RESOLUTION NO. 2019-6

A RESOLUTION ADOPTING THE CITY OF KENT, OHIO CREDIT/DEBIT/PURCHASING CARD POLICY AS APPROVED BY THE CITY MANAGER, OR HIS DESIGNEE, AND DECLARING AN EMERGENCY.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kent, Portage County, Ohio, at least three-fourths (3/4) of all members elected thereto concurring:

SECTION 1. That Council does hereby authorize the City Manager, or his designee, to adopt the City of Kent, Ohio Credit/Debit/Purchasing Card Policy, and is more fully described in Exhibit "A" attached hereto and incorporated herein.

SECTION 2. That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council and that all deliberations of this Council, and of any of its committees that resulted in such formal action, were in meetings open to the public in compliance with all legal requirements of Section 121.22 of the Ohio Revised Code.

SECTION 3. That this Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare of the residents of this City, for which reason and other reasons manifest to this Council, this Resolution is hereby declared to be an emergency measure and shall take effect and be in force immediately after passage.

PASSED: January 16, 2019
Date

EFFECTIVE: January 16, 2019
Date

ATTEST: Tara Grimm, MMC
Clerk of Council

_____________________________
Jerry T. Fiala
Mayor and President of Council

I, TARA GRIMM, CLERK OF COUNCIL FOR THE CITY OF KENT, COUNTY OF PORTAGE, AND STATE OF OHIO, AND IN Whose Custody the Original Files and Records of Said Council Are Required to Be Kept by the Laws of the State of Ohio, Hereby Certify That the Forgoing Is a True and Exact Copy of Resolution No. ____________________, Adopted by the Council of the City of Kent on ________________, 20________.

(SEAL)

_____________________________
TARA GRIMM, MMC
CLERK OF COUNCIL
City of Kent
City-Held Credit/Debit/Purchasing Card Policy

I. Purpose

The purpose of this policy is to ensure that credit/debit/purchasing cards (such as Sears, Home Depot, VISA, MasterCard, Discover) that are issued to and held in the name of the City are closely controlled and monitored so as to provide for maximum security and to guard against misuse and/or losses for which the City may be held liable. This policy is meant to comply with the mandates of Sub HB 312 enacted by the 132nd General Assembly. City use includes situations where a purchase order is not accepted by the provider for needed services, supplies and/or materials, or are purchased from a provider who issues a purchase card to be used in conjunction with a purchase order. There may also be instances where discounts and/or rebates that are deemed to be advantageous to the City are associated with this type of payment. The City-held credit/debit/purchasing cards (sometimes referred to as “card(s)”) are NOT for personal use, and will not be permitted to be carried by personnel on a regular basis for any reason. All City credit/debit/purchasing cards shall be the name of the “City of Kent, Ohio.”

II. General Guidelines

If the Budget and Finance Director does not retain general possession and control of each credit/debit/purchasing card account and related presentation instrument (card), Council hereby designates the City Controller as the City’s “Compliance Officer.” The Compliance Officer may not use a credit card account and may not authorize an officer or employee to use a credit card account.

If credit/debit/purchasing cards are not controlled by the Budget and Finance Director, the cards are to be kept in the control of the Department Head or his/her designee as authorized by the Budget and Finance Director. Each Department Head or designee will secure the cards in a safe, or in a locked cash box in a secure drawer.

Each Department Head must keep a master list of all employees who are permitted to use City credit/debit/purchasing cards, along with each employee’s title, and a master list of cards being held and controlled within the department. Both lists must be provided to the Budget and Finance Department annually, or whenever changes are made. Only one
person at a time will be assigned to use each card. A copy of both master lists must be on file with the Budget and Finance Department and must be kept current by the Department Head or designee.

A log of the card name showing date, sign out time, sign in time, signature of person using the card, and valid purchase order number is to be kept by the Department Head or designee. (See Exhibit A) The Department Head must initial each entry on the log indicating approval of the card’s use and the purchase. A copy of this information is to be forwarded to the Budget and Finance Department monthly. Anyone needing to use a card must go to the Department Head or designee holding the card and sign the card in and out on this log.

Regular purchase order policy and procedures must be followed whenever you anticipate using the card. Every purchase using any card must have a valid purchase order assigned to it before the purchase is legal. The purchase order must contain the vendor and provide descriptions, account numbers and estimated dollar amounts. No single vendor purchase shall exceed a spending limit of Five Thousand Dollars and No Cents ($5,000.00) without the express written consent of the Department Head or designee. This will assure that sufficient appropriations exist to cover the anticipated charges. Once an invoice is received, simply return a copy of the P.O. along with the receipts you have accumulated, directly to the Budget and Finance Department, to complete the transaction.

III. Budget and Finance Director Responsibilities

By way of approving this overall Credit/Debit/Purchasing Card Policy, City Council authorizes the Budget and Finance Director to apply for and establish all such accounts as he/she deems necessary for the conduct and benefit of City business, so long as the expenditures do not exceed the corresponding Approved Budget for related transactions. Only City employees are eligible to have custody and permission to use City cards.

A. Opening Accounts/Cancellation

All credit/debit/purchasing cards will be issued under approval of and in coordination with the Budget and Finance Department and approval of the respective Department Head. The reissuance of credit/debit/purchasing cards shall be approved by the Budget and Finance Director. Debit card use and possession will only be permitted for law enforcement purposes as stipulated by ORC 9.22.
In the event that a credit/debit/purchasing card has not been used during any twelve (12) month period, the Budget and Finance Director shall determine if the card account should be cancelled.

B. Retrieving cards from employees

The Budget and Finance Director shall ensure that a Department Head retrieves cards from employees who leave the City, change departments, or move to a job in which they will no longer require use of a City credit/debit/purchasing card account.

C. Overseeing appropriate use of the card

Budget and Finance Director or designees will:

1. Review the all credit/debit/purchasing card transactions and management reports to ensure that the cards are being used appropriately.

2. Ensure all transactions are marked "Viewed" and "Approved" in the system prior to mapping into the General Ledger.

3. Reporting lost and stolen cards immediately to the appropriate card companies.

4. The Budget and Finance Director have authorized the following positions to use a City credit/debit/purchasing card pursuant to the mandates of this Policy and the City’s Purchasing Policy:

   Fire Department positions: Fire Fighter/Paramedic, Lieutenant, Captain and Chief;

   Police Department positions: Police Officer, Sargent, Lieutenant, Captain and Chief;

   Parks and Recreation positions: Recreation Supervisor, Recreation Specialist, Program Instructor, Account Clerk, Recreation Coordinator, Parks Supervisor and Parks and Recreation Director;
Water Plant positions: Water Plant Manager, Chief Operator, Chemist, Environment Technician, Lab Technician, Chief Coordinator,

Other positions: City Manager, Executive Assistant to the City Manager, and the following Department Heads: Community Development Director, City Engineer, Fire Chief, Police Chief, Health Commissioner, Human Resources Manager, Information Services Director, Law Director, Parks and Recreation Director, and Service Director,

D. Ensuring documentation requirements are met

Budget and Finance Director or designees will:

1. Ensure necessary detail and documentation are provided on all transactions.

2. Ensure that itemized receipts and card statements are retained and kept in accordance with the City’s Records Retention Schedule.

IV. Reporting and Reviewing Requirements

The Budget and Finance Director, annually, shall file a report with City Council detailing all rewards received based on the use of the City’s credit/debit/purchasing card accounts.

The Compliance Officer, if applicable, and City Council, at least quarterly, shall 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.

V. Rules and Procedures for Use

A. The card is for City business expenses only. It must not be used for personal purchases.

B. The card is not transferable. It may be used by the authorized City employee cardholder only.

C. Itemized receipts must be obtained for all transactions.

D. Pyramiding - i.e., dividing one purchase into two or more, in order to stay within your transaction limit - is not allowed.
E. Authorized City employee cardholders may not receive cash advances.

F. Authorized City employee cardholders are responsible for resolving discrepancies and ensuring credits are received.

G. Authorized City employee cardholders may not receive cash back or in-store credits for any refunds or exchanges. Such amounts must be credited to the credit/debit/purchasing card account. If a supplier mistakenly issues a refund check, it must be submitted to the Budget and Finance Department within five days of receipt by the cardholder.

H. Authorized City employee cardholders should not pay Ohio sales tax. The cardholder must tell in-state suppliers the City is exempt from Ohio sales tax. A copy of the City’s Tax Exempt Certificate is available if the supplier needs to see it.

I. If grant funds are being charged, Authorized City employee cardholders are responsible for seeing that all granting agency requirements are fulfilled.

J. Authorized City employee cardholders may not make purchases that violate City policy restricting business transactions that may be perceived as a conflict of interest (purchases from a business in which you or a relative have a financial interest).

VI. Documentation Requirements

Employees should always obtain an itemized receipt for each transaction. If a cash register tape does not have descriptions, write them on the tape. Any transaction without a properly substantiated receipt is subject to reimbursement to the City by the employee.

A receipt is defined as an invoice, cash register receipt, sales slip, or packing slip which contains an itemized list of goods purchased, with dollar amounts, and the name and location of the supplier. An employee of the supplier must sign handwritten receipts.

A. Purchases Made in Person

Retain the itemized receipt in addition to the credit/debit/purchasing card copy to properly substantiate the purchase.
B. Faxed or Mailed Purchases

Retain a copy of the order as faxed or mailed and the fax confirmation (if available) for your records.

C. Internet Purchases

At least one of the following types of documentation is required:

1. Print-out of the completed online order form;
2. Print-out of the online order confirmation; or
3. Print-out of the e-mail confirmation.

The user must immediately advise the Budget and Finance Director if a card is damaged, lost, stolen or the subject of suspected fraudulent activity.

VII. Preventing Fraud

The cardholder should use basic security measures, as outlined below, to guard against fraud:

A. DO Keep the card in a secure location; guard the card number carefully.

B. DO Save receipts and statements in a secure area (they may contain your card number).

C. DO Keep an eye on the card during the transaction, and retrieve it as soon as possible.

D. DO Always know where your card is. If you can’t find the card, assume the worst: Notify Budget and Finance so that the account can be canceled.

E. DO Be aware of what you are signing: Your signature can copy through to other slips deliberately placed underneath.

F. DO Audit your monthly statement closely. Make sure all charges shown are legitimate charges.

G. DO Visit reputable, familiar merchants whenever possible.
H. DO Report possible fraud immediately.

I. DO NOT Discard credit/debit/purchasing card slips in public areas, or discard them whole. Thieves can acquire your card number from receipts, slips and statements.

J. DO NOT Lend your card to anyone.

K. DO NOT Give your card number to anyone over the phone unless you know you are dealing with a reputable vendor.

VIII. Unauthorized Purchases

City credit/debit/purchasing card accounts may not be used to purchase the following items:

A. Personal items

B. Alcohol and entertainment

C. Controlled substances requiring a DEA license

D. Employee relocation and relocation-related expenses

E. Purchases that involve signing an agreement, license, or contract (e.g., leases).

F. Long term rentals (1 year or longer).

G. Contracted or personal service providers - specific to unincorporated 1099 service providers (e.g., photographic studios, dry cleaners, physicians, medical labs, auto towing or repair, etc.).

H. Weapons or ammunition

I. Donations

J. Fuel for a privately-owned vehicle or aircraft
IX. Inappropriate Use of Cards

Employees using City-held cards are responsible for safeguarding the card. If inappropriate use of the card is discovered, disciplinary action up to and including discharge from employment is possible. In the event of fraudulent use, the City may pursue legal prosecution.

Improper costs associated with prohibited purchases will be collected by requesting the employee voluntarily repay the City, by the employee voluntarily agreeing to a payroll deduction or by any legal action available to the City.

Upon the first notice of suspected credit/debit/purchasing card abuse, the Department Head should immediately advise the Budget and Finance Office and consult with the Law Department. Budget and Finance will initiate and coordinate an investigation of the suspected card abuse. The employee shall be given an opportunity to respond to the allegations being investigated.

Following the interview with the employee and completion of the investigation, Budget and Finance shall issue a final written report to the City Manager, Law, Department, Human Resources Manager and investigated Employee’s Department.
X. Employee Acknowledgment

I have read the forgoing Credit/Debit/Purchasing Card Policy and acknowledge that I understand it and will abide by its mandates.

I understand that:

A. The City’s card is to be used only for legitimate City business purchases at the request of and for the benefit of the City of Kent.
B. The City’s card is to be used within the guidelines of the City’s purchasing policy.
C. The City’s card must be used in accordance with the provisions of the City’s Credit/Debit/Purchasing Card Policy.
D. The City’s card is NOT to be used for any personal expenses even if the intent is to repay the City.

Violations of these requirements may result in revocation of use privileges. Employees found to have inappropriately used the City’s card will be required to reimburse the City of Kent for all costs associated with the improper use through direct payment or payroll deduction. Disciplinary action may be taken up to and including termination.

________________________________________ Date: ______________________

Signature
Print Name: _______________________________
Title: ____________________________________

For City Use Only

Card Issued:

Card Type & Number: ______________________ Date: ________________

Card Returned to Budget and Finance:

Received by: ____________________________ Date: ________________
Exhibit A
USE OF CREDIT/DEBIT/PURCHASING CARD FORM

Card Checked Out:

Signature: __________________________  Time: ____________  Date: ____________

Card Checked In:

Signature: __________________________  Time: ____________  Date: ____________

Name: ______________________________

Department: ________________________

Description of item(s)/service(s) purchased:

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

Purchase Order Number: __________________________

Attach original receipt(s) signed by the employee.

Employee Signature: __________________________  Date: ____________

Department Head Signature: ____________________  Date: ____________

Checked by the Fiscal Officer: ____________________  Date: ____________