

City of Avon, Ohio
Credit Card Policies & Procedures
In Compliance with HB 312

December 21, 2018

Purpose

The purpose of this policy is to ensure that the City of Avon credit card account is closely monitored to provide for maximum security and to safeguard against misuse and/or losses for which the City may be held liable. This policy is intended to comply with the mandates of Sub HB 312 enacted by the 132nd General Assembly. The City's credit card account is NOT for personal use, and City issued credit cards are not permitted to be carried by employees on a regular basis for any reason. All City credit cards shall be in the name of "The City of Avon".

Background:

- The City of Avon has utilized a credit card for certain purchases since June, 2008. While a policy has existed since then, it needs to be revised to comply with the new requirements of HB 312.
- The City's credit card account is through Huntington National Bank. Mastercard is the platform.
- The City's credit card usage primarily consists of this type of activity:
 - o Internet purchases of items that are not readily available through a "normal" vendor, such as computer software, recreation supplies, etc.
 - o Purchases from retail outlets where the City does not maintain a regular account, such as Wal mart, Home Depot, etc.
 - o Travel related expenses for employees attending conferences and seminars
 - o Certain subscriptions, such as Net Flix for the Senior Center, etc.
 - o Monthly premium payments to the Bureau of Workers' Compensation
- HB 312 imposes certain new reporting requirements and procedures, which will be listed within this policy. At the moment the language of HB 312 indicates, "chartered municipal corporations *probably* are not subject to the bill". The City will prepare this policy regardless, but ultimately we may not be required to comply.

General Guidelines

The Treasurer for the City of Avon (Megan Zeck) will serve as the Compliance Officer for purposes of this policy. In such capacity, the Treasurer will report to City Council on a quarterly basis, the number of credit cards issued and active, the cards' expiration dates and the cards' credit limits, al in accordance with the new requirements of HB 312.

- Department Heads must maintain control over the card; i.e., they are responsible for the card and who may use it. All Departments must maintain the individual receipts until they receive the monthly statement from the Accounts Payable Clerk. At that time, the receipts will be submitted to the Accounts Payable Clerk.

City of Avon, Ohio

Credit Card Policies & Procedures

December 21, 2018

- Credit limits have been established for each card, through the Finance Department. These limits currently range from \$2,000 to \$10,000 per month, for each card. In addition, Merchant Category Codes (MCC) are in place for each card. These codes prevent the card from being used for purchases from unauthorized vendors.
- The City Mastercard should be used in instances where the purchase needs to be expedited, or where it is more convenient than setting up a new vendor account. This would include online purchases, booking a room at a hotel for travel, and certain local stores such as Walmart, Home Depot, etc. In all instances the City's sales tax exempt status should be provided so that sales tax is not charged.
- A purchase requisition must be entered in the City's financial system and subsequently approved by the Assistant Finance Director or the Finance Director for every credit card purchase.
- The Assistant Finance Director and Finance Director maintain a list of all Department Heads who are authorized to use City credit cards, along with each person's title, and a master list of cards (and the names that appear on each card). Both lists will be provided to the Treasurer annually, or whenever changes are made.
- Each department will maintain a credit card log, which anyone using the card must fill out. The log contains:
Name, Date Removed, Date Returned, Amount of Purchase, Where the card was used
It is the responsibility of the Department Head to maintain this log, and to ensure that every credit card purchase is authorized. Each credit card purchase must have a valid purchase requisition entered into the City's financial system. These logs are forwarded to the Treasurer on a quarterly basis.
- Regular purchase order policy and procedures must be followed for all credit card purchases. Every credit card purchase must have a valid purchase order number assigned to it before the purchase is considered legal. The Assistant Finance Director or the Finance Director will authorize the purchase requisitions, or they may deny the purchase requisition for credit card purchases. This is the same procedure followed for all purchases. Every credit card purchase must have a valid receipt for the purchase. The original receipt must be forwarded to the Accounts Payable clerk once the purchase is complete. For online purchases the receipt may be in the form of a printed order confirmation.
- City departmental credit cards shall have a credit limit of no more than \$10,000. I.E., the outstanding credit card balance on any department credit card at any point in time will not exceed

City of Avon, Ohio

Credit Card Policies & Procedures

December 21, 2018

\$10,000. The City's "accounts payable" card, or virtual card, which is currently only used for monthly workers' compensation premium payments, has a credit limit of \$200,000.

Policy Administration

- All City credit cards will contain the name "City of Avon" along with the appropriate Department Head name. City issued credit cards may only be used by authorized City employees as set forth herein.
- The Assistant Finance Director, Finance Director and Treasurer shall periodically review credit card limits and, if necessary, increase or decrease card limits. Additionally, we may suspend credit card use at any time for failure to follow this policy.
- The Treasurer will ensure that all necessary detail (receipts, purchase order, valid purchase, etc.) is provided on all credit card transactions.
- The Treasurer will report to City Council on an annual basis, all rewards received based on the use of the City's credit cards.
- The credit cards are for City of Avon purposes only. The cards may not be used for personal purchases.
- The credit cards may not be used for unauthorized purchases, including:
 - Personal items
 - Alcohol
 - Purchases that involve signing an agreement, license or contract
 - Long term rentals (more than one year)
 - Any other type of purchase that the Assistant Finance Director, Finance Director or Treasurer deems unauthorized
- Department Heads must immediately notify the Assistant Finance Director, Finance Director and/or the Treasurer of a lost or damaged card, stolen or suspected of fraudulent activity. We will promptly "de-activate" or cancel the card upon notice of this.

City of Avon, Ohio

Credit Card Policies & Procedures

December 21, 2018

- Cardholders are responsible for safeguarding the card. If misuse of the card is discovered, disciplinary action is possible. In the event of misuse of a City credit card, the City may pursue legal action.
- Improper costs associated with prohibited purchases will be collected by requesting the employee to repay the City, or by any legal action available to the City.

City of Avon, Ohio

Credit Card Policies & Procedures

December 21, 2018

Department Head Cardholder Acknowledgment

I have read the forgoing Credit Card Policy and acknowledge that I understand it and will abide by its mandates. I further agree that any employee within our department understands this policy and will abide by its mandates.

Signature

Title

Date
