that makes the purchase is responsible for following up with a vendor for any erroneous charges, disputed items, or returns. Disputed charges can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The authorized employee who made the purchase should contact the vendor first to resolve any outstanding issues.

In the event that the authorized employee who made the purchase is unsuccessful with resolving disputes with the vendor, he/she will need to notify the card Custodian to obtain help in resolving the issue. The card Custodian will then need to contact the card provider to report the dispute. The card provider will decide what form the card Custodian will need to file in order to resolve the dispute. Any contact made with a vendor, as well as its response, should be attached to the bill, especially noting the date that the exchange of information occurred.

Please Note: By law, vendors are not permitted to bill a credit card for purchases until the items have been shipped.

### **CUSTODIAN PURCHASING LOG**

The Auditor's Office shall use a "Purchasing Log" to record transactions and help reconcile to the monthly statement.

The information to be included on the purchasing log is as follows: the transaction date, vendor, authorized employee signing out the credit card and date returned (same day).

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## **PAYMENT**

The City of Belpre is responsible for payment of authorized and appropriate credit card transactions. The credit card will not affect the Cardholder's personal credit in any way.

## **LOST OR STOLEN CARDS**

In the event that the credit card is lost or stolen, it is the responsibility of the authorized employee to report the event to the card Custodian. It is then the responsibility of the card Custodian to report the card lost or stolen by phone directly to the card provider. It is important to report all lost or stolen cards immediately since the City of Belpre will be responsible for all transactions made until the card is reported lost or stolen.

A Custodian's quick response will reduce the risk of fraud. A replacement card may be issued to the card Custodian within 10 business days.

## **SALES TAX**

The City of Belpre is tax exempt. Authorized employees must tell in-state suppliers the City is exempt from Ohio sales tax. A copy of the City's Tax Exempt Certificate is available if the supplier needs to see it. When traveling outside of the State of Ohio, hotel charges, food charges and fuel charges will most likely be taxed since tax exemption applies only to sales within the State of Ohio.

## **CANCELING CREDIT CARDS**

In order to cancel a credit card, the Custodian will contact the credit card company.

## **RENEWAL OF EXISTING CREDIT CARDS**

A renewal credit card will be sent automatically to the Custodians thirty (30) days prior to the expiration date of the existing card.

## **MISUSING CREDIT CARDS**

The credit card represents the City's trust in the authorized employee and his/her empowerment as a responsible employee of the City of Belpre to safeguard and protect its assets. Each authorized employee assumes the responsibility for the protection and proper use of the card.

The following situations are considered misuse of the credit card:

- Personal use - Purchases using the card for the benefit of the employee, e.g., clothing and food not authorized by the Custodian
- Loaning out the card - Assignment, transfer, or loaning of an individual card to an unauthorized person or to a suspended or terminated employee
- Administrative misuse - Lack of proper and timely reconciliation of individual card accounts and card use that is in direct violation of acquisition goals

Misuse of the credit card shall be handled promptly and uniformly for all Custodians and authorized employees.

The following are the actions that may be taken in the event of possible misuse: The credit card use may be suspended. The authorized employee will be contacted by the Auditor of any instance of non-compliance.

Based upon the severity of misuse, disciplinary measures may include personnel action up to and including termination of employment and legal action in accordance with the terms and conditions of the Cardholder Agreement Form and the City of Belpre personnel policies. Additionally, if the misuse of a credit card was done knowingly, the City may pursue criminal prosecution.

#### **AMENDMENT**

This Credit/Purchasing Card Policy shall be reviewed annually by the Mayor, Auditor, Safety-Service Director and the Chair of the Belpre City Finance Committee. Any proposed changes to this policy shall then be submitted to Belpre City Council for its approval.

#### **CONCLUSION**

City credit cards must be used responsibly. Each authorized employee should be aware that improper use might result in disciplinary action, up to and including termination and criminal prosecution. The original receipts must be forwarded to the Auditor's Office.



## CITY PROCUREMENT CARD PROGRAM CARDHOLDER ACKNOWLEDGMENT

The procurement card represents the City of Belpre's trust in you. You are empowered as a responsible agent to safeguard City assets. Improper use of this card can be considered misappropriation of City funds. This may result in disciplinary action up to and including termination of employment. Your signature below verifies that you have read the City policies and procedures and agree to comply with them as well as the following responsibilities. Your signature also acknowledges that you have received card # \_\_\_\_\_.

1. I understand the credit card is for City of Belpre approved purchases only, and I agree not to charge personal purchases.
2. I understand that all charges will be billed directly to and paid directly by the City of Belpre. The bank cannot accept any monies from me directly. Therefore, any personal charges billed to the City could be considered misappropriation of City of Belpre funds.
3. This credit card is issued in my name. I will not allow any other person to use the card. I am accountable for any and all charges against the card.
4. If the card is lost or stolen, I will immediately notify the card issuer by telephone. I will also provide the card issuer written notification by mail or fax, with copies to the City.
5. Since the credit card is City of Belpre property, I understand that I am required to comply with internal control procedures designed to protect City of Belpre assets. This may include being asked to produce the credit card to validate its existence and account number.
6. I will record all transactions on a purchasing log, attaching the related receipts. I will receive a monthly statement listing all activity during the statement period, and will reconcile it with the purchase log. I will resolve any discrepancies by contacting the vendor first, and then involving the Auditor's staff when necessary.
7. I have received a copy of the City of Belpre's policies and procedures for the procurement card program. I understand the program requirements and agree to follow them. Failure to do so may result in revocation of the card or other disciplinary action.
8. I understand this credit card is not provided to all employees. Assignment is based on my need to make purchases for work-related expenses. My card may be revoked based on change work assignment or location. I understand that this credit card is not an entitlement, nor reflective of title or position.
9. I agree to surrender the credit card immediately upon termination of employment whether for retirement or any other voluntary or involuntary reason.

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

Authorized by: \_\_\_\_\_

Employee Printed Name

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

Authorized by: \_\_\_\_\_

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