



CITY OF PATASKALA

ORDINANCE 2018-4330

Passed January 7, 2019

AN ORDINANCE AMENDING, RENAMING, AND REPLACING SECTION 13.03 OF THE CITY OF PATASKALA EMPLOYEE HANDBOOK & POLICY MANUAL ESTABLISHING THE CITY'S CREDIT CARD POLICY AND DECLARING AN EMERGENCY

WHEREAS, House Bill (H.B.) 312 of the 132nd General Assembly, Section 1, as codified and made applicable to the City through O.R.C. § 717.31, sets forth regulations and requirements for local government entities and political subdivisions to adopt a written policy for the use of credit card accounts; and

WHEREAS, H.B. 312 establishes new safeguards for credit card use and seeks to reduce credit card abuse for all local government entities and citizens across Ohio; and

WHEREAS, specifically, H.B. 312 requires the City to adopt a written policy for the use of credit card accounts addressing all of the following: (1) the officer or positions authorized to use a credit card account; (2) the types of expenses for which a credit card account may be used; (3) the procedure for acquisition, use, and management of a credit card account; (4) the procedure for submitting itemized receipts; (5) the procedure for credit card issuance, reissuance, cancellation, and the procedure for reporting lost or stolen credit cards; (6) each credit card account's maximum credit limit; and (7) the actions or omissions by an officer or employee that qualify as misuse of a credit card account; and

WHEREAS, all local government entities must adopt a written policy addressing these requirements by no later than three months after the effective date of H.B. 312, or by no later than January 31, 2019; and

WHEREAS, Council for the City of Pataskala has previously adopted a written credit card policy through Section 13.03 of the Employee Handbook & Policy Manual; and

WHEREAS, with Ordinance No. 2018-4310, Council for the City of Pataskala most recently adopted the last amended version of the Employee Handbook & Policy Manual; and

WHEREAS, the City's current credit card policy must be slightly updated and amended in order to comply with these new requirements under H.B. 312 and codified by O.R.C. § 717.31; and

WHEREAS, Council for the City of Pataskala now wants to amend, rename, and replace its current credit card policy contained in Section 13.03 of the Employee Handbook & Policy Manual for the purpose of reflecting the requirements now in effect under H.B. 312, safeguarding the City against credit card fraud and abuse, and promoting responsible acquisition, management, and use of City credit cards.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF PATASKALA, COUNTY OF LICKING, STATE OF OHIO, A MAJORITY OF ALL MEMBERS ELECTED OR APPOINTED THERETO CONCURRING, THAT:

Section 1: Section 13.03 of the Employee Handbook & Policy Manual shall be amended, renamed, and replaced as set forth in the document entitled "Section 13.03 - Credit Card Policy" attached hereto as Exhibit A and incorporated herein by reference.

Section 2: All other Sections and Sub-Sections of the Employee Handbook & Policy Manual, not specifically addressed in Exhibit A, shall remain unchanged, in effect, and enforceable.

Section 3: Council hereby expressly declares that the Credit Card Policy attached hereto as Exhibit A shall serve as the exclusive written policy of the City for the use of credit card accounts and shall apply to all employees, officers, and departments of the City.

Section 4: It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of Council and that all deliberations of the Council and any of the decision making bodies of the City of Pataskala which resulted in such formal actions were in meetings open to the public in compliance with all legal requirements of the State of Ohio.

Section 5: All prior legislation, or any parts thereof, which is/are inconsistent with this Ordinance is/are hereby repealed as to the inconsistent parts thereto.

Section 6: Council declares this to be an emergency measure immediately necessary for the preservation of the public peace, health, and safety of this City and the further reason that these amendments to and replacement of the Credit Card Policy must take effect immediately, given the implementation deadline of January 31, 2019 established by H.B. 312.

ATTEST:


Kathy M. Hoskinson, Clerk of Council


Michael W. Compton, Mayor

Approved as to form:



Brian M. Zets, Law Director

Section 13.03 - Credit Card Policy

- (a) **General Overview** – The purpose of this policy is to ensure that City credit card accounts, including accounts for bank credit cards, gasoline credit cards, and retail credit cards, are closely monitored in order to provide for maximum security of City funds and to safeguard against misuse and/or losses of public funds for which the City may be held liable. This policy is meant to comply with the mandates of 2018 H.B. 312, § 1, enacted by the 132nd General Assembly and made applicable to the City as codified by O.R.C. § 717.31. All City-issued credit cards are to be used solely for the purpose of conducting City business and are not to be used in any event for personal expenses.
- (b) **Objectives** – The issuance of credit cards by the City, and the use of such cards by its employees, serves to accomplish the following objectives:
- (i) To allow City personnel access to efficient and alternative means of payment for approved expenses, especially expenses related to business travel and office supplies.
 - (ii) To improve managerial reporting related to credit card purchases.
 - (iii) To improve efficiency and reduce costs of payables processing.
- (c) **Authorized Personnel**
- (i) City credit cards will be issued to the City Administrator, Police Chief and Deputy Chief, and Directors and Supervisors of each City department. Other employees may be issued cards upon request of the employee's respective department Director and with the approval of the Finance Director.
 - (ii) The City Administrator is authorized and directed to appoint a Compliance Officer to comply with the statutory requirements for the quarterly review of the city's credit cards pursuant to ORC §717.31(C)(1). Such a review shall include the number of active cards issued, the cards' and accounts' expiration dates, and the cards' and accounts' credit limits. The employee serving as the Compliance Officer may not be the Finance Director, may not use a city credit card account, and may not authorize any other city employee to use a city credit card account.
 - (iii) Before receiving a City credit card, all authorized employees must complete the City's *Cardholder Agreement Form*, attached as Appendix J, which will be filed and maintained in the employee's personnel file.
- (d) **Acquisition, Use, and Management of Credit Card Accounts** – The Finance Director shall be responsible for the acquisition, use, and management of all new and existing City credit card accounts and associated presentation instruments, including cards and checks. Any new and/or additional credit card accounts to be opened in the

City's name for conducting City business must be submitted by the Finance Director to Council for approval.

(e) **Credit Card Issuance, Use, and Management**

- (i) Credit cards may be requested for prospective cardholders by written request to the Finance Director. A copy of the City's *Cardholder Agreement Form* is attached as Appendix J. Cards will be issued in the name of the employee with the City's name also listed. Employees are responsible for maintaining physical control over the card they are issued.
- (ii) Consideration should be given to the frequency of usage (out of town travel, online purchases, etc.), as well as the average monthly spending requirements when determining if an employee should have a card and the applicable credit limit.
- (iii) The Finance Director shall maintain a written list of all officials and employees permitted to use City credit cards, along with a master list of credit cards (and the names that appear on each card, if applicable). The Finance Director shall maintain both lists on file and keep them current.
- (iv) The Finance Director has the right to refuse to authorize the use of a credit card. In the case of a refusal, the employee's department Director may request Council's authorization.

(f) **Authorized Bank Credit Card Use and Expenses** – The City recognizes the efficiency and convenience afforded the day-to-day operation of the City through the use of credit cards under the supervision of the applicable department Directors and Supervisors and the Finance Director. However, credit cards shall not be used to circumvent the general purchasing procedures required by Ohio law and the policies of the City. Therefore, with the exception of gasoline credit cards, and unless otherwise approved by Council, all purchases made with a City credit card shall be preceded by an approved purchase order. Authorized employees must:

- (i) Verify that an approved purchase order has been created for the proposed transaction prior to using the credit card. If an approved purchase order does not currently exist, a requisition should be prepared and submitted to the Finance Department. The transaction must not be completed prior to receiving a PO number from the Finance Department.
- (ii) Limit use of credit cards exclusively to City business purposes. Personal purchases of any type are prohibited. The Finance Manager shall be notified immediately of any unintended personal usage, and the employee shall immediately reimburse the City for such charges.
- (iii) Make every effort to ensure that City credit card purchases do not include sales tax. Tax-exempt certificates are available through the Finance Department.

- (iv) Any rewards, rebates or awards earned through use of the City-issued credit card shall be immediately relinquished to the City.

(g) **Authorized Gasoline Credit Card Use and Expenses**

- (i) Gasoline credit cards are distributed to, and used by, applicable departments and are under the jurisdiction of each departmental Supervisor or Director.
- (ii) Gasoline credit cards shall only be used by City employees conducting business on behalf of the City and which relate to the use of a City vehicle.
- (iii) Designated employees may be permitted to use the gasoline credit card for their personal vehicles. Any such usage shall require prior approval by the applicable department Supervisor or City Administrator. It is the responsibility of the employee to determine that such approval has been received prior to use.
- (iv) The departmental Supervisor or Director is responsible for the security and monitoring of gasoline credit cards for proper use, under the general direction and control of the Finance Director. Repayment of any unsubstantiated or unrelated purchases will also be the responsibility of such employee and departmental Supervisor.
- (v) Use of gasoline credit cards shall in all other respects adhere to all procedures and requirements described in this policy.

(h) **Receipts**

- (i) Detailed itemized receipts, issued by email and/or electronic register, along with the credit card receipt, for all purchases on a City credit card must be retained and submitted to the Finance Department by the end of the next business day upon the employee's return to their normal work schedule.
- (ii) Failure to turn in receipts and appropriate documentation may result in the charges being deemed unrelated or unsubstantiated. The cardholder shall be responsible for any unrelated or unsubstantiated purchases.
- (iii) In the event the employee has performed due care in obtaining an itemized detailed receipt but was unsuccessful, the employee may complete and submit a City of Pataskala Lost Credit Card Receipt Form to the Finance Department for review. Such requests will be reviewed on a case-by-case basis, and evaluated accordingly depending upon the item purchased. A copy of the form can be found at the end of this policy.

(i) **Returns**

- (i) In the event an item or service purchased with a City credit card must be returned or exchanged for any reason, the cardholder is responsible for facilitating the return/exchange and requesting a credit to the account. All documentation regarding the return shall be submitted to the Finance

Department by the end of the next business day upon the employee's return to their normal work schedule.

- (ii) Cardholders may not receive cash back or in-store credits for any refunds or exchanges. Such amounts must be credited to the City credit card account. If a supplier mistakenly issues a refund check, the refund check must be immediately submitted to the Finance Department.

(j) **Credit Card Reissuance and Cancellation**

- (i) Reissuance of City credit cards to any authorized employee, other than an employee previously found to have violated this policy, shall recommence under the same procedures and requirements described in this policy.
- (ii) Failure to comply with this policy may result in the employee having their City credit card cancelled. The Finance Director shall be responsible for requesting and facilitating any necessary cancellation of a City credit card account and must notify Council of the same.
- (iii) Employees must surrender all City credit cards within their possession upon separation of employment from the City, or at any time when requested by the Finance Director.

- (k) **Reporting Lost or Stolen Credit Cards** – In the event a cardholder suspects the loss, theft, damage to, or unauthorized use of a City credit card, the cardholder shall immediately notify the Finance Director. In turn, the Finance Director shall immediately take the necessary steps to notify the issuing credit card agency, merchant, or financial institution in order to cancel and replace the credit card. Council shall be notified as soon as practicable.

- (l) **Maximum Credit Limits** – The City has several credit cards issued to City officials, employees, and departments. The City's Elavon Visa credit card account has a combined credit limit of \$25,000.00. Individual limits for each credit card are set based upon the nature and frequency of use, but in no event shall exceed a credit limit of \$2,500.00. Maximum credit limit amounts shall only be adjusted by the Finance Director upon prior approval by Council.

- (m) **Misuse of Credit Cards** – Any use of City credit cards for personal purchases is strictly prohibited and unauthorized. Such use may result in the employee losing all privileges to use City credit cards, cancellation of the credit card, reimbursement paid to the City, disciplinary action and/or criminal prosecution under O.R.C. § 2913.21.

- (i) Cash advances on credit cards are not allowed under any circumstances.
- (ii) Employees are not permitted to lend their credit card to another employee to facilitate a transaction, online or otherwise. If another employee has need of a card to complete a transaction, the employee should have their supervisor or Director submit a request.

- (iii) **The following purchases are strictly prohibited:**
 - 1) **Alcoholic beverages/tobacco products**
 - 2) **Capital equipment and upgrades over \$5,000**
 - 3) **Construction, renovation/installation**
 - 4) **Controlled substances**
 - 5) **Items or services on term contracts (unless authorized by the Finance Director)**
 - 6) **Maintenance agreements**
 - 7) **Personal items or loans**
 - 8) **Rentals (other than short-term autos)**
 - 9) **Any other items deemed inconsistent with City Policy or the Ohio Revised Code.**

- (iv) **All actions or omissions by an employee resulting in a failure to comply with any provision of this policy shall qualify as misuse of a City credit card account and will be subject to appropriate action.**

