

## **VILLAGE OF INDIAN HILL CREDIT CARD POLICY**

### **POLICY STATEMENT**

The City of the Village of Indian Hill (“Village”) may acquire commercial purchasing credit cards for authorized officials and employees for expenses incurred for business related purchases. The purchasing credit cards allow employees to acquire goods and certain services as they are needed for operations without undue delay and promote operational efficiency. The purpose of this policy is to clarify the procedures for using a Village issued credit card and to ensure that all uses of Village issued credit cards are for lawful and appropriate business related transactions.

### **AUTHORIZED USERS OF VILLAGE CREDIT CARDS**

1. All credit card requests must be submitted to and recommended by the Department Head and approved the Finance Director/Tax Commissioner. A credit card will be issued to an employee upon approval and after an employee executes a signed Agreement form. Upon receipt of the card, the employee should immediately sign the back of the card and keep it in a secure place.
2. The City Manager, Department Heads, Supervisors, Mechanics and other designated employees whose job responsibilities require them to make purchases on behalf of the Village will be permitted to carry a Village issued credit card. Cards will be issued with "Indian Hill" or "Village of Indian Hill" and the name of the employee or department on the card.
3. The Finance Director/Tax Commissioner is responsible to set card limits, restrictions and to monitor usage of all credit cards issued to Village employees or departments. Each card is assigned an individual credit limit based on the Finance Director/Tax Commissioner's approval. Occasionally, a unique situation may require a purchase over a cardholder's established limit. When a cardholder requests such a purchase, it must be pre-approved by the Finance Director/Tax Commissioner. If the initial credit card limit becomes too low to accommodate monthly requirements, the Department Head must submit a written request seeking an increase through the Finance Director/Tax Commissioner and must be approved by the City Manager. The Village's maximum credit limit shall not exceed \$25,000.00.
4. The Finance Director/Tax Commissioner shall ensure that the Village has appropriate credit protections in place to prevent theft, fraud, and abuse of Village issued credit cards. An employee's credit card privileges may be cancelled, suspended or revoked at any time at the discretion of the Finance Director/Tax Commissioner.
5. The Finance Director/Tax Commissioner shall minimize the number of credit card accounts the Village has to ensure control of the Village's credit line. The Finance Director/Tax Commissioner is authorized to change credit card providers from time to

time to pursue cost savings or other benefits payable to the Village from credit card providers. If a reward is received, the Finance Director/Tax Commissioner annually shall file a report with Council detailing all rewards received based on the use of the Village's credit card account. The Village does not maintain debit cards.

6. The Director of Administrative Services is the appointed Compliance Officer for the Village. The Compliance Officer may not use a credit card and may not authorize an officer or employee to use a credit card. The Village Comptroller and the Director of Administrative Services shall review quarterly the number of cards and accounts issued, the number of active cards and accounts issued, the cards' and accounts' expiration dates, and the cards' and accounts' credit limits.

### **USE GUIDELINES**

The following procedures are to be followed when using the Village issued credit cards:

1. Cards are for official business use and shall be used for eligible travel and business related expenses incurred by the authorized cardholders for the conduct of Village business. Therefore, under no circumstances is the card to be used for personal items or non-work related purchases. In the event that a Village credit card is used for a personal purchase in error, the employee will report such error to the Finance Director/Tax Commissioner and reimburse the Village for the entire purchase amount including any applicable taxes and fees immediately upon discovery of the error.
2. The credit card number is limited to the employee whose name appears on the face of the card. The card should not be loaned to another person in the Village. If a department is issued a departmental credit card, a check-out and check-in log shall be used identifying which employees are using the card, the vendor and details of the purchase. The departmental credit card may be randomly audited to track purchasing and record keeping activity.
3. The Village is a tax exempt entity. Cardholders must present themselves as Village employees at the point of purchase to ensure the vendor does not charge applicable state sales tax. It is the cardholder's responsibility to work with the vendor to correct any sales tax charged in error. Tax exempt forms may be obtained by contacting the Finance Director/Tax Commissioner. If sales tax is charged, the employee who is assigned the credit card may be responsible for reimbursing the Village of the state sales tax charges through payroll deduction or direct payment.
4. All credit card charges will be paid through the appropriate budgeted accounts appropriated in the annual operating budget and subject to the purchase order and requisition procedures. All purchases over \$100.00 must be approved by the Department Head and Finance Director/Tax Commissioner. The purchase order will be issued to the credit card issuer bank and shall include the name of the vendor from which purchase is being made as well as a detail list of the item(s) purchased, if not using a blanket purchase order. If there are questions whether a commercial credit card can be used for a

purchase the cardholder shall contact the Finance Director/Tax Commissioner.

5. The cardholder must obtain and submit with the bill supporting documents for each charge. An employee or designated official using the Village issued credit card shall sign for the transaction and retain a merchant receipt and credit card receipt for the transaction. If the credit card is being used for a purchase over the phone or online, the employee shall require the vendor to provide a transaction number or other unique identifier to track the transaction. The following items are required to document credit card purchases:
  - a. Detailed hotel bill
  - b. Detailed phone itemization (in cases where base hotel bill was prepaid by the Village)
  - c. Phone order information
  - d. Internet order information
6. Meals: The existing *Business Travel Policy* regarding meal limitations for each person applies. An employee is permitted a fixed limit for meals when out of town on business. When only traveling for a portion of the day, meal reimbursement applies to the portion of day out of town. Therefore, if meals are charged to the card, employees should attach a travel form documenting the meals. If the cost of meals exceeds the set per diem limits, the employee will be required to reimburse the Village.

Additionally, there may be instances where the card is used to buy the meals of employees and Village business visitors. In this case, a requisition must be completed documenting:

1. Names of all persons eating and business relationship (if not employees);
2. Business purpose of meal/trip;
3. Date of meeting/business purpose.

Alcohol is not reimbursable by the Village. Under no circumstances shall a Village issued credit card be used for the purchase of alcoholic beverages or tobacco products.

7. The cardholder is responsible for managing any returns, exchanges or disputes and must ensure that proper credit is received for all returns. Cardholder shall report to the Finance Department any unique billing issues.
8. Use of the credit card is the responsibility of the Village employee whose name appears on the face of the card. Each cardholder is responsible for the security of his/her card. All precautions should be used to maintain confidentiality of all information relating to the card, such as the cardholder's account number, expiration date and security code. Cardholders should not provide credit card information over the phone or over the internet unless the employee is certain it is a secure environment. Cardholders shall not write credit card numbers or security codes down and store or file.

9. If a card has been lost or stolen, the employee must immediately notify the credit card issuer (financial institution), their supervisor and the Finance Director/Tax Commissioner. In addition, the cardholder is required to file a police report with the jurisdiction in which the card was lost or stolen. A copy of the police report must be forwarded to the Finance Director/Tax Commissioner. If necessary, a detailed report shall be completed documenting the date the loss was discovered (if known), the purchases that the cardholder had made prior to the loss, and any other information that may be required by the financial institution. Failure to promptly notify the issuing bank of the theft or loss of a credit card could make the Village liable for any fraudulent use of the card and result in the loss of credit card privileges for the cardholder.
10. Withdrawals, cash advances or purchase of traveler's checks are strictly prohibited.

### **ACCOUNT RECONCILIATION AND PAYMENT PROCEDURES**

1. Payments will be made by statement due date. Late charges on credit cards must be avoided. Reconciliation of the cardholder's account between the goods and services received and the charges reported on the cardholder's statement must be made immediately upon receipt of the bill. The statement along with supporting documentation of receipts or invoices, the purchase order and payment approval must be submitted to the Finance Department for payment of the credit card bill. The Village Comptroller shall review itemized receipts monthly.
2. It is the cardholder's responsibility to obtain and retain a detailed receipt for all charges made on the credit card. If, for some reason, a receipt is missing to reconcile the monthly statement, a written explanation must be submitted for explaining the nature of the purchase. The employee shall be liable to reimburse the Village the amount for which the employee does not provide itemized receipts in accordance with this policy. Failure to keep proper receipts and repeated instances of lost receipts may result in revocation of credit card privileges.

### **INVESTIGATION, DISCIPLINARY ACTION AND TERMINATION**

1. Misuse of the card will be handled promptly and uniformly for all cardholders. The Finance Director/Tax Commissioner shall cause an investigation of any alleged violation which is not in accordance with this policy, or any of the credit card terms, agreements or procedures. During an investigation, the card used may be suspended, and not restored until the issue is resolved.
2. The use of a credit card account for expenses beyond those authorized by the Village, personal use, loaning of an individual card to unauthorized persons and lack of proper and timely reconciliation of individual card accounts constitutes misuse of a credit card account. An employee who knowingly misuses a credit card held by the Village violates section 2913.21 of the Ohio Revised Code. Based on the severity of misuse, employees who are found to have violated this policy may be subject to revocation of credit card privileges, disciplinary action up to and including termination from employment and/or

criminal prosecution. Additionally, the cardholder shall be personally liable for payment of improper purchases.

3. Upon termination of employment for any reason, the cardholder must return the Village issued credit card at the time of separation from employment. The Finance Director/Tax Commissioner shall notify the card issuer for immediate deactivation of the card.

APPROVAL: \_\_\_\_\_  
CITY MANAGER

DATE: \_\_\_\_\_

EFFECTIVE: Immediately

LAST REVISED: January 23, 2019; November 27, 2017; April 15, 2005