

Union County Policy and Procedures For Credit Cards

Background

The program is designed to provide a new, easier and faster method to make blanket purchases.

Authority

Ohio Revised Code §301.27 permits counties to use credit cards including gasoline and telephone credit cards.

General Information

The Board of County Commissioners recognizes the efficiency and convenience afforded to the day-to-day operations of the County through the use of credit cards. Credit cards shall not be used to circumvent the general purchasing procedures by Ohio law and the policies of this Board.

Expenditures may not exceed appropriations under any circumstances. The card can be used for in-store purchases as well as mail, e-mail, internet, telephone and fax orders.

THE CREDIT CARD DOES NOT VOID OR BYPASS ANY OTHER COUNTY POLICY OR PROCEDURE THAT IS IN PLACE.

Credit Card Responsibilities

Program Administrator

The program administrator is the County Auditor's Office who will coordinate the credit card program. The County Auditor's Office is the primary contact with the credit card issuer and with the elected officials, department heads and their designees.

The County Auditor's Office is available to help employees with:

- Questions regarding the credit card policy and procedures
- Problems encountered with card use or vendor authorization
- Lost or stolen cards
- Approving supervisor changes
- Activating and setting up the credit cards
- Cardholder transfer, relocation or termination
- Establishing the controls and limits on the cards as determined with the help of the elected officials, department heads and their designees.

Elected Officials/Department Heads

The elected officials or department heads shall determine individuals in his/her department to use credit cards. The elected official or department head shall provide the list to the County Auditor's Office for approval (Appendix 1) during the Application process. Before participating in the program, the elected officials or department heads shall adopt the Board of County Commissioner's policies and procedures for credit card use. Each elected official or department head may establish more restrictive practices within his/her department.

The elected official, department heads or their designees shall be responsible to review the reconciliations performed by the department purchasing clerk.

Department Purchasing Clerk

The Department Purchasing Clerk will establish blanket purchase orders for his/her department's credit cards as instructed hereinbelow. The Department Purchasing Clerk will reconcile the department's credit card statements to the department receipts.

Card User

A card user is an individual who has been approved by an appointing authority to pay for certain work-related expenses with a credit card. The cardholder is responsible for the security and physical custody of the card and is accountable for all transactions made with the card. The cardholder must maintain all receipts for credit card purchases. The cardholder is also responsible for timely submission of all receipts.

A card user must complete the Card User Acknowledgement statement (Appendix 2).

Card Usage Guidelines

The credit card is to be used exclusively for Union County business purposes. It cannot be used for personal or non-job-related purchases. Should an employee become aware of instances in which the County's policies and procedures are not being followed, the employee is to report this to the County Auditor's Office and the employee's appointing authority immediately and in writing.

The card may **only** be used for the following work-related expenses: (R.C. 301.27)

- Food expenses
- Transportation expenses
- Gasoline and oil expenses
- Motor vehicle repair and maintenance expenses
- Telephone expenses
- Lodging expenses
- Internet service provider expenses
- In the case of a public children services agency, expenses for purchases for children for whom the agency is providing temporary emergency care pursuant to section 5153.16 of the Ohio Revised Code, children in the temporary or permanent custody of the agency, and children in a planned permanent living arrangement
- Webinar expenses
- The expenses for purchases of automatic or electronic data processing or record-keeping equipment, software, or services, provided that, in a county that has established an automatic data processing board, the county office and the county officer or employee authorized to use the credit card comply with sections 307.84 to 307.847 of the Revised Code. The expenses paid by a credit card under division (B)(1)(j) of this section shall not exceed ten thousand dollars per quarter, unless the board of county commissioners adopts a resolution approving the payment by credit card of such expenses that exceed that amount during that time period.
- ***Effective September 22, 2022 - Expenses related to temporary and necessary assistance care provided by the County Veterans Service Office**

The card may **NOT** be used to purchase the following:

- Entertainment of any kind
- Alcoholic beverages
- Cash advances or ATM's
- Or an expenditure which would require the issuance of a 1099 (services)
- **Under R.C. 301.27, the only equipment that can be purchased using a credit card is automatic or electronic data processing or record-keeping equipment.**

Card Limits

Each card will have a \$5,000 limit with exceptions available at the request of the department and approval by the County Auditor's Office.

Sales and Use Tax

Purchases made with the County credit card are tax-exempt. The name of the County and the words "tax-exempt" will be printed on each card. If tax is charged inappropriately, the agency should present a tax exemption certificate to the vendor and receive a credit for the unnecessary tax.

Issuance of Cards

Each elected official or department who wishes to participate in the credit card program shall complete a Credit Card Program Department Application (Appendix 1). By completing this application, the elected official or department agrees to abide by the Union County Policy and Procedures for Credit Cards and the limitations established in the Department Application. Each elected official or department head may establish more restrictive policies within his/her department. Any department that establishes its own policies, however, cannot increase its credit card limitations beyond what is granted by this policy.

Once the Application is approved by the County Auditor's Office each card user will be required to read the Credit Card Policy and Procedures and sign a Card User Acknowledgement form (Appendix 2) signifying acceptance of the policy.

Credit cards will then be issued to departments. Credit cards **CANNOT** be used by anyone other than those designated as card users at any time.

Elected officials, department heads or their designees may request modification of card limits after the credit card has been issued as long as the changes are within the limits set within this policy. A new Credit Card Application, or other formal written communication, shall be completed by the elected official or their designees and sent to the County Auditor's Office to initiate the changes.

Making a Purchase and Record Keeping

Purchases made using the credit card will be processed using the following procedures. A blanket purchase order must be established for **each account** within the department encumbered to the spending limit so authorized by the elected official who requests the authorization into the Credit Card Program. The blanket purchase order can be established in the "Banking Vendor's Name" or the fund account established for bill payment. No credit card purchase can be made without a blanket purchase order being established for the card. When payment is made, funds will be deducted from each account for the dollar amount of the items purchased in the same manner as would occur if a warrant were being issued.

Purchases can be made wherever credit cards are accepted. Remember, whenever a card user makes a purchase, the purchase **CANNOT** include sales tax. (See above) If a supplier refuses to authorize and/or declines the purchase, the County Auditor's Office must be contacted immediately.

When making a purchase, the card user must obtain and retain the original receipt. The receipt must contain the vendor's name, date of purchase, itemized description of purchase, per unit price and extended price. The card user will submit all receipts to the department's purchasing clerk for reconciliation of the statement.

Purchases Made By Internet, Telephone and Fax

Credit cards may be used to purchase goods over the internet, telephone or fax. These purchases must be evidenced by an order confirmation along with either the original packing slip that accompanied the purchased goods or an itemized receipt.

When making purchases via internet, the cardholder must make sure the web site where the card information is given

is secure, and that all account numbers are encrypted while passed electronically. A cardholder can determine if the web site address is secure in two ways:

1) An internet web site is secure when the address changes from http://www to https://www. The "s" stands for secure.

2) A symbol resembling a "lock" will appear at the bottom of the browser. The lock symbol signifies that the web site is secure and that all card numbers will be encrypted when passed.

Card users will be held responsible for all orders placed. The card user should inform the vendor that the purchase will be paid through the County credit card, and that the purchase is tax exempt. If there are any issues with the use of the credit card, the County Auditor's Office should be immediately contacted.

Declined Attempts

The credit card will be declined if one of the embedded limits is exceeded, if the card issuer has a security concern because of a spending pattern, or if the "bill to" address does not match the "ship to" address.

The department should contact the County Auditor's Office whenever there are declined attempts.

Agent, Acceptance or Service Fees

Some vendors charge an agent, acceptance or service fee in order to process a credit card charge. If the fee is charged it must be included on the receipt and the County Auditor's Office should be notified.

Vendor Invoices

Vendors should not invoice the cardholder for purchases made with the credit card. The vendor will be paid by the card issuer, not by the county. However, the cardholder must always receive an itemized receipt or order confirmation.

Account Reconciliation and Payment of credit card Bill

Each card user must retain all original detailed receipts received when purchases are made and turn them into the department purchasing clerk. The department purchasing clerk will receive billing statements for the whole department. The department purchasing clerk will reconcile the billing statement to the card user's receipts. The department purchasing clerk will prepare a voucher stating which line items the purchases should be posted to and to under which purchase order the purchases were made.

Once completed, the department purchasing clerk will give the billing statement to the elected official department head or their designees for their review and approval for payment.

After approving the billing statement, the elected official, department head or their designees will send the voucher information and the department billing statement to the County Auditor for processing.

If any expenses are for travel and training, receipts and a travel reimbursement form must also accompany the statement to the County Auditor. See policy on travel and training expenses.

The reconciliation process must be completed within five business days of receiving the cardholder statement and department statement. If this time frame cannot be met for any reason, the elected official department head or their designees must notify the County Auditor's Office.

Each department using credit cards is subject to an internal audit at least once within the first year and then at least once every two years. Each department is also subject to an external audit each year.

Returns, Credits and Dispute Resolution

If there is a problem with a purchased item or billing resulting from use of the card, the card user and department should:

- First try to resolve the dispute with the supplier or merchant. In most cases, disputes can be resolved directly between the card user and the supplier or merchant.

- If the card user needs to return a purchased item for any reason, the card user should send the item back to the supplier, request a credit to the department's credit card account and notify the department purchasing clerk. The card user should include the receipt showing the credit and submit it to the purchasing clerk.
- If the dispute cannot be resolved with the supplier, contact the County Auditor's Office. The card user must also complete a Credit Card Dispute form within 15 days from the initial statement date when the charge occurred. The County Auditor's Office will research the disputed charge further with the supplier until resolved.
- No employee can receive cash for a returned item. All returned purchases must be credited back to the credit card or by check made payable to "Union County" for the amount of the returned item.

Travel and Training Expenses

Proper approval through the Board of County Commissioners is required for any travel and training expenses. A travel reimbursement form must be completed for any travel and training expenses and all itemized receipts for the trip must accompany the travel reimbursement form. No travel expenses will be paid by the County until this information is obtained.

The credit card can only be used for the card user's travel expenses (i.e., transportation, meals, lodging, registration, and parking).

Each department should follow the county's travel and training reimbursement policy for allowable purchases with the credit card.

Late Fees or Finance Charges

The payment of late fees or finance charges shall be expended from the department's budget and could result in the loss of use of the credit cards.

Suspension or Cancellation of Card

The elected official, department head or their designees, the County Auditor's Office, or the Board of County Commissioners can initiate suspension or cancellation of the department's card.

Lost or stolen cards

If the card is lost or stolen during normal business hours (8:00am – 4:00pm), the card user must notify their elected official or department head and follow-up with notification in writing copied to the Auditor's Office. If the card is lost or stolen after business hours, contact the bank immediately at and follow-up with correspondence to the County Auditor's Office during normal business hours. Upon receipt of the phone call, the Auditor or the bank will block further use of the card. Prompt action will reduce the liability for fraudulent charges. The date and time of the phone report of the lost or stolen card should be included in the written notification. After reviewing the situation of which the card was lost or stolen, it will be decided if a replacement card should be issued.

Penalties for improper use of card

The card is to be used only by the department's authorized card users to pay for authorized, work-related expenses. Policy violations include, but are not limited to, the following:

- Purchasing items for personal use or items not approved for purchase by department policy
- Use of the card by someone other than the cardholder
- Failure to provide receipts
- Failure to obtain appropriate credits for merchandise returns and sales tax before next billing cycle
- Attempting to get a cash advance or returning an item for a cash refund
- Occurring late fees or finance charges

Violations of the policy may result in the revocation of the card and may also result in disciplinary action including termination of employment and criminal prosecution for misappropriation of funds.

Employees are responsible for reporting instances where the County's policies and procedures are not followed.

When an employee becomes aware of such an instance, he/she must notify the County Auditor's Office and the employee's appointing authority immediately and in writing. Employees are fiscally responsible for charges made to County credit cards that are in violation of the above policy.

Retention Schedule

As mentioned above, departments using credit cards are subject to an internal audit at least once within the first year and then at least once every two years. Each department is also subject to an external audit each year.

Departments are required to keep receipts, individual billing statements, and department billing statements for the current year. The department also must keep the previous year's information on file until July of the current year. (For example, the department must keep all 2012 records until July 2013). After July, the department can box the previous year information and send it to the County's Records Center. All receipts, purchasing logs, and individual billing statements must be kept for a total of 3 years.