



## 2.1 COLERAIN TOWNSHIP PURCHASING CARD POLICY

### PURPOSE

Colerain Township will utilize Purchasing Cards in order to reduce the hours associated with the acquisition of certain commodities related to the normal operations and to simplify the process for purchasing and further the efficient delivery of services. Finally, this policy is constructed to comply with Ohio Revised Code (ORC) Section 9.21 - 9.22, and ORC Section 505.64. Purchasing Cards are not intended to be utilized to avoid traditional purchasing procedures.

### PURCHASING CARD ISSUANCE

Every Purchasing Card issued by Colerain Township shall contain the name "Colerain Township" embossed or imprinted on the face of the Card. In addition, each card shall specify the Department to which the card has been assigned, in order to assist in monthly expense tracking and reconciliation.

The following purchasing cards shall exist:

1. Colerain Township Administration Dept
2. Colerain Township Cincinnati Bell
3. Colerain Township Emergency All
4. Colerain Township Community Center
5. Colerain Township Duke Energy
6. Colerain Township Fire Dept Building Maint
7. Colerain Township Fire Dept Admin
8. Colerain Township Fire Dept Operations
9. Colerain Township Fleet Maintenance
10. Colerain Township GCWW
11. Colerain Township IT Dept
12. Colerain Township Parks Dept
13. Colerain Township Police Dept Admin
14. Colerain Township Police Dept
15. Colerain Township Roads Dept
16. Colerain Township Rumpke Public Services
17. Colerain Township Zoning Dept Admin
18. Colerain Township Zoning Dept

Nothing contained in this section shall prevent the addition, deletion, or modification of the designated and specified Purchasing Card accounts by the Fiscal Officer of the Township or their designee.

If multiple cards are required for each Department, the Department Head may request additional Purchasing Cards, which may be approved at the discretion of the Finance Director. Duplicate cards shall be maintained in the same manner as described in this policy.

## **AUTHORIZED USERS**

The following officers, positions, or appointees (“Authorized Users”) shall be specifically authorized to utilize, or cause to be utilized, a Colerain Township-Issued Purchasing Card Account:

1. Township Administrator
2. Assistant Township Administrator
3. Finance Director
4. Township Department Heads:
  - a. Police Chief
  - b. Fire Chief
  - c. Public Services Director
  - d. Planning & Zoning Director
  - e. Information Technology Director
5. Township Supervisory or Administrative Staff, including, but not limited to, the following:
  - a. Police Lieutenant, Operations Commander, or similar
  - b. Police Lieutenant, Administrative Commander, or similar
  - c. Parks Supervisor
  - d. Roads Supervisor
  - e. Assistant Fire Chief, Operations, or similar
  - f. Assistant Fire Chief, Administration, or similar

Any of the Authorized Users stated within this section shall be further authorized to approve, appoint, nominate, or otherwise cause the use of a Colerain Township-Issued Purchasing Card by an appointee, employee, or designee if the authorized purpose is in furtherance of an approved Township expenditure, made in accordance with this Policy, and provided that prior authorization is granted by the Authorized User. Such authorization is to be written via the attached Employee Acknowledgement form. Colerain Township may be appointed or designated pursuant to this Section.

The Finance Department shall be responsible for collecting and reconciling all charges with proper itemized receipts to the department-issued card statement, on a monthly basis in accordance with the reconciliation section of this policy.

## **RESPONSIBILITIES**

The following non-exhaustive list defines the requirements and responsibilities of various parties, departments, or individuals within Colerain Township, relative to the use, administration, and reconciliation of the Township Purchasing Card program.

1. Authorized User (or Appointee)
  - a. The Authorized User, appointee, employee, or designee shall have the following responsibilities regarding the use of Purchasing Cards, as applicable:
    - i. Make purchases according to the requirements established in this policy/procedure;
    - ii. Accountability for all transactions made against the card while in possession of Purchasing Card;
    - iii. Provide timely information regarding monthly transactions made on the card and retention of an original, itemized sales/credit receipt;
    - iv. Submit all itemized sales/credit receipt to the Department Head in a timely fashion, prior to monthly reconciliation of the card statement;
    - v. Safeguard the Purchasing Card and keeping the account number confidential;

- vi. Use the Purchasing Card for Colerain Township business only;
- vii. Resolving disputed charges with the merchant and/or lending institution (also referred to as “Card Issuer”);
- viii. Return merchandise to the merchant when it is incorrect or no longer needed;
- ix. A lost or stolen card should be reported immediately by telephone to PNC Bank Customer Service at 1(800) 685-4039; and to Colerain Township Finance Director;
- x. Promptly return any issued Purchasing Card to the Fiscal Office at the conclusion of the intended purchase, with the exception of the Emergency Purchasing card which shall remain in a central lock box;
- xi. Surrender the Purchasing Card in possession, upon termination of employment from Colerain Township, along with any final reconciliation or receipts.

2. Department Head (or Township Administrator)

- a. The Township Administrator, their designee, or the Department Head, as applicable, shall have the following responsibilities regarding the use of Purchasing Cards:
  - i. Manage the usage and appointment of designees, for use of Department Purchasing Cards as applicable;
  - ii. Request the issuance and approval of Purchasing Cards, where applicable, from the Fiscal Office in writing;
  - iii. Approve specific expenditures and verify the intended purpose;
  - iv. Ensure that charges made using the Purchasing Card were appropriate;
  - v. Ensure that each expense is documented with an itemized receipt;
  - vi. Ensures that appropriate project/overhead number is charged;
  - vii. Initiate Card revocation and disciplinary action when necessary;
  - viii. Interface with the Purchasing Card Issuer as needed;
  - ix. Coordinate Cardholder training and policy compliance;
  - x. Report unauthorized use or charges of the Purchasing Card to the Finance Director at the earliest possible opportunity;
  - xi. Work with Authorized Users, appointees, employees, or designees to reconcile errors and billing disputes once the Authorized User or appointee has exhausted other avenues for resolution (Merchant, Card Issuer);
  - xii. Request written authorization from Fiscal Officer if anticipated purchase(s) will exceed the established Per Diem Purchasing Card Limit or Monthly Purchasing Card Limit established within this Policy, prior to authorizing the Authorized User, appointee, or designee to proceed.

3. Fiscal Office (or Designee)

- a. The Township Fiscal Officer, or their designee, shall have the following responsibilities regarding the use of Purchasing Cards:
  - i. Manage the distribution of Purchasing Cards to Authorized Users, appointees, employees, or designees, including the establishment of a log documenting Purchasing Card use;
  - ii. Manage the approval and issuance of Purchasing Cards in writing, upon receipt of such request in writing from a Department Head, consistent with this Policy;
  - iii. Confirm verification from Department Head of intended purpose of purchases;
  - iv. Coordinate dispute resolution process in consultation with Department Heads and the Card Issuer;

- v. Complete the reconciliation of monthly Purchasing Card Statement for their respective Departments;
- vi. Maintain records of all Purchasing Card requests, credit limits, and purchasing controls for each card;
- vii. Update the Purchasing Card policy/procedure as needed, in consultation with the Township Administrator and/or Board of Trustees, as applicable;
- viii. Monitor/follow up to ensure that no future charges are incurred on an account where the card has been reported as lost or stolen
- ix. Review and approve of exceptions to the standard, daily, or monthly credit limits, provided such requests are received, and approved in writing;
- x. Review and grant approval for standard, daily and monthly credit limits;
- xi. Ensure that accurate documentation is provided to, and received from, the Card Issuer.

## **CONTROL AND INVENTORY**

The Colerain Township Finance Director shall maintain an inventory and centralized possession of all Township-Issued Purchasing Cards until such time that a card is assigned to an Authorized User, their appointee, employee, or designee to complete specified purchase or purchases, as contemplated within this Policy. There shall be one Emergency Purchasing Card available in a central lock box for authorized use when the Fiscal Office is not available. A sign out sheet will accompany this card and the Department utilizing this card will be responsible for notifying the Finance Department of use of the Emergency Card through an emailed copy of the receipt.

## **PROCUREMENT PROCESS**

The following procedures are established to govern the process for an Authorized User, appointee, employee, or designee to obtain a Purchasing Card for intended use:

1. Before utilizing a Colerain Township Purchasing Card for any specific purchase, an Authorized User, their appointee, employee, or designee, shall obtain the appropriate department-issued purchasing card from the Colerain Township Fiscal Office prior to use. The Fiscal Office shall log each instance of assignment of a Purchasing Card to an Authorized User, appointee, employee, or designee as defined within this Policy. This log will be used as an administrative note, and will be destroyed when no longer relevant. The log shall demonstrate the following:
  - a. Authorized User/Appointee/Employee/Designee Name
  - b. Authorized User Department
  - c. Date of Card Acquisition or Acquisition(s) from Fiscal Office
  - d. Specified Vendor
  - e. Purpose of Expenditure
  - f. Date of Card Return to Fiscal Office
2. For monthly recurring billed Township expenditures where Purchasing Card information is stored by a third-party vendor, including, but not limited to, monthly periodical subscriptions, facilities rental charges or expenses, or other similar expenses, the Authorized User, appointee, employee, or designee shall not be required to obtain the card from the Fiscal Office for each month that a recurring expense is billed, provided that the recurring expenditure is reconciled by the Department Head for each month that the expense is billed, consistent with the requirements stated elsewhere

within this Policy. Existing and recurring expenditures in place at the time of the adoption of this Policy shall be deemed as having received prior approval.

3. In lieu of obtaining a physical Purchasing Card from the Fiscal Office, an Authorized User, appointee, employee, or designee may request, in writing (written or email), that the Fiscal Officer or their designee issue a Virtual Purchasing Card for a specific purchase or purchases. Such request shall detail the following:
  - a. Vendor
  - b. Purpose of Expense(s)
  - c. Dollar Amount of Purchase (not to exceed)

The Fiscal Officer, or their designee shall review the request for Virtual Card issuance and may issue, at the sole discretion of the Fiscal Officer or their designee, the Virtual Purchasing Card to the requesting party, provided such issuance is provided to the Authorized User, appointee, employee, or designee in writing.

## **AUTHORIZED EXPENSES**

The following is a partial, non-exhaustive listing of typical authorized Colerain Township-related purchases that can be made using a Purchasing Card:

1. Office supplies;
2. Computer supplies;
3. Computer software that will be expensed;
4. Hotel & Airline reservations for township business;
5. Registration fees for township-sponsored events, training, or continuing education classes, excluding tuition for courses accumulating academic credit in pursuit of a degree or certificate;
6. Approved professional memberships, licenses, certifications, or accreditations associated with Township duties or responsibilities;
7. Monthly, quarterly, or yearly billed services, subscriptions, periodical or literature subscriptions, or facilities rentals or equipment rentals with third-party vendors who allow the use of a Purchasing Card for automated or recurring billing purposes;
8. Supplies specific to the on-going provision of services or delivery of services to Township residents or in conjunction with Township-sponsored events;
9. Expenses incurred while traveling for Township business (example, parking);
10. Purchase of supplies or equipment where an emergency, location, vendor location, or other mitigating circumstances otherwise prevents traditional purchasing methods being utilized, provided such expenses are approved by the Department Head and/or Township Administrator on a "case-by-case" basis, such approval may be written or verbal.

If the Authorized User, appointee, employee, or designee is uncertain that the Township Purchasing Card is the correct purchasing tool to be used, he/she must contact the Department Head and/or Finance Director for additional clarification before making the purchase.

## **UNAUTHORIZED EXPENSES**

The Colerain Township Purchasing Card, as applicable, shall not be utilized for the purchase of any of the following types of goods, services, or items:

1. Personal purchases;
2. Cash advances;
3. Gift Cards;
4. Training, seminars, or professional fees that are not approved and otherwise not associated with Township business;
5. Computer rentals not otherwise associated with travel or business-based technology requirements (projector rental, etc.);
6. Contractual Services agreements otherwise requiring review and approval of contract documents, unless otherwise specifically approved in writing by the Fiscal Officer;
7. Tuition for the accumulation of academic credit in pursuit of matriculation or otherwise resulting in the awarding of any advanced degree or certificate at any college or university, or other similar institution of higher learning, without prior written authorization from the Township Administrator;
8. Alcoholic beverages;
9. Entertainment or recreational activities without prior approval of the Administrator or Board of Trustees;
10. Any purchase that exceeds the spending limits authorized to the user by the Board of Trustees;
11. Any other purchases made without prior approval and authorization by the Department Head and/or Township Administrator, as applicable.

## **SPENDING LIMITS**

The following spending limits shall be established for all Colerain Township Purchasing Card accounts, unless otherwise noted:

1. Per Diem Limit
  - a. The maximum daily ("Per Diem") limit for any single purchase or transaction shall not exceed \$2,500.00 per day, per transaction. The Township Finance Director may authorize an increase in the Per Diem limit for individual transactions, provided such authorization is obtained in writing from the Fiscal Officer prior to the completion of the purchase.
2. Monthly Limit
  - a. The Monthly Purchase Limit for each Department-Issued Purchasing Card shall not exceed \$10,000.00, unless otherwise specifically approved in writing by the Township Fiscal Officer.
3. Exclusions
  - a. The monthly and per diem limits will not apply to any vendor specific purchasing cards. For example, the card used to pay the monthly electricity bill will not be subject to the limit.

## **GENERAL RULES**

Authorized Users, appointees, employees, and/or designees shall be required to adhere to the following rules when utilizing Township-issued Purchasing Cards in the process of completing transactions:

1. Single Transaction Required
  - a. The total value of any single transaction shall not exceed a Cardholder's single Per Diem limit purchase limit defined in this Policy unless otherwise authorized pursuant to the Spending Limits Section of this Policy. Splitting of payment for a purchase into multiple transactions to stay within the single purchase Per Diem Limit shall be strictly prohibited. A purchase cannot be made unless a blanket certificate or purchase order currently exists for

the item.

2. Identification Required
  - a. The Authorized User shall present proper identification at the time of purchase, if applicable, identifying him/herself as a Colerain Township employee or representative, and to ensure that any pre-negotiated or promotional pricing is secured.
3. No Cash Back
  - a. No cash back for returns shall be permitted. All returns shall be demonstrated as a credit to the Card amount and shall be documented with the appropriate itemized receipt.
4. Sales Tax Exemption Required
  - a. It shall be the primary responsibility of the Authorized User, appointee, employee, or designee, to ensure that the required sales tax exemption forms are provided at the point of sale to the vendor, and that no sales tax is charged at the point of sale. Sales Tax Exemption forms shall be obtained from the Fiscal Office prior to purchasing.
5. Itemized Transaction Receipt
  - a. The Authorized User, appointee, employee, or designee shall be responsible for obtaining an itemized transaction at the time of purchase, with sufficient detail to indicate the item or items purchased and the aggregate cost charged to the card. Failure to obtain a receipt shall be a violation of this Policy. The Authorized User, or their appointee, employee, or designee procuring the Purchasing Card, as applicable, shall be liable in person and upon any official bond that the Authorized User, appointee, or designee has given to the Township to reimburse the Township Treasury in the amount for which the Authorized User, appointee, employee, or designee does not provide itemized receipts in accordance with the requirements specified within this Policy.

## **MAKING A PURCHASE**

An Authorized User, appointee, employee, or designee shall utilize the following process when making a purchase using a Colerain Township Purchasing Card, as applicable:

1. Determine that the Township-issued Purchasing Card is the appropriate purchasing tool (versus a purchase order). Ask the Department Head responsible for the specific department-issued card that the expense will be charged to, and/or the Township Administrator if uncertain;
2. Call or visit the merchant of choice (as appropriate);
3. Select or order the desired merchandise;
4. Identify yourself as a Colerain Township representative to ensure negotiated prices are charged;
5. Tell the merchant the sale is considered not taxable, so that sales tax is not charged at the point of sale by furnishing the appropriate Tax Exemption Form provided by Fiscal Office to the Vendor, either electronically or in person;
6. Give the Township's business address as the shipping address as the receipt will be needed for reconciliation;
7. Obtain an itemized receipt (even if the purchase is made by phone, internet, or fax) as charge/credit slips that do not itemize are inadequate documentation;
8. If delivery instructions are needed, the Authorized User, appointee, employee, or designee should give their business address.

The Authorized User, appointee, employee, or designee instruct the merchant that the Purchasing Card number is not to be displayed anywhere on the outside of the package so the account number remains confidential.

## RECEIVING AND RETURNING MERCHANDISE

An Authorized User, appointee, employee, or designee shall observe the following process when receiving merchandise purchased utilizing a Township Purchasing Card:

1. Upon receipt of a Purchasing Card-related package, the Authorized User, appointee, employee, or designee must verify that the shipment is correct. If it is not correct, the Authorized User, appointee, employee, or designee should notify the merchant directly for resolution, and shall further confirm the status of the order with the Department Head.
2. Retain the merchant's original itemized sales/credit receipt and submit to the Department Head responsible for final authorization and reconciliation of the monthly Purchasing Card statement.

An Authorized User, appointee, employee, or designee shall observe the following process when returning merchandise purchased utilizing a Township Purchasing Card:

1. Contact the merchant for return procedures and to determine if any restocking fee, return shipping fee, or other applicable fees will be charged. Such fees must be documented in writing.
2. The Authorized User, appointee, employee, or designee should pack the merchandise securely (original packing materials are preferable). If adequate packing materials are unavailable, an additional charge may be assessed.
3. Label the package according to the instructions given by the merchant.
4. Retain a copy of any documentation sent to the merchant.
5. All refund receipts and/or documentation must be submitted to the Department Head responsible for final authorization and reconciliation of the monthly Purchasing Card statement.

Depending on the value of the merchandise being returned, it may be necessary to place additional insurance on the package beyond the carrier's routine insured value. Any such charge should be noted on the itemized receipt.

## RECONCILIATION

An Authorized User is responsible for furnishing itemized receipts for any and all purchases made utilizing the Purchasing Card. Lost Receipts will not be tolerated. The authorized user will be responsible for obtaining a duplicate receipt. The authorized user must review the itemized receipts for accuracy prior to submitting it to the Department Head for approval. If there are discrepancies, you must attempt to resolve by contacting the supplier first then the bank.

The Township Fiscal Office will receive a statement directly from the Card Issuer monthly. The Fiscal Office designee will forward the itemized statement of transactions to the Department Head and/or their designee for reconciliation of the Purchasing Card transactions. In order to complete the reconciliation within five business days, the Department Head or their designee shall:

1. Review and approve the itemized statement and each transaction listed thereon and check for vendor accuracy, purpose, and amount.

2. Verify the vendor, transaction date, amount, and date of order/processing, and compare that to receipts submitted for all purchases for the then-current month.
3. Attach supporting itemized sales/credit receipts (originals) to the statement corresponding with the card or cards assigned the specific Department, previously compiled and collected throughout the then-current month, from Authorized Users.
4. Attach any documentation relative to credits or refunds listed on the statement.
5. Note specifically if any charges listed are disputed pursuant to this Policy, and attach the appropriate dispute reporting information required and established in this policy manual.
6. The department head must approve the purchase by signing the receipt.
7. .
8. Forward the approved reconciliation and the accompanying, itemized receipts to the Township Fiscal Office. This will allow prompt payment to the Card Issuer.

The failure of a Department Head to supply the information needed to properly reconcile the Purchasing Card according to the procedures found in this policy may result in disciplinary action.

## **PAYMENT**

The Colerain Township Finance Director or their designee will make one payment monthly to the Card Issuer for the total amount due. Disputed items will be demonstrated as a credit on the following monthly statement.

## **DISPUTED TRANSACTIONS**

An incorrect, unrecognized, or questioned transaction may be disputed. If a transaction needs to be placed in dispute, the Finance Department will be responsible for initiating the dispute during the process of completing the monthly reconciliation for submittal to the Fiscal Office.

1. When the Finance Department initiates a dispute, the Finance Department shall complete the following steps, in consultation with the Fiscal Office:
  - a. Complete a written report detailing the disputed claim in the form or report format agreed to and established by the Fiscal Office and/or the Card Issuer. Such report shall indicate whether the charge is to be in error, fraudulent, or other such details reasonably necessary to document the nature of the dispute.
  - b. The Finance Department may conduct or may otherwise request an investigation into the disputed charge, in order to meet reporting requirements for disputing a transaction.
  - c. The Finance Department shall send a completed report and any results of any subsequent investigation to the Township Administrator and/or Fiscal Office for review.
  - d. The Fiscal Office may coordinate the investigation or processing of a disputed transaction with the Card Issuer and the Department Head, as applicable. The Finance Department shall be responsible for verifying the refunded amount on the applicable statement or statements thereafter and upon conclusion of the investigation into the disputed transaction. In the event that a disputed transaction is not successfully resolved, such event shall be reported to the Township Administrator.
  - e. The Card Issuer may conduct a separate investigation regarding the disputed transaction. While the investigation is ongoing, a temporary reversal of the transaction (charge or credit, as appropriate) may be issued to the applicable Purchasing Card account. Upon completion

of the investigation, the Cardholder is notified of the resolution. If the dispute is not settled in the Cardholder's favor, the transaction will be re-posted to the Cardholder's account.

### **UNAUTHORIZED PURCHASES**

An Authorized User, appointee, employee, or designee who makes unauthorized purchases or intentionally misuses the credit card will be personally liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the Bank in connection with the misuse. The Authorized User, appointee, employee, or designee will also be subject to disciplinary action up to and including termination, as well as criminal prosecution for theft in office.

### **LOST OR STOLEN CARDS**

If a Purchasing Card is lost or stolen, the Authorized User, appointee, employee, or designee responsible for the lost card shall timely report the lost or stolen card to their Department Head, the Finance Director. Failure to report the loss of a Purchasing Card may result in disciplinary action. The Finance Director shall then contact the lending institution immediately at the contact number provided for the Card Issuer. The Fiscal Officer or Finance Director shall be authorized to request that lost or stolen cards be reissued or replaced on an "as needed" basis.

### **TERMINATION OF CARDS**

The Purchasing Card is the property of lending institution; therefore, at termination it must be surrendered to the Township Finance Director, to be destroyed. If applicable the account will be closed. A final, approved reconciliation and supporting receipts should also accompany the card.

**Colerain Township**  
**PNC Purchasing Card**  
**Usage Agreement**

Your participation in the Visa Purchasing Program is a convenience that carries responsibilities. This card is not an entitlement nor reflective of your position. You have been assigned as an authorized user, and it is your responsibility to consider this company property and it should be used with good judgement.

I, \_\_\_\_\_, hereby acknowledge that I have received a copy of the *Colerain Township Purchasing Card Policy*, and understand the provisions set forth therein. Further, I understand the consequences of failure to follow the provisions set forth within this document, including being subject to disciplinary procedures set forth within the *Personnel Policy Manual of Colerain Township, Hamilton County, Ohio* as amended.

I further acknowledge and agree that I understand that the intentional misuse of a Purchasing Card for unauthorized and/or personal expenditures will result in my being held personally liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the Bank in connection with the misuse. I understand that this card is for business-related purchases only. I also understand and acknowledge that I will be subject to disciplinary action up to and including termination, as well as criminal prosecution for theft in office.

Your signature below verifies that you understand the Visa Purchasing Program guidelines outlined below and the Purchasing Policy set before you; and that you agree to comply with them both.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Department/Position

\_\_\_\_\_  
Department Head Signature of Authorization

\_\_\_\_\_  
Approved by Director of Finance

---