

POLICY #2003-01

CREDIT / PURCHASING CARD POLICY

/S /

James R. Graham, Mayor

September 2, 2003

Approved date

USE OF CITY CREDIT CARDS

- 1) Implementation. The Clerk-Treasurer (or his/her designee) shall implement this system for the distribution, credit limits, payment of bills, authorization and control of cards, relating to the use of credit and purchasing cards by City officials, officers and employees.

- 2) Eligibility. All regular-status City employees and City officers/officials are eligible to receive a Purchasing/Credit card if authorized by their Department Head and the Clerk-Treasurer. Purchasing/Credit cards may be checked out by the Clerk-Treasurer Department to those City officials/officers and employees who are authorized to obtain a card because their job responsibilities would be facilitated by the use of a Purchasing/Credit Card and such use would benefit the City. The act of obtaining a City Purchasing/Credit Card does not indicate pre-approval of expenses.

- 3) Establishment of Card Limits. The Clerk-Treasurer shall set a monthly credit limit on the Purchasing/Credit Card not to exceed \$10,000 per cardholder and pursuant to purchasing policy. (For 2003 it is currently up to \$1,500 per transaction.) No single purchase on the Purchasing/Credit Card shall exceed the purchasing policy limit without prior approval of the City Council.

Purchases of an emergency nature exceeding the purchasing policy limit may be authorized by the Mayor or the Clerk-Treasurer. (For 2003 it is up to \$1,500 per transaction).

- 4) Official/Officer and Employee Responsibility.
 - a. Cardholders are accountable and responsible for the expenses charged on the card in their name or the city's name.
 - b. Purchasing /Credit Cards are to be used for City business only and not personal use. An Agreement between the Cardholder and the

City must be executed before the Card will be issued. (See Attached Agreement.)

- c. Purchasing/Credit Cards will not be used for personal expenses, cash advances, or tuition, the latter of which may be reimbursed through the City's reimbursement program. It may not be used as a substitute for professional service agreements, public works contracts and/or human services contracts.
- d. The use of the Purchasing/Credit Card does not relieve the Cardholder from complying with other City and departmental policies and procedures. The Card is not intended to replace effective procurement planning which can result in quantity discounts, reduced number of trips and more efficient use of City resources.
- e. The only person entitled to use the Purchasing/Credit Card is the person who has been issued the card. Cards should be treated with extreme care in the same manner as a personal credit card. The Cardholder will be responsible to report a lost or stolen card immediately to the Clerk-Treasurer.
- f. The Cardholder must retain all receipts and reconcile their Purchasing/Credit Card statement within the timelines set by the Clerk-Treasurer. The statement must be reconciled and submitted to the Clerk-Treasurer along with all receipts and a complete description of each product/service that was purchased if the information is not already on the receipt.
- g. Merchandise returns and billing errors are the Cardholder's responsibility. The Cardholder is responsible for resolving all disputes directly with the Purchasing Card Vendor or the merchant. All charges must be paid on invoicing.
- h. If the Cardholder will be absent from the City for an extended period of time (i.e., vacation), the Cardholder is responsible for assigning and training an employee within his/her department to handle the account reconciliation responsibilities and meet established deadlines.
- i. If the Card is used for the purpose of covering authorized travel expenses, the Cardholder shall submit a fully itemized travel expense voucher within 15 days of returning from such travel. Any charges against the Purchasing/Credit Card not properly identified on the travel expense voucher or not allowed following an audit (as

required by RCW 42.24.080) shall be paid by the Cardholder by check, U.S. currency or payroll deduction.

5) City Procedure:

- a. If, for any reason, disallowed charges are not repaid by the Cardholder before the statement is due, the City shall retain a prior lien against and a right to withhold any and all funds payable to the Cardholder up to the amount of the disallowed charges and interest at the same rate as charged by the Purchasing/Credit Card.
- b. **Finance charges will not be paid by the City.** If the statement and receipts are not submitted to the Purchasing Card Administrator by the due date, the Purchasing/Credit Card limit will be set to zero until the information is received. Also, the City may revoke the Purchasing/Credit Card under Section 6 herein.
- c. Cardholders shall not use the Card if any disallowed charges are outstanding and shall surrender the Card upon demand of the Clerk-Treasurer.

6) Card Revocation. The City shall have unlimited authority to revoke the use of any Purchasing/Credit Card, and upon delivery of a revocation order to the Purchasing/Credit Card company, shall not be liable for any costs. A Purchasing/Credit Card may be revoked by the Clerk-Treasurer under any of the following circumstances:

- a. If the Card is used in a manner inconsistent with City policy or
- b. If the Cardholder transfers to another department;
- c. If the Cardholder resigns or is otherwise terminated from the City;
- d. If the monthly Purchasing/Credit Card is not properly reconciled or received by the Clerk-Treasurer according to the established schedule;
- e. If finance charges are incurred as a result of an officer/official or employee's failure to comply with Section 4; or
- f. If the card is lost or stolen.