

RESOLUTION NO. 99-12

A RESOLUTION ESTABLISHING A CREDIT CARD POLICY AND PROCEDURES FOR THE CITY OF RICHMOND 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 Richmond 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 Richmond 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 Richmond:

1. **ISSUANCE OF CREDIT CARDS**

Credit cards may only be issued to the following City employees: City Manager, Assistant City Manager, City Treasurer, City Clerk, Assessor, Chief of Police, Public Services Director, Library Director, and Recreation Director. 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 Richmond. Any credit card issued in the name of the City of Richmond may only be used for the purchase of goods and services for the official business of the City of Richmond. No person shall be allowed to have custody or possession of a credit card in the name of the City of Richmond 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 Richmond, any persons on 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.

2. **TRANSACTION PROCEDURE**

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.

RESOLUTION NO. 99-12 - CITY CREDIT CARD POLICY

- B. Retain all receipts and credit card slips.
- C. 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; and
 - 4) A statement of the official business purpose for which the goods or services were purchased.

3. TAX EXEMPT STATUS

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).

4. CREDIT CARD SECURITY

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 an accessible but 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.

5. PROCEDURES FOR CREDIT CARD PAYMENT

The authorized employee shall review and approve all credit card billings received for payment prior to the submission of the billing to the City Treasurer. The Treasurer shall review each credit card billing and all documentation as provided in Section 3 above to guarantee compliance with this Resolution prior to submitting any such bills to the City

RESOLUTION NO. 99-12 - CITY CREDIT CARD POLICY

Council for approval and payment. The Treasurer shall 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.

6. **PENALTY FOR WRONGFUL USE**

Any employee of the City of Richmond 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.

THIS RESOLUTION WAS DULY ADOPTED BY THE RICHMOND CITY COUNCIL DURING ITS REGULAR MEETING HELD ON FEBRUARY 15, 1999.

Honorable Timothy Rix, Mayor

Ms. Karen M. Stagl, City Clerk