

ORDINANCE # O-1-2018

AN ORDINANCE AMENDING ORDINANCE # O-90-2014, ESTABLISHING A CREDIT/DEBIT CARD POLICY FOR THE VILLAGE OF BOLIVAR

WHEREAS, Ordinance # O-90-2014 previously established a policy for the use of credit/debit cards issued in the name of the Village of Bolivar, Tuscarawas County, Ohio.

WHEREAS, there has been additional regulations imposed by the State of Ohio regarding requirements for credit/debit card policies in local government entities, and the Village of Bolivar's policy must be updated to conform to these requirements;

WHEREAS, the Village Council for the Village of Bolivar wishes to amend Ordinance # O-90-2014 and to restate the credit card policy in its entirety as follows in this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Bolivar, Ohio as follows:

SECTION 1. The Credit/Debit Card Policy for the Village of Bolivar shall be as follows:

PURPOSE:

To provide user information to those employees who have been approved by the Village of Bolivar ("Village") to do business for Village using a credit card or debit card issued in the Village's name. The use of credit/debit cards for Village financial transactions is limited and carefully controlled. While the use of credit/debit cards is an accepted practice and, in some cases, the only permitted practice, their use is allowed only for specific purposes and situations to transact Village business.

APPLICABILITY:

This policy will cover all use of Village credit cards and debit cards. Anywhere in this Policy where the language refers to "credit card" or "debit card" shall be interpreted to refer to both credit cards and debit cards.

SECTION 1: Village Credit Card Authorization

1) The Village Council shall approve the individuals within the Village who shall have authority to use the Village credit cards. This list shall be updated at least annually. No employee shall be authorized to allow another employee or

individual to utilize a credit card without authorization. The current list of authorized users is as follows:

- 1.) Clerk/Treasurer
- 2.) Chief of Police
- 3.) Village Administrator
- 4.) Street Superintendent

2) Council shall pass a resolution each year for the authorization for Village credit cards with an estimated monthly dollar amount to be used. This monthly amount shall not be binding and actual purchasing shall be based upon the needs of the Village.

Currently, the limit on each credit/debit card shall be up to \$1,000.00 per transaction, per day. Emergency purchases exceeding this amount required joint prior authorization from the Mayor and Fiscal Officer.

3) The credit cards shall be permitted to be utilized both in person as well as the purchase of goods over the internet, telephone or fax. These purchases must be evidenced by an order confirmation along with either the original packing slip that accompanied the purchased goods or an itemized receipt. When using the internet, the user must make sure the website where the credit card information is being placed is secure, and that all account numbers are encrypted while being passed electronically.

Section 2: Village Credit Card Use by Employees

In order to assist the Village with the payment of work-related and/or emergency expenses, it is in the best interest to have certain credit cards available. Employees who are authorized to use Village credit cards will be held responsible for its proper use. It is impossible to anticipate every situation encountered by a Village employee or official. Therefore, these guidelines should be applied on a conservative basis, consistent with normal business standards, with good judgment exercised wherever the policy is silent.

The following guidelines were established to assure the proper use of the Village credit cards.

1) A credit card held by the Village shall be used only to pay the following work-related expenses:

Eligible uses of credit card:

a. Food expenses, transportation expenses, gasoline/oil expenses (Village vehicles), motor vehicle repair/maintenance expenses (Village vehicles),

telephone expenses, lodging expenses, internet service provider expenses. (All per diem amounts and restrictions within the travel policy are still applicable.)

Ineligible use of credit card:

a. Personal purchases: Absolutely no personal use of the card is allowed. Personal purchases include: gratuities and excess daily meal allowance; gasoline for any personal vehicle; cash advances; alcoholic beverages.

2) All existing purchasing policies apply to purchases made on a credit card.

3) No fees or interest charged by a card company because of late payments due to untimely submission of record to the will be paid from Village funds, unless authorized by the Village Council. Unauthorized payment of fees will be the responsibility of the employee who utilized the card, who will be personally responsible for those fees if they appear on the billing for their department.

4) Fiscal Officer. The Fiscal Officer is responsible to make sure that any charges incurred by employees are authorized Village expenditures and that adequate funds are available within the Village approved budget.

5) The debit incurred as a result of the use of a credit/debit card shall be paid from monies appropriated to the specific appropriation line items of the Village of Bolivar, Ohio.

6) There shall not be a spending limit on the credit card unless otherwise set by Council.

7) For all credit card transactions, the employee or official using a Village card shall submit to the Fiscal Officer documentation sufficient to satisfy Internal Revenue Service requirements for employee business expenses. This documentation will include the credit card slip (customer copy) along with a receipt or invoice from the vendor that documents the goods or services purchased, the cost of the goods or services and the date of the purchase. Each receipt will also indicate the official Village business for which the expense was incurred.

8) The individual authorized to make such purchases or returns will be liable for payment of any undocumented items presented on an invoice for payment. Individual liability is imposed for inappropriate use pursuant to the procedure established in ORC 301.27 and 301.29. If within thirty (30) days after issuance of a written notice to the amount shown on the written notice, the Prosecuting Attorney shall recover that amount from the cardholder by civil action in any court of appropriate jurisdiction.

9) Violations will be cause for immediate revocation of authorization to use a credit card or procurement card and may result in disciplinary action up to and including termination.

10) If the card is issued in the name of a specific officer or employee, that officer/employee is liable in person and upon any official bond the officer/employee has given to the Village to reimburse the Village for the amount improperly charged.

11) If the Village suspects the loss, theft, or possibility of unauthorized use of the card, the officer/employee shall notify the Mayor and Village Council immediately in writing.

12) The auditor shall notify Council immediately if they determine there has been an improper credit card expenditure.

13) The Fiscal Officer is responsible for the physical custody of the card, and for maintaining confidentiality of all information relating to the card such as the account number and expiration date. That card is not to be loaned to anyone or used by anyone other than the person designated to do so. The cardholder will sign a written acknowledgment indicating that the cardholder understands the intent of the program and agrees to adhere to the policy and guidelines established by the Village. The Village will retain the signed acknowledgement, and maintain current record of all cardholders.

14) All expenditures made using the Village credit card should be tax exempt from Ohio sales tax. Employees are responsible for informing vendors of the sales tax exemption. If requested by a vendor, a State of Ohio sales tax exemption certificate is available from the Auditor's office.

15) The Fiscal Officer should retain a list of all employees authorized to use the card.

16) The situation may arise where there is a problem with a purchased item or service. Examples include broken merchandise, the billed amount does not match the quote, the billed amount includes sales tax, the statement contains a charge not recognized by the authorized individuals, or the statement contains duplicate charges from a vendor. In these instances, the individual should try to resolve the dispute with the supplier or merchant. If the purchased item needs to be returned for any reason, send the item back to the supplier and request a credit to the account card. The individual should notify the Fiscal Officer so they can verify that the credit appears on a subsequent statement. The Village cannot accept cash or a rain check instead of a vendor credit. If the dispute cannot be resolved, the individual should contact the Fiscal Officer.

17) In the event that a credit card is lost or stolen, the individual holding the card must notify the card issuer immediately. Further use of the card will be blocked. Prompt action will reduce the liability for fraudulent charges. The individual must confirm the phone call by written notification to the card issuer via mail or fax, with copies promptly given to the Fiscal Officer. The date and time of the phone report of the lost or stolen card shall be included in the written notification. The Village will initiate issuance of a replacement card.

18) Cardholders who terminate their employment or whose job duties change and no longer include purchasing must surrender their credit card immediately.

SECTION 3: Sam's Club Cards and Other Memberships

1) The Village may maintain a membership to Sam's Club or other similar memberships in an effort to save costs on supplies for the Village.

2) Council shall designate the officers/employees who are entitled to usage of these memberships and shall determine how many membership cards are issued to those individuals.

3) All purchases made using these memberships for Village business shall be tax exempt from Ohio sales tax. Employees are responsible for informing vendors of the sales tax exemption. If requested by a vendor, a State of Ohio sales tax exemption certificate is available from the Auditor's office.

SECTION 4: The use of a credit/debit card for any use other than those permitted, may be a criminal violation.

READ: November 6, 2017, December 4, 2017, and January 2, 2018

PASSED: January 2, 2018

Rebecca S. Hubble, Mayor

Attest:

Maria A. App, Fiscal Officer