

ORDINANCE NO. 2019-15

Introduced By: Mayor Michael Dylan Brennan

**AN ORDINANCE ESTABLISHING A POLICY REGARDING CREDIT
CARDS ISSUED TO THE CITY OF UNIVERSITY HEIGHTS, AND
DECLARING AN EMERGENCY**

NOW, THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
UNIVERSITY HEIGHTS, OHIO THAT:

Section 1. In order to comply with the mandates of H.B. 312 and Ohio Revised Code Sections 9.21 and 717.31, and to set forth guidelines and procedures regarding the proper use of City credit cards, Council adopts the following Credit Card Policy:

CREDIT CARD POLICY

Purpose

In order to conduct City business in a more efficient manner, the City has granted authority to certain employees and officials to utilize City credit cards for certain purchases. The purpose of this policy is to comply with the mandates of H.B. 312 and Ohio Revised Code Sections 9.21 and 717.31, and to set forth guidelines and procedures regarding the proper use of City credit cards. This policy is not intended to replace applicable state law but is intended to comply with current state laws and establish more efficient, clear guidelines for elected officials and other employees using City credit cards. Utilization of a City credit card for personal use, in an unauthorized manner, or for the purchase of any item or service not directly related to such official's or employee's public duty will constitute a violation of this policy, may result in disciplinary action up to and including termination of employment, may violate Ohio Revised Code Section 2913.21, and, in some instances, could constitute a crime. Accordingly, all purchases made with a City credit card must be in accordance with these guidelines and state law.

Definitions

For purposes of this policy, "credit card account" means any bank-issued credit card account, store-issued credit card account, financial institution-issued credit card account, financial depository-issued credit card account, affinity credit card account, or any other card account allowing the holder to purchase goods or services on credit or to transact with the account, and any debit or gift card account related to the receipt of grant moneys. "Credit card account" does not include a procurement card account, gasoline or telephone credit card account, or any other card account where merchant category codes are in place as a system of control for use of the card account.

For purposes of this policy, "emergency" means situations in which purchases must be made via a credit card rather than the vendor billing the City, which occur when the Finance Department is not open to facilitate the sign out of the credit cards stored in the Finance Department. Intended examples of "emergency" including, but not limited to, fire or police emergency calls requiring the purchase of goods or services during late-night hours or over weekends.

For purposes of this policy, "officer and/or employee" means the elected officials of the City, including the Mayor and members of City Council,

appointed officers of the City, employees of the City, members of Boards or Commissions of the City.

Guidelines and Procedures

City Council authorizes the issuance of credit cards to be stored in the Finance Department. Officers and employees may sign out the credit cards stored in the Finance Department. The credit cards stored in the Finance Department shall be stored a locked cabinet, drawer, or safe, with physical access to unlock the cabinet, drawer, or safe limited to the following City employees: Finance Department staff, Mayor, and Executive Assistant to the Mayor.

In addition, the credit cards stored in the Finance Department, City Council authorizes the issuance of one credit card for the use in emergencies to each of the following departments: Fire Department, Police Department, and Service Department. The credit cards issued for use in emergencies shall be distinguishable from the credit cards stored in the Finance Department.

The credit cards issued for use in emergencies shall be used only for emergencies and not ordinary credit card purchases. The credit cards issued for use in emergencies shall be stored a locked cabinet, drawer, or safe, with physical access to unlock the cabinet, drawer, or safe limited to the Department Head of the respective department and any supervisors designated by the Department Head of the respective department.

Use of a City credit card or credit card account shall be subject to all spending limits and spending restrictions promulgated by both City Council ordinances and resolutions and/or administratively adopted policies and procedures.

Each and every City credit card or other instrument of presentation shall bear the name of the City of University Heights.

Any City credit card account shall have a maximum credit limit of an amount not to exceed \$25,000.00.

The following shall be considered authorized purchases with respect to which a credit card may be used:

- Supplies, including, but not necessarily limited to, office supplies;
- Equipment, tools, machinery, hardware, and accessories;
- Clothing or gear necessary to perform ordinary and necessary job functions;
- Meals, lodging, and/or other travel expenses;
- Food items, including, but not limited to, purchases for celebrations (e.g. retirement), and employee holiday celebrations;
- Gasoline or diesel;
- Ordinary and necessary purchases for the day-to-day operations of the City;
- Emergency purchases necessary to protect City property;
- Education and training materials;
- Purchases of items on the internet or from other approved sources with respect to which a city check is not accepted or practical.

The following actions or omissions by an officer or employee shall qualify as misuse of a credit card account:

- The use of a City credit card for expenses beyond those authorized by City Council;
- The use of a City credit card for personal expenses or any non-City-related expenses;

- The use of a credit card for any cash withdrawal, cash advance, ATM withdrawal, check or money order;
- The use of a credit card without authorization;
- Failure to provide supporting documentation in the form of detailed receipts for any credit card purchase;
- Theft;
- Unauthorized use by any officer or employee who does not have authority to use the City credit card account;
- Purchases or transactions made with the intent to circumvent the City purchasing policy, transactional limits, or applicable law;
- Purchase of alcohol or liquor of any kind.

Any credit card user shall submit detailed receipts to the Finance Department immediately upon return of the credit card to the Finance Department; detailed receipts from the credit cards issued for use in emergencies shall be submitted the next business day the Finance Department is open. The Finance Department shall match the given receipts to the applicable credit card billing statement and shall maintain such records in an organized and accessible fashion.

Acquisition of any new credit card, issuance of any credit card, and reissuance of any credit card shall occur only upon the agreement and consent of the Mayor and Finance Director. Notice of any new credit card (including any acquisition, issuance or reissuance) shall be given promptly to the Compliance Officer and to City Council. City Council designates the Finance Director as the administrator of the City's credit cards. The Finance Director shall:

- Serve as liaison between the City's cardholders and the issuers of such cards;
- Maintain the cardholder agreements for all cardholders;
- Provide instruction and assistance to cardholders, as necessary;
- Maintain account information and secure all cardholder information;
- Work with the Compliance Officer to ensure that all card accounts are being utilized in compliance with this policy and applicable state law;
- Administratively adopt any policies and procedures necessary for the implementation of this policy including, but not limited to, policies and procedures for proper documentation, storage of receipts, storage and format of logs, storage of Credit Card Policy Acknowledgment;
- Identify any changes to named persons authorized to use a government credit card;
- Provide documents to the Compliance Officer upon request; and
- Perform any other duties that may be assigned by City Council from time to time.

A credit card account may be cancelled at any time by either the Mayor or the Finance Director, each having first obtained consent from the Law Director.

Any lost or stolen credit card, or suspicious, unauthorized or fraudulent activity in connection with any credit card account shall be reported immediately to the Finance Director. Upon receipt of information indicating any unauthorized or fraudulent use or a lost or stolen credit card, the Finance Director shall immediately report to all appropriate parties including the issuer, Compliance Officer, and the Mayor, and take any and all steps necessary to either cancel the credit card account or reverse any unauthorized or fraudulent charges.

The City reserves the right to set-off any unauthorized purchases, expenses, late fees, costs, or any other charges incurred due to any violation of this

policy against any amounts owed by the City to the officer or employee responsible, provided the City will comply with all applicable wage and hour laws.

Any officer or employee, who is either assigned a City credit card or permitted to use a City credit card, will be required to sign a Credit Card Policy Acknowledgment acknowledging receipt and understanding of this policy. The Credit Card Policy Acknowledgment may be incorporated into the acknowledgment or receipt and understanding of any City handbook or policy and procedure manual, but shall be substantively like Credit Card Policy Acknowledgment contained in Section 2. The Finance Department shall retain the Credit Card Policy Acknowledgment for all officers and employees

The City may not hold or utilize a debit card except for law enforcement purposes.

The Finance Director annually shall file a report with the City Council detailing all rewards received based on use of the City's credit card account.

Compliance Officer

City Council shall appoint a Compliance Officer. The Compliance Officer and City Council, at least quarterly, shall review the number of cards and accounts issued, the number of active cards and accounts issued, and cards' and accounts' expiration dates, and the cards' and accounts' credit limits, and for compliance with this policy.

The Compliance Officer may not use a credit card account and may not authorize an officer or employee to use a credit card account. The Finance Director is not eligible for appointment as the Compliance Officer.

Section 2. The Credit Card Policy Acknowledgment required by the Credit Card Policy in Section 1 shall take the following form or a substantively like form:

CREDIT CARD POLICY ACKNOWLEDGEMENT

The undersigned acknowledges receipt of the City of University Heights Credit Card Policy.

The undersigned acknowledges and understands that:

1. The City credit card is to be used only for legitimate business purchases of and for the benefit of the City of University Heights.
2. The City credit card is to be used within all spending limits and spending restrictions promulgated by both City Council ordinances and resolutions and/or administratively adopted policies and procedures.
3. The City credit card must be used in accordance with the provisions of the City Credit Card Policy.
4. The City credit card is not to be used for any personal expenses even if the intent is to repay the City.

Violations of these requirements or any requirements of the Credit Card Policy may result in revocation of use privileges. Any officer or employee found to have inappropriately used the credit card will be required to reimburse the City of University Heights for all costs and expenses associated with the improper or unauthorized use through direct payment or payroll deduction. Disciplinary action may be taken up to and including

termination of employment. The City of University Heights 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 or this Credit Card Policy.

Printed Name: _____

Signature: _____

Date: _____

Section 3. The Council finds and determined that all formal actions of this Council relating to the adoption of this Ordinance have been taken at open meetings of this Council, and that deliberations of this Council and of its committees, resulting in such formal action, took place in meetings open to the public, in compliance with all statutory requirements including the requirements of Section 121.22 of the Ohio Revised Code.

Section 4. This Ordinance is declared to be an emergency measure necessary for the preservation of the public peace, safety, health and welfare of the citizens of the City of University Heights. It shall therefore become effective upon its passage by the affirmative vote of not less than five (5) members of Council and approval of the Mayor; otherwise, it shall become effective at the earliest time allowed by law.

City of University Heights, Ohio



Michael Dylan Brennan, Mayor

Passed: 3/18/2019

Attest: 
Kelly M. Thomas, Clerk of Council

Approved
as to form: 
Luke F. McConville, Law Director