

CREDIT CARD POLICY FOR THE VILLAGE OF FAIRFAX

Pursuant to R.C. 9.21, the Council of the Village of Fairfax ("Village") adopts this policy for the use of credit card accounts.

"Credit card account" has the same meaning as set forth in R.C. 9.21(H), and refers to any such account opened in the name or on behalf of the Village, or for which the Village is responsible for payment.

Any authorization or prohibition with respect to credit card accounts applies equally to presentation instruments (including cards or checks) related to an account, as applicable.

A. Authorized Users

1. The following officers or employees ("Authorized Users") are authorized to use a credit card account:
 - a. Village Administrator
 - b. Assistant Village Administrator, if authorized by the Village Administrator
 - c. Clerk-Treasurer
 - d. Assistant Clerk-Treasurer, if authorized by the Clerk-Treasurer
 - e. Chief of Police
 - f. Police Lieutenant, if authorized by the Chief of Police
 - g. Police Clerk, if authorized by the Chief of Police
 - h. Maintenance Foreman, if authorized by the Village Administrator
 - i. Maintenance Laborer, if authorized by the Village Administrator
 - j. Recreation Supervisor, if authorized by the Village Administrator

All references to the Clerk-Treasurer in this policy include any Fiscal Officer employed by the Village in lieu of an elected Clerk-Treasurer. All references to the Assistant Clerk-Treasurer include any primary assistant or deputy employed for the Fiscal Officer.

2. The Clerk-Treasurer shall maintain a list of the names of all Authorized Users. The Village Administrator and Chief of Police shall notify the Clerk-

Treasurer promptly if they designate any Authorized User as set forth in sections 1.b, d, f, g, h, i, or j above.

B. Authorized Expenses

1. The Village Administrator and Clerk-Treasurer or, as designated pursuant to section A above, the Assistant Village Administrator and Assistant Clerk-Treasurer, may use a credit card account for any lawful expenditure on behalf of the Village, including any Village department or office.
2. All other Authorized Users may use a credit card account for any lawful expenditure on behalf of their own Village department or office only.
3. Credit card account expenses may not be incurred for any purpose unless specified in subsections 1 and 2 above. This prohibition includes, but is not limited to, personal expenses or expenses on behalf of unauthorized third-parties. Credit card accounts may not be used to advance personal or other unauthorized expenses, even if intended for prompt reimbursement.
4. Authorized credit card account use requires an appropriate purchase order, issued in advance of such use.
5. Authorized credit card account use is for convenience, not to finance or obtain loans for expenses. Use of a credit card account requires the reasonable belief that the Village will pay for all such expenses when due without incurring interest, late fees, or other issuer charges.
6. Credit card accounts may not be used to obtain cash advances.

C. Procedure for Acquisition, Use, and Management

1. The Clerk-Treasurer shall acquire one or more credit card accounts for the Village as a whole, as needed, for use by any Authorized User. No one but the Clerk-Treasurer may acquire or otherwise open a credit card account.
 - a. The Clerk-Treasurer should limit the number of open credit card accounts to the minimum number reasonably necessary to conduct Village business.
 - b. All issuer terms and conditions for a credit card account, including but not limited to interest, fees, and issuer charges, shall be commercially reasonable. The Clerk-Treasurer shall consider such terms and conditions in deciding whether to acquire, cancel, or replace any credit card account.

- c. The Clerk-Treasurer may acquire a credit card account only from: any bank with which the Village makes deposits; any other bank, including a national bank, of sound reputation; or a merchant from whom the Village makes appropriate purchases.
 - d. The Clerk-Treasurer shall provide to the credit card account issuer such lawful information as may be necessary to acquire or maintain a credit card account.
 - e. Pursuant to R.C. 9.21(B), the Clerk-Treasurer shall ensure that the name of the Village of Fairfax appears on each presentation instrument related to a credit card account.
2. Subject to section 3 below, credit card account information may be transmitted directly for the payment of expenses in any prudent manner that circumstances warrant, whether in person, over the internet or telephone, in writing, or otherwise. However, the transmission of credit card account information over the internet may only be done from Village-issued computers or mobile devices.
3. All Authorized Users shall take care to use or transmit credit card account information, and to maintain all presentation instruments such as cards or checks, in a safe and secure manner, giving due consideration to protecting the credit card account information from unauthorized access or use.
- a. Authorized Users may carry or transport presentation instruments when reasonably necessary to do so for the payment of expenses. When it is not reasonably necessary to carry or transport presentation instruments, such instruments shall be maintained in a secure location, preferably at the Village Municipal Building.
 - b. When possible, Authorized Users shall transmit credit card account information by encrypted or otherwise secure transmission technology.
 - c. When possible, Authorized Users shall not recite or display credit card account information so unauthorized third-parties may hear or see such information.
 - d. Authorized Users may not copy or store credit card account information separately from the presentation instruments or other documents received from the account issuer. This includes, but is not limited to, storing credit card account information separately on paper, on computer hard drives or removable storage devices, in

internet browsers, on smart phones, or in software programs or apps. Authorized Users shall not intentionally save credit card account information such that it populates automatically during use of a device, software, browser, app, or similar instrumentality.

- e. Subject to the appropriate document retention schedule, the Clerk-Treasurer shall maintain all paper or electronic documents related to any credit card account, and shall maintain all account numbers securely.
 - f. The Clerk-Treasurer may, at her discretion, maintain online, password-protected access to any credit card account as offered by the account issuer. Any chosen password shall be kept securely and shall be a strong or safe password in the Clerk-Treasurer's reasonable estimation. The Clerk-Treasurer may use such online access to lock an account for security purposes, review account charges, manage account alerts, check account balances, change account settings, and any other appropriate and customary purpose.
4. All credit card account payment invoices shall be sent directly from the account issuer to the Clerk-Treasurer, who shall pay the invoice as warranted. The Clerk-Treasurer shall, absent exigent circumstances, pay all credit card invoices in full by the due date to avoid incurring any interest, late fees, or other issuer charges.

D. Submission of Receipts

Authorized Users shall obtain a receipt for any expenses paid with a credit card account. The receipt shall be provided to the Clerk-Treasurer or her designee promptly, but no later than within three business days of the expense. If the receipt is for an amount greater than the purchase order obtained in advance, the Authorized User shall provide an explanation of the difference when submitting the receipt, and the Clerk-Treasurer shall investigate such difference and take or recommend any appropriate action. It shall not be a violation of this policy to exceed the amount of a purchase order based on unforeseen differences in taxes, shipping, or similar incidental charges.

E. Issuance, Reissuance, Cancellation, and Reporting

- 1. The procedure for credit card account issuance and reissuance shall be as set forth in section C.1 above.
- 2. Provided that the Village maintains at least one credit card account sufficient and reasonably convenient for all authorized use as set forth in this policy, the Clerk-Treasurer may cancel or replace any credit card account. In making such determination, the Clerk-Treasurer shall be

guided by prudent financial management related to the number of open accounts, the features of any account, or the benefits or disadvantages of any account, including its terms and conditions. The Clerk-Treasurer shall not make any policy determination as to who should use a credit card account or under what circumstances.

3. If any Authorized User learns or reasonably believes that credit card account information or any presentation instrument has been lost, stolen, or otherwise compromised (collectively, a "Loss"), such Authorized User shall proceed immediately as follows:
 - a. Report the Loss to the Clerk-Treasurer or her designee, ensuring acknowledgement of receipt of the report; or
 - b. If the Clerk-Treasurer or her designee are unavailable or do not acknowledge the report, report the Loss directly to the credit card account issuer and, thereafter, provide details of such report promptly to the Clerk-Treasurer or her designee for further appropriate action.

Upon receipt of any report of Loss, the Clerk-Treasurer or her designee shall make such reports or inquiries to the credit card account issuer, law enforcement authorities, or merchants as needed to investigate the Loss, lock the credit card account, cancel or replace the credit card account, dispute or prevent unauthorized charges, or pursue other appropriate remedies. The Clerk-Treasurer may use online account access for any such purpose, including from a secure computer or device not issued by the Village if warranted by the immediate need to respond to the Loss.

F. Credit Card Account Limits

The Clerk-Treasurer shall determine an appropriate limit for each credit card account upon good faith consultation with the intended Authorized Users as to the credit capacity they need for such account, and shall obtain an available limit sufficient for the purpose of the credit card account. Generally, the Clerk-Treasurer should defer to the needs of the Authorized Users. As to any limit less than what the Authorized Users request, the Clerk-Treasurer shall be guided by prudent management related to the financial impact or risk of the subject limit rather than any policy determination as to how much an Authorized User should spend for expenses within their legal authority.

Notwithstanding the foregoing paragraph, no credit card account limit shall exceed \$5,000.00.

G. Discipline and Misuse

1. Violation of this policy subjects an officer or employee to discipline or removal to the extent allowed by law or by the Village Employee Handbook.
2. R.C. 9.21(F) prohibits “misuse” of a credit card account. Pursuant to R.C. 9.21(A)(7), the following actions or omissions by an officer or employee qualify as misuse of a credit card account:
 - a. Any use of a credit card account except by an Authorized User;
 - b. Any use of a credit card account for an expense not made on behalf of the Village, including but not limited to an expense made for personal use;
 - c. Knowingly providing, or knowingly providing access to, credit card account numbers, security codes, or presentation instruments to any person other than an Authorized User except if:
 - i. to a merchant or otherwise incident to an authorized use;
 - ii. to the credit card account issuer; or
 - iii. to law enforcement or any appropriate State of Ohio authority pursuant to a report or investigation;
 - d. Knowingly acquiring or opening a credit card account without authority to do so.
3. Notwithstanding paragraphs 1 and 2 above, Council may ratify by majority vote any act or omission otherwise constituting a violation of this policy or misuse if Council finds that such act or omission was committed inadvertently and in good faith, or under exigent circumstances necessary for the immediate protection of life, health, safety, or property.

H. Compliance and Reporting

1. Because Authorized Users in addition to the Clerk-Treasurer may retain possession and control of presentation instruments, Council hereby appoints the Mayor as the compliance officer pursuant to R.C. 9.21(C) and (D). The Mayor shall not use a credit card account or authorize an officer or employee to do so.
2. Pursuant to R.C. 9.21(D), the Mayor, as compliance officer, and Council shall, at least quarterly, review 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.

- a. To facilitate such review, the Clerk-Treasurer or her designee shall prepare and deliver to the Mayor and each member of Council, on a quarterly basis, a report setting forth all of the information described in section 2 above.
 - b. Subject to the content restrictions set forth in section G.2.c above, the Clerk-Treasurer or her designee shall provide such additional reporting related to the Village's credit card accounts as the Mayor or Council request from time-to-time.
3. Pursuant to R.C. 9.21(G), the Clerk-Treasurer or her designee shall file a report annually with Council detailing all rewards received based on the use of the Village's credit card accounts. Unless Council requests otherwise, the Clerk-Treasurer shall file the report prior to the regular meeting of Council held in February of each year.
- a. The Clerk-Treasurer is not required to acquire a credit card account that provides rewards.
 - b. Any rewards, if redeemed, must be redeemed on behalf of the Village and used by the Village as allowed by law.
 - c. The Village's strong preference for a reward, if any, is for cash back or a cash equivalent credit against purchases made.

Adopted December 2018