

North Canton City Council
Finance and Property Committee

Ordinance No. 62 - 2018

An ordinance amending Ordinance 107-10, the City of North Canton's Credit Card Policy and Procedures, and declaring the same to be an emergency.

WHEREAS, pursuant to House Bill 312, on or before November 2, 2018, a legislative authority of a municipal corporation that holds a credit card account shall adopt a written policy for use of the use of credit card accounts, which shall include and address certain provisions; and

WHEREAS, the City wishes to improve and update its current credit policies and procedures to help prevent credit card misuse; and

WHEREAS, to safeguard and protect City credit cards from misuse, the City wishes to amend immediately its Credit Card Policy and Procedures to include recommendations from the Ohio Auditor of State's office and the Ohio General Assembly's mandate, effective November 2, 2018, and codified in Section 717.13(A) of the Ohio Revised Code.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORTH CANTON;
COUNTY OF STARK; STATE OF OHIO:

- Section 1. That the City wishes to update and improve its current Credit Card Policy and Procedures to help prevent credit card misuse.
- Section 2. That the City of North Canton's Credit Card Policy and Procedures, be, and the same is hereby amended and incorporated herein as if fully rewritten to read as the document attached hereto as Exhibit "A."
- Section 3. That if a provision of this ordinance is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provision of this ordinance.
- Section 4. That this ordinance is hereby declared to be an emergency measure necessary for the preservation of the health, safety and peace of the City of North Canton and further necessary to timely implement Ohio Revised Code Section 717.31(A), effective November 2, 2018, and to immediately establish recommended safeguards to protect City credit cards from misuse; wherefore, provided it receives the affirmative vote of six (6) or more members of Council elected thereto, this ordinance shall take effect and be in full force immediately upon its adoption by Council and approval by the Mayor. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

Passed in Council this 8th day of October 2018



David Held, Mayor

Signed: 10/12, 2018

ATTEST:


Mary Beth Bailey, Clerk of Council

CITY OF NORTH CANTON CREDIT CARD POLICY AND PROCEDURES

1. Purpose:

Pursuant to Ohio Revised Code Section 717.31(A), and the City of North Canton's recognition of the value of an efficient method of payment and record keeping for certain expenses, the City adopts the following policy regarding the use of a credit card account.

2. Officers or positions authorized to use a credit card account:

A. The Director of Finance shall maintain control of City credit card accounts and presentation instruments related to the cards and checks.

B. The Directors of Administration and Finance are authorized card users with maximum limits of \$5,000 each.

C. The Police and Fire/EMS Chiefs, the Engineer, the Superintendents of the Water Treatment Plant, Water Distribution/Parks, Street/Sewer, and Permits/Inspections are authorized card users with maximum limits of \$3,000 each.

3. Types of Expenses for which a Credit Card may be used:

City credit cards are to be used for legitimate City purposes. Examples of legitimate City purchases are as follows:

A. Travel:

Credit cards may be used by the above assigned individuals for official business-related expenditures for hotel, parking, ferry, taxi, meals, gas, airline tickets, emergency City vehicle repairs, and other travel-related expenses as authorized and preapproved by the Director of Administration, Director of Finance or Appointing Authority. Travel expenditures shall not exceed those outlined in the City's existing Travel Policy authorized by Ordinance No. 40-03.

B. Purchases:

Credit cards may be used for ordering supplies, including online purchases, when pre-approved by the Director of Administration, Director of Finance, or Appointing Authority.

C. Credit cards **shall not** be used, however, for cash advances or personal purposes or expenses, and shall only be used to transact City business.

D. The cardholders identified in paragraph 2 above are liable in person and upon an official bond the employee has given to the City to reimburse the City treasury the amount for which the employee does not provide itemized receipts in accordance with the policy and procedure described in paragraph 5 below.

4. Procedure for acquisition, use, and management of a credit card account and presentation instruments related to the account including cards and checks:

A. "City of North Canton" shall appear on each presentation instrument related to a credit card account including cards and checks.

B. At least quarterly, the Director of Finance shall advise City Council regarding:

- i. The number of credit cards and accounts issued;
- ii. The number of active cards and accounts issue;
- iii. The cards' and accounts' expiration dates; and
- iv. The cards' and accounts' credit limits.

5. Procedure for submitting itemized receipts to the Director of Finance:

Credit card users shall obtain itemized receipts for each transaction and provide the same to the Director of Finance on a daily basis or as soon as reasonably possible. The purpose of the transaction shall be clearly indicated on the receipt.

6. Procedure credit card issuance, credit card reissuance, credit card cancellation, and the process for lost or stolen credit cards:

The Director of Finance is responsible for administration of City credit cards to include, but not limited to, selection of card provider, payment of credit card bills, managing issuance of cards, and ensuring proper use.

Whenever a City credit card holder suspects the loss, theft, or possibility of unauthorized use of the card, the employee shall notify the Director of Finance and employee's Appointing Authority in writing. The Director of Finance, in turn, shall immediately notify cardholder services to place a hold on the relevant account.

7. Actions or omissions by an officer or employee that qualify as misuse of a credit card account:

A. Card holders shall sign acknowledgment of this Credit Card Policy before receiving a City credit card. See Attachment "A."

B. Card holders shall return City credit cards to the Director of Administration, Director of Finance, or Appointing Authority upon ending City employment. Cards returned to the Director of Administration or an Appointing Authority shall be returned to the Director of Finance.

C. The use of a City credit card account for expenses beyond those authorized by this Policy, or any failure to comply with these Credit Card Policies and Procedures, constitutes misuse of a credit card account. An employee who knowingly misuses a credit card account is subject to discipline, which could include demotion, termination, in addition to criminal charges. Use of a City credit card for any use other than those permitted under this Policy section is a violation of section 2913.21 of the Ohio Revised Code.¹

ATTACHMENT "A"
CREDIT CARD HOLDER USER AGREEMENT

I, _____, as an employee of the City of North Canton, accept personal responsibility for the safeguard and proper use of the City credit card, which has been provided to me for use in performance of my City duties.

I have read and understand the City's Credit Card Policies and Procedures, October 2018.

I understand the Director of Administration, Director of Finance or my Appointing Authority shall, at a minimum, discontinue my use of a City credit card for violation or misuse of the credit card and/or Credit Card Policies and Procedures.

I understand I am personally liable for the misuse of the City credit card/checks provided to me; that I shall be held personally responsible for the misuse of the card/checks for inappropriate charges, for failing to timely provide the Director of Finance with itemized receipts, for failing to timely notify the Director of Finance that the card/check is lost or compromised, and as more fully defined in the City's Credit Card Policies and Procedures.

I understand my misuse of the credit card/checks may lead to discipline, which could include termination/demotion, together with criminal penalties, and hereby authorize that inappropriate charges may be withheld from my salary.

The undersigned employee hereby acknowledges receipt of the above City's Credit Card Policies and Procedures, that the employee has read and understands the document, and that the employee agrees with the conditions therein.

Employee's Printed Name

Employee's Signature

Date

¹ As used herein, a "credit card" or "credit card account/check" means any bank-issued credit card account, store-issue 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 and 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.