



## City Council Policy #5 Credit & Purchase Card

Date Approved: October 3, 2011

Dates Amended: December 19, 2016; December 21, 2020

The City of Kirksville (the City) utilizes credit and purchase card accounts to benefit the City and the City's authorized user of the cards by allowing purchases to be made from vendors for certain types of goods and/or services that are not available through other procurement means or from other vendors. The purpose of this policy is to establish criteria for the proper use of credit cards when conducting City business.

### **I. Policy**

Usage of the City's credit/purchase card (a/the card/s) is allowed at the discretion of the City Manager or Finance Director who will determine which current employees are granted City purchasing authority and will establish appropriate limits for each purchase and the total credit limit for each card. Use of a card is restricted to the purchasing of those goods or services that cannot be procured through normal procedures. The use of a card does not justify the payment of any sales taxes for which the City is exempt and shall be given a copy of the state tax exemption letter issued to the City. The employee using a card is responsible for obtaining a timely credit for any sales tax charged. If sales tax is charged and a credit is not obtained, the user is responsible for the sales tax.

The card user agrees to comply with all applicable City policies and procedures and this agreement.

### **II. Compliance with Policy, Violations, and Consequences**

Purchases made under this credit and purchase card policy shall comply with the City Council Purchasing Policy and/or Administrative Policy Manual and require purchase order or travel authorization approval before usage.

Cards may not be used for personal purchases, cash advances, or purchases that exceed the authorized purchase amount. Anyone who makes unauthorized purchases or advances will be liable for the amount of such purchases or advances, plus any administrative fees charged by the bank or corporation in connection with the misuse.

Card user violations of this policy or of any policy regarding the purchase of goods or services will be investigated and may result in any or all of the following actions, but not limited to: written warning, revocation of credit card privileges including purchasing authority, disciplinary action, termination and/or criminal prosecution. Human error and extraordinary circumstances may be taken into consideration when investigating any violation of this agreement.

The City Manager, Finance Director or designees have the authority to investigate and to determine whether a violation of purchasing or credit card policy has occurred and to determine action deemed most appropriate pursuant to applicable law and/or City policy.

### **III. Ownership and Cancellation of Credit Card**

The card remains property of the issuing company and may not be transferred to, assigned to, or used by anyone other than an authorized user of the City. Users are accountable for the activity on the card. The issuer or the City may suspend or cancel user privileges at any time for any reason, and the user in possession of a card, must surrender it upon request to the City or to any authorized agent of the issuer. Sharing the card or card account number with unauthorized users is forbidden.

#### **IV. Receipts**

It is the responsibility of each credit card user to obtain receipts from the vendor each time it is used, including receipts for travel. These are to be immediately forwarded to the City Finance Department for review and to ensure eligibility for payment. Failure to provide the required documentation for payment processing may subject the user to loss of credit card or travel privileges and may cause the amount charged to be classified as a personal purchase by the card user. The City shall keep statement data and proof of reconciliation, including receipts and packing slips, on file for a period consistent with the record retention requirements of the law.

Any department who fails to provide receipts and allow for timely payment of the credit card will also subject the user's department to any finance charges incurred on the charge.

#### **V. Disputed Items**

It is each user's responsibility to follow-up on any erroneous charges, returns, disputes or adjustments to ensure proper credit is given on subsequent statements.

#### **VI. Security**

Authorized card users are responsible for the card's protection and custody. An issued card or card account number should always be treated with utmost care and secured to prevent misuse by unauthorized users. When using a card for internet purchases, users should ensure that the site utilizes industry recognized encryption transmission tools.

It is the responsibility of each department that possesses a card and/or account number to keep such information secured and track department usage among authorized users.

#### **VII. Lost or Stolen Credit Cards**

If a credit card is lost or stolen, it is the responsibility of the user to immediately contact the Finance Department who will make contact with the issuer and take the appropriate steps to protect the account from unauthorized purchases. The Finance Director or City Manager can be contacted after normal hours of operations.

#### **VIII. Authorization and Responsibility**

City employees must receive approval from the City Manager and/or Finance Director to have permission to use the City's cards, and each department is responsible for notifying the Finance Department of their authorized users. The department will provide such a listing which includes the signature of each user to the Finance Department. Any additions or deletions to this authorized list will require same method of notification.

The Finance Director and/or designee is responsible for ensuring the proper use of all cards and/or account numbers of the City. Those duties include, but are not limited to, timely reconciliation of all accounts, appropriate record keeping, knowing card limitations and restrictions, developing and implementing internal procedures that govern the usage and communicating with the City Manager on any issues.