

ORDINANCE NO. 2018-097, AS AMENDED

AN ORDINANCE APPROVING THE BANK CREDIT CARD POLICY ATTACHED HERETO AND INCORPORATED HEREIN AS EXHIBIT A, AND DECLARING AN EMERGENCY.

WHEREAS, the Governor of the State of Ohio signed House Bill 312 into law on August 2, 2018 establishing new safeguards for credit card use in local government, and;

WHEREAS, HB 312 is not now effective and will not become effective until November 2, 2018, and;

WHEREAS, the City of Findlay currently has a policy in effect and therefore needs not to adopt a written policy to comport with HB 312 until January 31, 2019, and;


WHEREAS, the Auditor has requested legislation to adopt a written credit card policy to govern the use of bank credit cards by employees in conformity with said HB 312.


NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Findlay, State of Ohio, a majority of elected thereto concurring:

SECTION 1: This Council hereby approves the written bank credit card policy attached hereto and incorporated herein to govern the use of bank credit cards by employees in accordance with the policy attached hereto and incorporated herein as Exhibit A.

SECTION 2: This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the inhabitants of the City of Findlay, Ohio, and for the further reason it is immediately necessary to enact said Ordinance so that said credit card policy is in effect on or before January 31, 2019.

WHEREFORE, This Ordinance shall be in full force and effect from and after the earliest period provided by law.


PRESIDENT OF COUNCIL *Pro-Tem*


MAYOR

PASSED January 31, 2019

ATTEST 
CLERK OF COUNCIL

APPROVED January 31, 2019

CITY OF FINDLAY

BANK CREDIT CARD POLICY

The purpose of this policy is to establish criteria for the proper use of bank credit cards when conducting City business. Bank credit cards issued under this policy may only be used by the name of the cardholder to conduct City business.

General Information

Authorized employees will have a card on file with a unique card number, the City of Findlay, and employee's name embossed on it. Only the named employee shall use the card; no other person is authorized to use the card.

Each bank credit card will have a sign in/sign out card. When the employee is issued temporary custody of the card, the cardholder will sign out the card, and upon returning, the cardholder will then sign the card back in. A credit card can only be signed out after a purchase order has been approved.

The act of having a bank credit card issued in the employee's name does not indicate pre-approval of any expenditures/expenses.

Use of a bank credit card is restricted to purchases that CANNOT be procured through normal procedures. All goods and services purchased by the City should be acquired through credit extended by the City's vendors to the City whenever possible and paid by approved invoice within the agreed upon credit terms of the vendor. Also, in order to use the credit card for these types of purchases (other than for airlines or places of lodging) a W-9 must be obtained from vendors and *vendors must be pre-approved by the Auditor's Office.*

The use of the bank credit card does not justify the payment of any sales tax for which the City is exempt. As in all other purchases, the merchant shall be given a copy of the state sales tax exemption letter issued to the City and accordingly, state sales tax should not be charged. This is also applicable to all telephone and internet orders.

The bank credit card remains the property of the issuing bank. Users of the credit card are accountable for the activity on the card. The issuing bank or the City may suspend or cancel user privileges at any time for any reason. Generally the cards are to remain in possession of the Auditor's Office; however, if the user is in temporary possession of the card, the user will surrender the credit card upon request to the Auditor's Office or to any authorized agent of the issuer.

Accounting for Credit Cards

The City of Findlay shall have one bank credit card account that is administered by the Auditor's Office. Within that one account, cards are ordered specifically with the City of Findlay and the employee's name and each has their own individual credit limit. Cards must be signed out (but only with an approved purchase order) and signed back in by each employee. When signing out a card, the employee will be asked if a purchase order has been approved and for what purpose the card is being signed out.

Cards are issued in an RFID (radio-frequency identification) blocking sleeve. Cards should remain in these sleeves when not in use and should be returned with the sleeve.

The Auditor's Office will retain custody of all the credit cards in the safe when not in use. They will also maintain a list of all city issued chip-enabled credit cards, the names of those employees, the expiration dates, and the pin numbers. The Auditor's Office also keeps the original signed cardholder agreements.

Department Supervisors may make a request to the City Auditor (or his designee) for a credit card be issued to a specific employee for a specific use. Cards typically take about 7-10 business days from the order date to be received. If a card has to be ordered and overnighted due to the lack of planning by the department/employee, the expedited fee from the bank will be charged to the department.

A bank credit card may be issued to an individual who meets the following conditions:

1. He or she is a permanent employee with the City of Findlay,
2. Said employee agrees to be held liable to the credit card company for all charges while conducting official City business, and
3. Said employee has signed a bank credit card cardholder agreement
4. Officers and positions as noted in the City's salary ordinance who have been approved by their supervisor and/or department head.

The Auditor's Office review is to provide for control of the number of cards that are issued to and maintained by the City. Cards usually have an expiration date of 4 years from the issue date. Per the bank's policy, cards that have had no activity within 1 year of the expiration date will not be automatically renewed. Those expired cards will be destroyed and not replaced.

Credit Limits

The credit limit on each individual card shall be \$1,000. When there is a need to have a temporary higher credit limit (i.e. to cover the cost of a flight, hotel, and rental car in a single trip that might exceed the default limit), the employee and employee's supervisor must communicate this to the City Auditor (or his designee) so that a temporary adjustment to the credit limit can be processed.

Cardholder Responsibilities and Accountability

It is the responsibility of each individual cardholder to:

1. Safeguard the bank credit card and credit card account number and PIN at all times; lost or stolen cards must be reported immediately to the credit card company and to the Auditor's Office;
2. Carry an additional picture ID to use the card if requested by a vendor; all cards are marked on the back with "Request ID" in the signature block;
3. When signed out, keep card in a secure location at all times and keep it in the RFID blocking sleeve issued with the card;
4. Not allow anyone to use the credit card and/or credit card account who is not the authorized employee listed on the card; the employee whose name appears on the card is the only individual who may use the card;
5. Obtain and retain original itemized receipts for goods and services purchased. All forms of canceled checks and copies of credit card receipts do NOT substitute for original receipts;

cardholders must obtain an itemized receipt from the vendor and submit the receipt (and any additional documentation) along with the Credit Card Use Transaction Log;

6. Sign all receipts and/or packing slips and the customer's copy of the charges and attach to a Credit Card Use Transaction Log and remit to the Auditor's Office within 3 business days of the purchase;
7. Surrender of the credit card upon completion of the travel or purchase to the Auditor's Office;
8. Understand that the City Auditor (or his designee) shall, at his discretion, cancel any credit card and revoke future credit card privileges when the credit card or receipts are not returned timely to the Auditor's Office or upon request.

Approved uses of Bank Credit Cards

A purchase made with a credit card may be made in-store, by telephone, fax, or internet. The bank credit cards are not expense accounts; a purchase order is required *prior to use of the card*. The purchase order must include the name and address of the vendor accepting the credit card.

Upon approval, bank credit cards may be used for the following:

1. Fuel,
2. Online training sessions,
3. Travel expenses such as deposits to hold rooms, lodging, airline tickets, and fuel for a city vehicle while away on travel,
4. Rental cars,
5. Or other purchases deemed appropriate for purchase with the use of the bank credit card by the City Auditor

Unauthorized and/or Inappropriate Card Use

Bank credit cards must never be used to purchase items for personal use or for non-City purposes, even if the employee intends to reimburse the City of Findlay.

Unauthorized and/or inappropriate card use includes, but is not limited to:

1. Items for personal use,
2. Items for non-City use,
3. Cash or cash advances,
4. Food and beverages (alcoholic or non-alcoholic),
5. Weapons of any kind or explosives (except authorized Police Department purchases),
6. Entertainment (including hotel pay per view movie charges) or recreation,
7. Fuel for personal vehicles,
8. Shuttles or taxis,
9. Under no circumstances may any personal expenses, including meals at seminars/conferences/training be charged on the credit card,
10. No photo copies are to made of the card and stored in the department files (this is a violation of MasterCard rules and could harm the City in the case of fraudulent claims),
11. Purchasing from a non-approved vendor without a purchase order,
12. To circumvent purchasing policies; the bank credit cards are not expense accounts.

The above list is provided as a guide only. In situations where there is doubt about the appropriate use of the bank credit card, contact the Auditor's Office prior to creating a requisition.

Misuse of the Bank Credit Card

1. A cardholder who makes an unauthorized purchase with the card or uses the card in an inappropriate manner will be subject to revocation of the credit card and disciplinary action including restitution to the City of Findlay for unauthorized purchases, possible card cancellation, possible termination of employment and criminal prosecution; human error and extraordinary circumstances may be taken into consideration when investigating any violation of this agreement.
2. The City Auditor has the authority to investigate and determine whether a violation of the credit card policy has occurred.
3. If any item purchased with a credit card is not acceptable, arrangements must be made for a return for a credit or an exchange. A cash refund or check is prohibited.
4. Failure to submit packing slips, receipts or other documentation on a Credit Card Use Transaction Log within 3 business days of the purchase.
5. Sharing the credit card or card account number with unauthorized users or making a photocopy of the card to retain by the department or cardholder (this is a direct violation of the use agreement with MasterCard and could result in the City being liable for any fraudulent charges).
6. If, for any reason, disallowed charges are not repaid before the credit card bill is due and payable, the City of Findlay shall have a prior lien against and a right to withhold any and all funds payable or to become payable to the employee up to an amount of the disallowed charges and interest at the same rate as charged by the credit card company. Any employee who has been issued a credit card by the City shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the City Auditor.

Making a Telephone or Internet Order

Each and every bank credit card purchase must be supported by documentation; print all screens in the order process to ensure there is some sort of documentation of the purchase price that will show on the credit card statement.

When the order arrives, and packing slips should be retained and submitted with the Credit Card Use Transaction Log.

Internet orders should only be placed with reputable merchants who provide a secure ordering site. Users should ensure that the site utilizes industry recognized encryption transmission tools. Some examples include: a secure site will show a padlock icon or will have an internet URL address that begins with "https".

When making purchases via the internet, the card number is NOT to be stored on the vendor's system. Please make sure to uncheck this option if present.

The cardholder shall ensure that the purchase is sales tax exempt before finalizing the order.

Card Cancellation

A bank credit card may be canceled by the issuer or the Auditor's Office for any of the following reasons:

1. the card is lost or stolen;
2. the card information has been hacked and used fraudulently;
3. the employee retires, resigns, or is otherwise terminated from City employment;
4. the cardholder requests cancellation for any reason;
5. the cardholder misused or abused card privileges;
6. the cardholder fails to comply with all of the terms of the policy

Credit Card Use Transaction Log (non-travel purchases)

The cardholder is required to record the details of each purchase. The Credit Card Use Transaction Log will include the following:

1. Cardholder's Name and employee number
2. Date of Transaction
3. Merchant Name
4. Complete item description (Be specific. A description of "misc parts" is not acceptable.)
5. Acknowledge that sales tax has not been charged
6. Total amount of the charge for the transaction
7. The purchase order number
8. If an item is being returned, attach the credit slip to the Credit Card Use Transaction Log
9. The employee (cardholder) signature and date signed on the form
10. The department supervisor signature and date signed on the form

Travel Expense Statement and Request for Reimbursement

If credit cards are used for travel, employees must submit a fully itemized travel expense report with the signed original itemized receipt(s) attached. Any charges against the credit card not properly documented on the travel expense report shall be paid by the employee.

Lost or Stolen Card

In the case of a lost or stolen card, the cardholder shall immediately notify the Auditor's Office at 419-424-7102 and Fifth Third Bank. The police department should also be notified depending upon the situation, i.e. robbery, burglary, etc. The following telephone number may be used to notify the Bank:

24 HOURS, 7 DAYS A WEEK: 1-800-375-1747

Failure to immediately report a lost or stolen card could result in the employee being responsible for fraudulent use of the card.

The following information should be provided to the Auditor's Office: cardholder's name, last 4 of the card number, the date reported to police (if applicable), the date reported to the Bank, and the last known purchase(s) before the card was discovered lost or stolen. The missing card will be canceled and a new card will be ordered by the Auditor's Office.

Auditor's Office Responsibilities for Bank Credit Card

The City Auditor (or his designee) is responsible for:

1. Implementation of this policy
2. Timely reconciliation of credit card accounts
3. Appropriate record keeping of issued cards
4. A comprehensive annual notification to each department with a list of those employees in the department that have a credit card in their name and the expiration date of the card
5. Handling these administrative duties:
 - a. Knowing the credit card limitations
 - b. Developing and implementing internal procedures that govern City use credit cards
 - c. Answering questions about use of cards
 - d. Monitoring card usage to ensure that City policies, and internal policies and procedures are being followed
 - e. Assigning credit card privileges to authorized users
6. Payment of bills
 - a. The responsibility of processing a voucher for payment of the credit card charges will reside with the Auditor's Office.
 - b. If any finance or late charges are assessed due to the Auditor's Office not receiving adequate documentation sufficient to pay the bill timely, they will be charged to the department.

CITY OF FINDLAY

BANK CREDIT CARD CARDHOLDER AGREEMENT

1. I hereby acknowledge receipt of a City of Findlay MasterCard credit card.
2. I also acknowledge receipt of the City of Findlay’s Bank Credit Card policy and confirm that I have read, understand, and will comply with the terms outlined therein.
3. The bank credit card is provided to employees based on their need to purchase business-related items that are not otherwise available through a vendor on a purchase order and invoice basis.
4. The bank credit card may be revoked at any time.
5. The bank credit card is not an entitlement or expense account, nor reflective of title or position.
6. All charges are billed directly to and paid directly by the City of Findlay through the bank credit card statement. Any personal charges on the bank card could be considered a misappropriation of City funds since the cardholder cannot pay the bank directly.
7. Cardholders are expected to comply with internal control procedures in order to protect City assets. This includes keeping receipts, completing the appropriate expense report or transaction log upon completion of use of the card, and following proper card security measures. The City and/or the State Auditor’s Office will audit the use of this card and report any discrepancies.
8. Prior to receipt submission to the Auditor’s Office, the cardholder and department supervisor will sign the applicable Credit Card Use Transaction Log or Travel Expense Report with the receipts attached. The cardholders is responsible to provide itemized receipts for all bank credit card transactions.
9. A lost or stolen card should be reported immediately by telephone to the Auditor’s Office (419-424-7102) and the Bank **24 HOURS, 7 DAYS A WEEK: 1-800-375-1747.**
10. A cardholder must surrender custody of the bank credit card upon return from travel or completion of the sales transaction. At that point, no further use of the account is authorized.

The bank credit card is for business-related purchases only; personal charges are not to be made to the bank credit card. In accepting this card I understand that I am the only person allowed to use the card and I am responsible for all charges made against the card. Improper use of the card can be considered misappropriation of City funds which may result in disciplinary action. In addition, should I fail to use this card properly and make repayment when required, I understand the City may deduct from my wages that amount equal to the total of the discrepancy. Improper use of the card may also result in revocation of credit card privileges. I also understand that the City of Findlay my elect to collect such amount, including legal fees, even if I am no longer employed by the City of Findlay.

Printed Name on Card	Last 4 Digits of Card

Signature of Cardholder	Employee #	Date