



Prineville City Council Meeting June 24th, 2008

Issue Summary

Topic: City Credit Card Policy

Department: Administration

Staff: Wayne Van Matre

City Credit Card Policy

Attached is a copy of an administrative policy regarding the use of City Credit Cards. This administrative policy has been reviewed by Department Managers and the City Attorney. It has been provided for Council review since the scope of the policy includes elected officials using City credit cards while conducting official city business. Input from staff and council has been incorporated within this policy. If there are no further changes recommended by Council, it is staff's intention to place this policy into effect immediately, as presented.

CITY OF PRINEVILLE CREDIT CARD POLICY

I. POLICY:

This policy establishes criteria and provides guidance for a City of Prineville employee or public official who uses a City owned Credit Card.

The card is intended to complement existing purchasing processes. **Cardholders must comply with all City purchasing policies and procedures.**

II. PURPOSE:

The Credit Card program empowers the cardholder with the authority and responsibility to purchase items for the City directly from merchants in order to meet City needs.

III. DEFINITIONS:

As used in this policy the following terms shall have the following meanings:

“Transaction” includes the purchase price, tax, and freight and/or handling.

“Cardholder” shall mean the City employee or public official who uses a City owned credit card.

“City” shall mean the City of Prineville.

IV. GUIDELINES:

A. Credit Card Use:

The Credit Card may be used at any merchant that accepts VISA. The Credit Card may be used for authorized City business/travel expenses. Examples of authorized purchases include:

- Office and other supplies
- Airline ticket
- Meals not included in fees or registration costs
- Lodging
- Repair & maintenance parts/service
- Equipment purchases
- Training and conference registration

Examples of unauthorized purchases include the following: (The following is a representative list and is not intended to be all-inclusive. If you are unsure, please contact the Finance Department.)

- Alcoholic beverages
- Cash advances, cash refunds
- Contracted services

Use of card for personal purchases, cash advances, or cash refunds is strictly prohibited!

B. Credit Limits:

The credit limit for each card shall be determined by the City Manager.

The Cardholder must adhere to their approved expenditure authority.

C. Documentation of Lost Receipts:

If the itemized receipt is lost, the cardholder must create a record of the purchase that shows:

- Vendor
- Specific item(s) purchased
- Purpose of the purchase
- Date of the purchase
- Line item expenditure code
- A statement that the original charge slip and/or receipts were lost
- Signature of the cardholder

D. Cardholder:

The Cardholder is responsible for:

- Security of the card
- Use of the card
- Compliance with the City's purchase policies/procedures
- Statement to Accounts Payable within the required due date (as communicated by Accounts Payable)
- Submitting the statement with all documents that identify what was purchased and expenditure code
- Obtaining their Department Manager's signature
- Signing a City Credit Card Usage Agreement

E. Department Director/City Manager:

The Department Manager is responsible for:

- Request card in writing to the Finance Officer. In general, cards are only requested for the Department Managers. Any exception must be approved by the City Manager.
- Reviewing all charges
- Ensuring all purchases are appropriate
- Ensuring no prohibited items have been purchased
- Ensuring all proper documentation is attached to the monthly statement
- Must sign statement prior to submitting to Accounts Payable
- "Travel" cards that are issued to employees for specific purposes

F. Finance Officer:

The Finance Officer is responsible for:

- Maintaining a file of all requests for cards from Department Managers and City Manager
- File employee signed Credit Card Usage Agreement forms
- Inform Accounts Payable of all cards issued and cancelled

- Payment of all City credit card statements

G. Credit Card Abuse:

The cardholder's Supervisor is responsible for monitoring the use of the credit card(s) and, whenever abuse is detected or suspected, the Supervisor must initiate appropriate action, including notifying the Finance Director. If there is abuse of the card or disregard for the Credit Card Usage Agreement guidelines, the card shall be forfeited and canceled.

The cardholder must reimburse the City for any inappropriate purchases, and the employee is subject to disciplinary action up to and including dismissal. Willful, fraudulent abuse of the credit card will be cause for termination. If the employee has his/her credit card privileges revoked, the employee is not eligible for restoration of credit card privileges.

H. Lost or Stolen Cards:

If the Credit Card is lost or stolen, the cardholder must contact the bank and Finance Department immediately.

The lost or stolen card will be closed and a new card will be issued. If the old card is located at a later date, cut it in half and return to the Accounts Payable. Do not attempt to use the old card.

I. Card Disputes:

In case of an exception or disputed charge the cardholder should first contact the supplier. Most exceptions or issues can be resolved at this level. When the vendor corrects the problem, the cardholder should see the correction on the next monthly statement. When a correction or returned purchase appears on the statement, the cardholder must notify the Finance Department via a written statement attached to the statement explaining the correction or return purchase.

If cardholder cannot reach an agreement with the supplier, the next step is to contact Bank's Customer Service Center. Their staff is experienced in dealing with exceptions and should be able to be of assistance. Nearly all exceptions can be managed using these two steps.

J. Termination of Cardholder's Relationship with City:

When a Cardholder's relationship with the City is terminated, the cardholder shall return the credit card to the Finance Department, who will destroy the card and notify the Bank of the cancellation.

City of Prineville
Credit Card Usage Agreement

**CREDIT CARD USAGE AGREEMENT TO ACCEPT A
CREDIT CARD ISSUED BY CITY OF PRINEVILLE, OREGON**

City of Prineville ("City") is pleased to present to you this Credit Card. It represents the City's trust in you and your empowerment as a responsible employee or public official of City of Prineville to safeguard and protect our assets and the tax payers' money.

I, _____, hereby acknowledge receipt of a City Credit Card, Card Number (last four digits) _____. As a Cardholder, I agree to comply with the terms and conditions of this Credit Card Usage Agreement and the applicable provisions of the Credit Card Program and City's Credit Card Policy which may subsequently be revised. I acknowledge receipt of the City of Prineville Credit Card Policy, and confirm that I have read and understood its terms and conditions. I understand the City is liable to pay for all charges made by me.

As the holder of this Credit Card, I agree to accept responsibility for the protection and proper use of this Card as outlined in this Credit Card Usage Agreement and the Credit Card Policy. I understand that the City will audit the use of this Credit Card. I understand that I shall not use the Credit Card for the restricted commodities or uses listed in the policy.

I further understand that improper use of this Card may result in disciplinary action, up to and including TERMINATION of employment. If City initiates legal proceedings to recover amounts owed by me under this Credit Card Usage Agreement, I agree to pay all legal fees incurred by the City in such proceedings.

I understand the City may terminate my rights to use this Card at any time for any reason. I agree to return the Card to the City immediately upon request or upon termination of my relationship with the City.

CARDHOLDER:

Signature: _____

Date: _____

Name (Print): _____

Department: _____