

Category: 100

Number: 124

Subject: **Credit Cards**

1. **PURPOSE:** Establish a policy to define, authorize and regulate the use of a credit card. To establish procedures for utilizing the credit card for appropriate expenses in the conduct of official county business. To assign the responsibility for protection, custody and proper use of a credit card.
2. **AUTHORITY:** The Gratiot County Board of Commissioners.
3. **APPLICATION:** This policy applies to all County Elected Officials, Department Heads and Employees and to all credit cards issued.
4. **RESPONSIBILITY:** The County Administrator is responsible for the issuance of the credit card(s) for all work units and the accounting, monitoring, retrieval and general overview of this Credit Card Policy.
5. **DEFINITIONS:** "Employee" shall refer to all County Elected Officials, Department Heads, and Employees.

6. **POLICY:**

6.1 **Issuing and Retiring of Credit Cards**

- 6.1.1 Requests for new cards shall be submitted to the Administrator.
- 6.1.2 Credit cards issued shall not exceed one card per County Department and court unit. Exceptions must have documented approval from the County Administrator.
- 6.1.3 The cardholder must be an official or employee of the County.
- 6.1.4 The authorized credit limit for each credit card issued by the County of Gratiot shall not exceed \$2,500 unless a higher limit has been approved in writing by the Director of Financial Services.
- 6.1.5 To manage the inherent risk associated with credit card use, the Administrator shall regularly review the credit cards in circulation and the necessity for each card. The Administrator may remove authorization for any credit card deemed unnecessary or duplicative. The Administrator shall weigh the business need for the credit card, frequency of use, and the availability of other procurement mechanisms.

6.2 **Scope of Permissible Use:**

- 6.2.1 Credit cards shall be used for the purchases of goods and services that are for the official business of the County of Gratiot only when normal centralized procurement or accounts payable procedures cannot be utilized.
- 6.2.2 Credit cards may not be used for cash advances, personal goods and services, entertainment, alcohol, tobacco products, or travel not related to County business; and no cash refunds shall

be tolerated.

- 6.2.3 Cardholders are responsible and accountable for adherence to the established per purchase and monthly limits set for their card.
- 6.2.4 Purchases may not be divided into several transactions in order to avoid compliance with this Policy.
- 6.2.5 Rewards earned using County credit cards are property of Gratiot County and will be redeemed for purposes outlined by the Board of Commissioners.

6.3 **Acknowledgement and Authorization Form:** An employee to whom a card is assigned is responsible for the credit card's protection, custody and proper usage, and for compliance with this Policy. The employee shall sign an acknowledgement and authorization form (Exhibit A).

6.4 **Purchasing and Approval Procedures:** Receipts must be obtained for all credit card purchases that detail the goods or services purchased, cost, date of the purchase and an explanation for the purchase.

- 6.4.1 The cardholder shall be responsible for notifying the vendor or merchant that the County is a tax-exempt entity for goods or services purchased in the State of Michigan when possible. An approved letter from Gratiot County should be provided to the vendor if he/she requests documentation for tax and audit purposes.
- 6.4.2 The cardholder shall be required to obtain the detailed register receipt for over the counter purchases. When ordering over the phone, the cardholder shall request that a purchase receipt be emailed, faxed or post mailed with the item shipped to the ordering cardholder's attention. When ordering via the internet, a printed copy of completed order form showing the order acknowledgement from the vendor, shall serve as the purchase receipt.
- 6.4.3 The cardholder must provide the vendor or merchant with the appropriate shipping information. All goods must be shipped to an official Gratiot County business address.
- 6.4.4 The cardholder is responsible for contacting the vendor or merchant when merchandise purchased with the credit card is not acceptable (incorrect, damaged, defective, etc.) and arranging a return for credit or an exchange.
- 6.4.5 Should a statement not correlate with receipts, the items ordered amount is incorrect, if there is a quality issue, or if the order was not made by the cardholder, the cardholder shall be responsible for reporting immediately these issues, and any fraudulent use or misapplication of the card to the department head and the County Administrator. Cardholders and the County Administrator shall investigate any disputed charge immediately and complete the disputed charges form as necessary.
- 6.4.6 Returned goods shall be the responsibility of the cardholder to coordinate with the vendor or merchant. If merchandise is returned for credit, the cardholder is responsible for obtaining a credit receipt from the vendor or merchant, retaining that receipt with the documentation for that purchase, and shall notify the department head and the County Administrator. ***Receiving cash or checks to resolve a credit is prohibited.***
- 6.4.7 Credit card purchases shall be made in accordance with the Gratiot County Purchasing Policy

(Policy 216).

6.4.8 When the card is used for travel and/or meals for county business, the employee must comply with the County Travel Policy (Policy 351) and must fill out a business expense report showing the purpose of the travel or out of county meal(s) along with corresponding original itemized receipts.

6.4.9 All credit card billing statements will be received directly by the Financial Services Department.

6.4.10 Financial Services staff will scan the bill and email it to the cardholder.

6.4.11 The cardholder will have five (5) business days to upload the bill in the Accounts Payable system, approved as required by the Gratiot County Business Operating Procedures Manual, and send the detailed receipts to the Financial Services Department to ensure timely payments and no late fees.

6.4.12 Failure to meet the five (5) day deadline that causes payment to be untimely and that results in the accruing of late fees may result in a card holder's loss of credit card authorization and privileges.

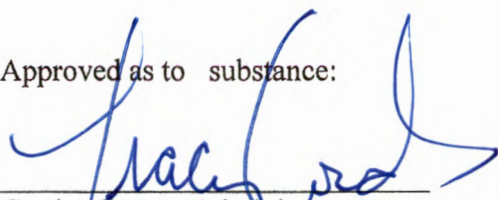
6.5 **Unauthorized or Improper Use:** Any employee that engages in an unauthorized or improper use of a county credit card will be subject to disciplinary measures, up to and including discharge, and may be subject to civil/criminal prosecution consistent with applicable laws. The employee found to have inappropriately used the credit card will be required to reimburse the County of Gratiot for all costs associated with such improper use including any interest charged on such purchases by the credit card company.

6.6 **Credit Card Protection:** The employee to whom a card is issued is responsible for the protection and custody of the credit card and shall immediately notify the County Administrator if the credit card is lost or stolen. The employee to whom a card is issued is responsible for safeguarding the account number.

6.7 **Change in Employment Status:** The employee to whom a card is issued shall immediately return the credit card to the County Administrator upon termination of employment with the County or when transferred to another department or division within the County.

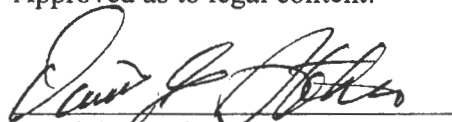
7. **ADMINISTRATOR REVIEW:** The Administrator has determined that this policy as submitted to the Board of Commissioners contains the necessary substance in order to carry out the purpose of the policy. The County Civil Counsel has determined that this policy as submitted complies with all applicable laws, rules and regulations.

Approved as to substance:



Gratiot County Administrator
5/23/18

Approved as to legal content:



Legal Counsel
5-21-18

EXHIBIT 'A'

**COUNTY OF GRATIOT
COUNTY ADMINISTRATION**

214 E. Center St. Ithaca Michigan 48847

(989) 875-5261; Fax (989) 875-5284

CREDIT CARD POLICY ACKNOWLEDGEMENT AND AUTHORIZATION

I, the undersigned Gratiot County office or employee, hereby do acknowledge that I have carefully read the Gratiot County Credit Card Policy, and that I agree to subscribe to, honor and abide by its terms and conditions. I am fully aware that violation of Credit Card Policy and its procedures shall result in discontinuance of credit card purchasing privileges for the cardholder, and may also result in discipline up to and including discharge; reimbursement to the County for unauthorized expenditures, including any interest charged on such purchases by the credit card company; and criminal prosecution.

Employee Name: _____

Employee Signature: _____

Date: _____

County Administrator/Director of Financial Services Signature: _____

Date: _____

Amended 5-15-18