

Resolution #2016-18

A RESOLUTION AMENDING THE CREDIT CARD POLICY AND PROCEDURES FOR THE CITY OF ALBION PURSUANT TO PUBLIC ACT 266 OF 1995.

WHEREAS, Public Act 266 of 1995 requires all municipalities within the State of Michigan to formulate and maintain written policies when authorizing the use of credit cards for the purchase of goods and services for the official business of the municipality; and

WHEREAS, the City of Albion desires to authorize certain city employees to use credit cards for the purchase of goods and services for the official business of the municipality;

NOW, THEREFORE, BE IT RESOLVED that the Albion City Council does hereby adopt and establish the following policy for the use of credit cards for the purchase of goods and services for the official business of the City of Albion:

ISSUANCE OF CREDIT CARDS

1. Credit cards may only be issued to the following City employees: Mayor, City Manager, Finance Director, City Clerk, Chief of Public Safety, Director of Public Services, Deputy Director of Public Services, Director of Planning, Building and Code Enforcement, and the Recreation Director. Should a department not have a director, the City Manager may authorize the issuance of a credit card to an employee within that department.
2. The City Manager shall be the officer responsible for the issuance, accounting, monitoring, and retrieval of any and all credit cards issued in the name of the City of Albion. Any credit card issued in the name of the City of Albion may only be used for the purchase of goods and services for the official business of the City of Albion. No person shall be allowed to have custody or possession of a credit card in the name of the City of Albion unless said person is an active employee of the City. To this end, any person terminated or voluntarily discontinuing their employment with the City of Albion, any persons on extended sick leave, or any person on leave of absence for any reason other than vacation shall deposit any City credit cards in their possession with the City Manager.
3. The authorized credit limit of each individual credit card issued by the City of Albion shall not exceed \$5,000.00.
4. Purchases made via the credit card must comply with the City's purchasing and expenditure policies. The card in no way changes such policies.
5. Anyone using a City of Albion credit card shall sign an agreement to abide by adopted City credit card policy and procedures.

TRANSACTION PROCEDURE

6. Credit card transactions may be performed in person, over the telephone, through the internet, or through the mail. When using a City credit card, authorized employees are required to follow the below listed procedures, in addition to procedures for management approval and payment of the charges:
 - A. If the transaction is in person, present the credit card to the vendor or merchant and advise that the item(s) is being purchased with a city government credit card. If the transaction is via a telephone, internet, or mail order, the vendor or merchant must be provided with the credit card account number and expiration date of the card.
 - B. All original receipts and credit card statement are to be submitted to the Finance Department-Accounts Payable
 - C. Retain copies of all receipts and credit card statements and provide a copy to the City Manager on request.
 - D. Each authorized Department Head or designated employee is responsible for the use of a City credit card by their department. The Department Head or designee is responsible for ensuring any charges made are authorized by City expenditures, and that adequate funding is available within the department's approved budget.
 - E. Each authorized employee making use of a City credit card shall make a full accounting of any expenditures at the same time the periodic credit card billing is received by the City. This full accounting shall include, but not be limited to, the following:
 - 1) A specific listing of any goods and services purchased;
 - 2) The cost of any such goods or services;
 - 3) The dates that the purchases were made;
 - 4) Original receipts to support the transaction(s) reflected on the statement and
 - 5) A statement of the official business purpose for which the goods or services were purchased (if requested).

TAX EXEMPT STATUS

7. An authorized employee using a City credit card shall notify the vendor or merchant that the credit card transaction is tax exempt for goods and services purchased in the State of Michigan (use the attached letter certifying the City's tax exempt status).

CREDIT CARD SECURITY

8. An authorized employee possessing a City credit card shall always treat the credit card with a level of care that will secure the credit card and the account number.
 - A. **STORAGE OF THE CREDIT CARD.** The City credit card shall be kept in a secure location at all times.
 - B. **CREDIT CARD ACCOUNT NUMBER.** The City credit card account number shall be guarded carefully. The account number should not be written down or posted.
 - C. **LOST OR STOLEN CREDIT CARDS.** If a City credit card is lost or stolen, the employee shall immediately notify the City Manager and the organization issuing the card to report the same.
 - D. **PERSONAL LIABILITY.** The use of a City credit card by an authorized employee will not impact the cardholder's personal credit history when used for authorized purposes. The City issued credit card is a corporate liability card, not a personal liability card. The cardholder does have a responsibility to use the credit card in an approved manner only and will be held personally liable for using the card for unauthorized purchases or purposes.

PROCEDURES FOR CREDIT CARD PAYMENT

9. The authorized employee shall review and approve all credit card billings received for payment prior to the submission of the statement to the Finance Department-Accounts Payable. The Finance Department-Accounts Payable shall review each credit card billing and all documentation as provided above to guarantee compliance with this Resolution prior to approving such bills for payment. The Finance Director shall review the statements and bring any discrepancies to the attention of the City Manager for resolution. The outstanding balance due on any credit card account billing statement shall always be paid in full by the due date listed on the billing.

PROHIBITED USES

10. Under no circumstances should Municipal credit cards be used for any of the following:
 - a. Cash advances;
 - b. Standard merchant category exclusions (e.g. liquor or tobacco products);
 - c. Personal use (including the purchase of personal items, or any other items that are not for City use);

PENALTY FOR WRONGFUL USE

11. Any employee of the City of Albion who violates the provisions of this policy shall be subject to disciplinary action up to, and including, dismissal, and may be subject to civil or criminal action.

At a regular meeting of the Albion City Council, motion was made by Council member French, supported by Council member Decker, to adopt the above resolution.

Date: March 21, 2016

Ayes: 7
Nays: 0
Absent: 0

I certify that this resolution was adopted by the City Council of the City of Albion on March 21, 2016.

Jill Domingo
Jill Domingo
City Clerk

City of Albion Credit Cardholder Agreement

Requirements for use of a Municipal Credit Card:

1. The credit card is to be used only to make purchases at the request of, and for the legitimate business benefit of, the City of Albion, Michigan.
2. The credit card must be used in accordance with the provisions of the Credit Card Policy established by the City of Albion as attached hereto.

Violations of these requirements may result in revocation of use privileges. Employees found to have inappropriately used the credit card will be required to reimburse the City of Albion for all costs associated with such improper use through direct payment or payroll deduction. Disciplinary action(s) may be taken per the City's Personnel Policies, up to and including termination. The City of Albion will investigate and commence, in appropriate cases, criminal prosecution against any employee found to have misused the credit card or who violates the provisions of the cardholder agreement.

Credit Card Account Number: _____

Received by: _____
Name (Please Print)

I acknowledge receipt of the attached Credit Card Policy and agree to abide by said policy.

Signature: _____

Date: _____

(For City Manager's Office Use Only)

Credit Card Returned

Authorized Signature: _____

Date: _____