

RESOLUTION #19-0204-18

Approving Liberty Township Credit Card Policy

WHEREAS, it is in the best interest of Liberty Township to have an approved Credit Card Policy to ensure all Township issued credit cards are issued, used and monitored in compliance with all applicable rules and regulations.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF LIBERTY TOWNSHIP, DELAWARE COUNTY, OHIO THAT to approve the attached Liberty Township Credit Card Policy for immediate implementation.

Motion made by Melanie Leneghan and seconded by Gemperline

Vote: yes Mrs. Eichhorn yes Mrs. Leneghan yes Mr. Gemperline

This Resolution shall be in force and become effective immediately upon its execution.

Feb. 4, 2019
Date

Melanie Leneghan
Melanie Leneghan, Trustee

CERTIFIED BY:

Nancy Denuite
Nancy Denuite, Fiscal Officer

Mike Gemperline
Mike Gemperline, Trustee

Shyra Eichhorn
Shyra Eichhorn, Trustee

EXHIBIT 1

LIBERTY TOWNSHIP DELAWARE COUNTY, OHIO CREDIT CARD ACCOUNT POLICY

PURPOSE

Credit Cards allow Employees to pay allowable Work-Related Expenses effectively and efficiently. Ohio Revised Code Section 505.64 permits the Board to authorize an Employee of the Township to use a Credit Card Account held by the Board. This Policy is enacted to govern the use of any Credit Card Accounts and their related Presentation Instruments, including Credit Cards and checks, held by the Board and to establish consistent rules and regulations for the proper, safe, and secure use of Credit Cards by Employees.

DEFINITIONS

1. **"Authorized User"** means an officer, employee, or appointee of the Township that has received authorization from the Board to use a Credit Card Account held by the Board.
2. **"Board"** means the Board of Trustees of **LIBERTY** Township, located in Delaware County, Ohio.
3. **"Credit Card"** means a card or any other Presentation Instrument linked to, associated with, or related to a Credit Card Account held by the Township and which can be used to purchase goods or services, including online purchasing accounts.
4. **"Credit Card Account"** or **"Account"** means any bank-issued credit card account, store-issued 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 or services on credit or to transact with the account, and any debit or gift card account related to the receipt of grant moneys. It also includes, online purchasing accounts (e.g., Amazon Business) and store gift cards (not related to the receipt of grant monies). It 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.
5. **"Credit Card Information"** includes, but is not limited to, the Credit Card number, expiration date, security code, passwords, and any and all other similar numbers, codes, words, and/or other information used to identify the Credit Card, make purchases and/or access credit using the Credit Card, and/or access the Credit Card Account.
6. **"Debit Card Account"** means a card account issued by a financial institution which allows the holder to transfer money electronically to another bank account when making a transaction. It includes a single-use cash gift card (not related to the receipt of grant monies), which is a debit card account with a set dollar amount and may be accepted by

any retailer, similar to a debit card and is void upon spending the balance or expiration. It also includes, a prepaid gift card (not related to the receipt of grant monies), which is a debit card account that is reloadable, unlike the cash gift card.

7. **"Employee"** means any officer, elected official, trustee, fiscal officer, employee (fulltime or part- time), seasonal employee, and/or appointee of the Township.
8. **"Fiscal Officer"** means the **LIBERTY** Township Fiscal Officer or the Fiscal Officer's designee.
9. **"Issuer"** means a bank, savings and loan, credit union, other financial institution, or vendor (i.e. store or gas station) that issues the Credit Card.
10. **"Township"** means **LIBERTY** Township, Delaware County, Ohio.
11. **"Personal Expense"** means any cost or expenditure other than a Work-Related Expense and which is not incurred as a direct result of the Authorized User's employment with the Township. Examples of Personal Expenses include, but are not limited to, gasoline for personal vehicles, cash advances, any amount in excess of meal allowances, alcoholic beverages, tobacco, gambling, and personal goods.
12. **"Policy"** or **"Credit Card Account Policy"** means this Policy and all exhibits, amendments, and supplements.
13. **"Presentation Instrument"** means any card, check, or account number which can be used to purchase goods or services, including online purchasing accounts.
14. **"Work-Related Expense"** means any cost or expenditure of Township funds incurred for work-related goods and/or services authorized by the Board and related to the official business of the Township, including, but not limited to, gasoline for Township vehicles, meal allowances, or equipment purchased on behalf of the Township or for a Township project in which the Authorized User is directly participating and involved.

ARTICLE I.

USE OF A CREDIT CARD ACCOUNT

SECTION 1

AUTHORIZED USERS

- A. Only an Employee may be designated as an Authorized User.
- B. Only Authorized Users may use a Credit Card Account held by the Board.
- C. Only the Board, in its sole discretion, may designate an Employee as an Authorized User of a Credit Card Account held by the Board. At any time and for any or no reason at all, the Board, in its sole discretion, may revoke or terminate the designation of an Employee as an

Authorized User. If the Board revokes or terminates an Employee's designation as an Authorized User, such Employee shall receive notice of such revocation or termination and shall no longer be an Authorized User and may not use Township Credit Cards. Such authorization, revocation, or termination shall be by resolution.

- D. The list of Employees designated as Authorized Users is attached to this Policy as Exhibit A ("Authorized User List"). The Authorized User List contains the name of each Employee designated as an Authorized User, the title or position of the Employee, the name of the Issuer of the Account for which the Employee is designated an Authorized User, the type of Credit Card, the last 4 digits of the Account number, the date of designation as an Authorized User, and the number of the resolution making such designation. If the Employee's designation is revoked or terminated, the date of such revocation or termination and the number of the resolution revoking or terminating such designation are also contained on the Authorized User List.
- E. The Authorized User List shall be kept by the Fiscal Officer and updated by the Fiscal Officer each time the Board authorizes, revokes, or terminates authorization of an Employee as an Authorized User.
- F. Authorized Users shall not transfer a Township Credit Card to anyone, including other Employees.
- G. Authorized Users shall not allow anyone else, including other Employees, to use a Township Credit Card.

SECTION 2

AUTHORIZED EXPENSES

Authorized expenses are as follows:

- A. Work-Related Expenses. Credit Card Accounts, regardless of Board approval, shall only be used to pay Work-Related Expenses incurred on behalf of the Township.
- B. The Board may authorize, by resolution, individual Employees to incur obligations on behalf of the Township up to, but not exceeding, the dollar limit permitted by the current version of R.C. § 507.11. The established dollar limit of such authority shall apply to the aggregate of all obligations, including Credit Card Account transactions, incurred and outstanding at any one time by the Employee. In no event shall obligations incurred by an Employee exceed such limit. Any obligations incurred on behalf of the Township by an Employee acting pursuant to any such resolution shall be subsequently approved by the adoption of a formal resolution of the Board.
- C. No single transaction on a Credit Card Account may exceed **\$2,500.00**. The single transaction limit shall not exceed any limit established by the Board pursuant to R.C. § 507.11 (See Art. 1, Sec. 2(B)).

- D. In the event an Authorized User needs to spend an amount in excess of the single transaction limit in Art. 1, Sec. 2(C), an Authorized User shall first notify and receive prior approval from the Fiscal Officer. In no event shall an Authorized User be permitted to exceed any limit established by the Board pursuant to R.C. § 507.11 (See Art. 1, Sec. 2(B)).

SECTION 3 UNAUTHORIZED EXPENSES

Any purchase or expenditure made beyond specific authorization limits imposed by the Board, if any, or what is authorized in this Policy, is an unauthorized expense ("Unauthorized Expense"). A Credit Card shall not be used to pay for any Unauthorized Expense, including, but limited to, the following:

- A. Credit Cards shall **NOT** be used to pay for any Personal Expense or for any personal purpose or purchase.
- B. Credit Cards shall **NOT** be used to obtain cash advances, cash withdrawals, or to obtain cash back from a transaction.
- C. Credit Cards shall **NOT** be used to obtain personal services.
- D. Credit Cards shall **NOT** be used to pay for entertainment, except as otherwise authorized by the Board.
- E. Credit Cards shall **NOT** be used to purchase alcohol or tobacco.
- F. Credit Cards shall **NOT** be used for casino gaming, betting, wagering, or gambling and shall not be used to obtain cash advances for such purposes.
- G. Credit Cards shall **NOT** be used for any transaction not approved in advance by the Board.
- H. Credit Cards shall **NOT** be used for any purpose or to pay for any expense prohibited by federal or state law or by any Township policy or practice. This includes the payment of state sales tax of which townships are exempt. The Fiscal Officer shall provide an Authorized User with a "Sales and Use Tax Blanket Exemption Certificate" to present to the merchant or vendor. Employees shall be personally responsible for the payment of sales taxes when using the credit card.

SECTION 4 ACQUISITION, USE, AND MANAGEMENT

- A. **Acquiring a Credit Card Account.** Only the Board may request and open a Township Credit Card Account with an Issuer. Approval to request and open an account shall be by resolution.

B. **Internal Control Model.** The Fiscal Officer does not maintain physical custody and control of the Credit Card Accounts and Presentation Instruments, but shall be responsible for the following:

1. Upon prior Board approval, apply for and obtain a Credit Card Account and/or obtain Credit Cards or other Presentation Instruments associated with the Credit Card Account from the Issuer;
2. Oversight and management of all Credit Card Accounts;
3. Maintain the Authorized User List;
4. Upon prior approval and instruction of the Board, distribute Credit Cards to Authorized Users authorized to use the Credit Card Account and keep records of distribution and return of Credit Cards;
5. Monitor usage of Credit Cards issued to Authorized Users, to include, but not limited to, reviewing all Credit Card statements as soon as possible to ensure compliance with this Policy;
6. Assure that funds to pay expenses incurred by use of a Credit Card are appropriated for such purpose and allocated to the correct Township fund;
7. Immediately report to the Board any unauthorized charges, charges for Unauthorized Expenses or Personal Expenses, or other charges that are inconsistent with this Policy;
8. Respond per this Policy to reports of loss, theft, fraud, or possible unauthorized use of a Credit Card; and,
9. Generally oversee compliance with this Policy.

C. **Acquisition of Credit Card by Employee.** The Board must authorize an Employee to use a Credit Card Account before an Employee may become an Authorized User and acquire access to a Credit Card or other Presentation Instruments associated with a Credit Card Account. Upon authorization or at any other time, the Board may, in its sole discretion and with notice to the Authorized User, limit by resolution the terms of use of a Credit Card Account by an Authorized User. Upon the Board's authorization, the person receiving authorization must sign a copy of attached Exhibit B, acknowledging receipt of a copy of this Policy, agreeing to bound by it, and agreeing to be an Authorized User.

D. **Permitted Uses.** Authorized Users may use a Credit Card Account for Authorized Expenses, as described in Art. I, Sec. 2 of this Policy, incurred only by the Authorized User. An Authorized User may not transfer the Credit Card or make purchases on behalf of any other person or entity, including other Township Employees, even if the purchase is for or on behalf of the Township.

Authorized Users may, unless otherwise prohibited by the Board, use a Credit Card in person, online, over the telephone, by mail, or through facsimile (fax). All purchases must be evidenced by an itemized receipt. If purchasing goods online, the Authorized User must use reasonable care and judgment regarding the authenticity and security of a website.

Credit Card Accounts shall only be used in accordance with this Policy and all applicable Credit Card rules and regulations and in accordance with all state and federal laws.

- E. **Reasonable Care.** Use of a Credit Card is an expenditure of Township funds. Employees should use common sense and reasonable care when using a Credit Card and shall follow the same procedures as used with all expenditures of Township funds.
- F. **Notification of Purchase.** Prior to using a Credit Card the Authorized User should make a good faith effort to notify the Fiscal Officer of the intended purchase.
- G. **Assurance of Funds.** Authorized Users are responsible for assuring funds for any Credit Card expenditure or purchase have been properly appropriated by the Board for the expenditure or purchase prior to using the Credit Card.
- H. **Approval of Expenditure.** Any obligation on a Credit Card incurred on behalf of the Township by an Authorized User shall be subsequently approved by the adoption of a formal resolution of the Board. (R.C. § 507.11).
- I. **Storage.** Authorized Users must take measures to ensure Credit Cards, checkbooks, and any other Presentation Instruments associated with a Credit Card Account are kept in a secure place at all times.
- J. **Receipts.** Authorized Users shall obtain from the vendor and produce to the Fiscal Officer an original itemized receipt for all expenditures or purchases made using a Credit Card. Original itemized receipts shall be provided to the Fiscal Officer as soon as reasonably possible, but not later than the next Board meeting following the expenditure or purchase. The receipt should include the customer copy of the receipt, any invoice from the vendor, the cost of the individual goods or services purchased, a total cost, and the date of the purchase. The Authorized User should also submit documentation verifying the purchase was made on behalf of the Township, if necessary to describe the purchase.
- K. **Payment.** Payment of Credit Card Accounts shall be made in accordance with the following:
1. The debt incurred as a result of the legitimate use of a Credit Card shall be paid from moneys appropriated by the Board for such expenses.
 2. In accordance with R.C. § 507.11(B)(1), no money belonging to the Township shall be paid out, except upon an order signed by at least two (2) of the township trustees, and countersigned by the Fiscal Officer. This includes money paid to Issuers to satisfy obligations incurred on a Credit Card.
 3. When applicable, as required by R.C. § 5705.41(D), the Fiscal Officer shall certify the existence of sufficient unencumbered funds to pay for expenditures made by Credit Card.
 4. Credit Card balances shall be paid in-full each month so as not to incur interest or late fees. Credit Cards shall not be used to defer all or any part of the purchase

price or create an installment payment plan for any expenditure. (See OAG 84-050).

- L. **Responsibility of Fiscal Officer, Department Heads, and Supervisors.** The Fiscal Officer and all department heads and supervisors are responsible to ensure that Employees and Authorized Users under their supervision are adequately trained, fully understand, and comply with this Policy.
- M. **Prohibition on Use and Return of Credit Card on Revocation of Authorization.** An Employee shall not use a Credit Card after revocation or termination of the Employee's authority to use a Credit Card and shall immediately return and relinquish any Township Credit Card in the Employee's possession to the Fiscal Officer.
- N. **Prohibition on Use and Return of Credit Card on Termination of Employment.** An Employee shall not use a Credit Card after termination of the Employee's employment or service with the Township. Upon termination of employment or service with the Township, an Employee shall immediately return and relinquish any Credit Card in the Employee's possession to the Fiscal Officer.
- O. **No Destruction.** Employees shall not intentionally destroy any Township Credit Card. When no longer needed, upon revocation or termination of authority, or upon termination of employment or service with the Township, Credit Cards shall be returned to the Fiscal Officer.

SECTION 5 LIABILITY

The Authorized User shall be personally liable for reimbursing the Township for any of the following:

- A. In person and upon any official bond the Authorized User has given to the Township to reimburse the Township treasury the amount for which the Authorized User does not provide itemized receipts in accordance with this Policy;
- B. Expenses charged to the Credit Card that are not documented and submitted to the Fiscal Officer;
- C. Expenses that exceed the scope of the authorization allotted by the Board of the Authorized User's use of the Credit Card;
- D. Unauthorized Expenses charged to the Credit Card;
- E. Personal Expenses charged to the Credit Card;
- F. Purchases the Authorized User allowed an unauthorized user to make; and/or,

- G. Any other purchases made with the Credit Card that are in violation of this Policy, and the amendments and supplements thereto.

The Delaware County Prosecuting Attorney is authorized and shall recover the amount of any Unauthorized Expenses and associated costs incurred by the Authorized User or Employee who either uses a Credit Card, or allows another person to use a Credit Card, in an unauthorized manner and fails to immediately and voluntarily make restitution to the Township for the total amount of the unauthorized purchase(s) and costs. This Policy does not limit any other liability of the employee or officer for the unauthorized use of a Credit Card.

SECTION 6 MISUSE

The use of a Credit Card account for expenses beyond those authorized by the Board or for Unauthorized Expenses, as defined in Art. I, Sec. 3, constitutes misuse of a Credit Card Account. Failing to submit receipts, or submitting false or incomplete information, within a reasonable time after making a purchase also constitutes misuse of a Credit Card Account.

Any Employee or public servant, as defined in R.C. § 2921.01, who knowingly misuses a Credit Card Account held by the Board violates R.C. § 2913.21. Misuse may also be a violation of other federal and/or state criminal laws. Misuse will be prosecuted accordingly.

In addition to any criminal charges and/or any civil actions for recovery, misuse of a Credit Card or Credit Card Account may result in disciplinary action, up to and including termination.

SECTION 7 ISSUING OR REISSUING A CREDIT CARD

A Credit Card may only be issued or reissued at the direction of the Board. Issuance or reissuance shall be approved by resolution.

SECTION 8 CANCELLATION

A Credit Card Account or an individual Credit Card connected to a Credit Card Account shall be cancelled upon determination of the Board that such Account or Credit Card should be cancelled. Such determination shall be made by resolution.

SECTION 9 SECURITY – LOST OR STOLEN CREDIT CARD

- A. Authorized Users shall only disclose Credit Card Information as is necessary or to make an authorized expenditure or purchase. Credit Card Information shall not be disclosed to any unauthorized person or entity. Questions regarding disclosure of Credit Card Information should be directed to the Fiscal Officer.

- B. Authorized Users shall keep secure and protect all Credit Card Information from unauthorized disclosure and shall maintain such information as confidential as it if were the Authorized User's own personal credit card information.
- C. All Credit Card transactions shall be reviewed by the Board and Fiscal Officer.
- D. All online or internet expenditures or purchases using a Credit Card shall only be made using a computer protected by updated and current anti-virus/anti-malware software and only through a secure network where transmitted information is encrypted.
- E. In the event a Credit Card is lost or stolen, or an Authorized User suspects or has reason to believe a Credit Card is lost or stolen or that theft, fraud, or possible unauthorized use of a Credit Card has occurred, the Authorized User shall immediately notify the Fiscal Officer in-person or by telephone after such activity or suspected activity becomes known to the Authorized User. Upon receipt of such notice, the Fiscal Officer shall immediately take any action that the Fiscal Officer considers prudent and necessary to prevent or arrest any possible or additional unauthorized use of the Credit Card including, but not limited to, immediately notifying the Issuer and/or law enforcement, as appropriate, and shall notify the Board of such action.
- F. The Authorized User shall immediately follow verbal notice to the Fiscal Officer by written notice to the Fiscal Officer and Board of the lost or stolen Credit Card or suspected loss, theft, fraud, or possible unauthorized use of the Credit Card.
- G. The Authorized User shall fully cooperate in any investigation by the Fiscal Officer, Board, the Issuer, and/or law enforcement of any loss, theft, fraud, or possible unauthorized use of the Credit Card and shall provide any and all necessary information required by the Fiscal Officer, Board, the Issuer, and/or law enforcement relating to the loss, theft, fraud, or possible unauthorized use of the Credit Card.

SECTION 10 CREDIT CARD ACCOUNT LIMITS

The maximum credit limit on each Credit Card Account held by the Board and/or Township is included on the attached Exhibit C. Credit Card limits shall be updated upon any change of limits or additional credit lines.

ARTICLE II. RULES FOR TOWNSHIP CREDIT CARD ACCOUNTS

SECTION 1 CREDIT CARD ACCOUNT INSTRUMENTS

The Board is and shall remain the holder of all Credit Cards issued to the Board. The Credit Cards remain the property of the Issuer. The name of the Township shall appear on each Presentation

Instrument related to the Credit Card Account, including but not limited to, Credit Cards and checks.

SECTION 2 MONTHLY PRESENTATION OF TRANSACTION DETAIL

The Fiscal Officer monthly shall present to the Board credit card account transaction detail from the previous month. The Board shall review the credit card account transaction detail and the chairperson of the Board shall sign an attestation stating the board reviewed the credit card account transaction detail.

SECTION 3 SEMI-ANNUAL REPORT

The Board at least once every six (6) months shall review the number of Credit Cards and Accounts issued, the number of active Credit Cards and Accounts issued, the Credit Cards' and Accounts' expiration dates, and the Credit Cards' and Accounts' credit limits.

SECTION 4 ANNUAL REPORT - REWARDS

The Fiscal Officer annually shall file a report with the Board detailing all rewards received based on the use of the Township's Credit Card Account.

SECTION 5 PROHIBITION ON DEBIT CARD ACCOUNTS

Pursuant to R.C. § 9.22, no political subdivision may hold or utilize a Debit Card Account, except for law enforcement purposes. Possession or use of a Debit Card Account by a political subdivision except for law enforcement purposes is a violation of R.C. § 2913.21. R.C. § 9.22 does not apply to Debit Card Accounts related to the receipt of grant moneys.

ARTICLE III MISCELLANEOUS

SECTION 1 SCOPE AND COMPLIANCE

This Policy applies to all Employees. All Employees and Authorized Users are responsible for compliance with this Policy and shall comply with this Policy.

SECTION 2 EFFECTIVE

- A. This Policy shall be in full force and effect immediately upon adoption and shall remain effective until repealed or superseded.

- B. This Policy supersedes any previously issued credit card account or use policy or other policy or writing regarding the use of Credit Cards.

SECTION 3 AUTHORITY

This Policy is enacted pursuant to R.C. § 506.64.

SECTION 4 DISTRIBUTION

This Policy shall be distributed to all Authorized Users. Each Authorized User shall complete, sign, and return Exhibit B to the Fiscal Officer prior to using a Credit Card. The Fiscal Officer shall hold and maintain the signed Exhibit B for as long as the Authorized User remains an Authorized User and, in addition thereto, in accordance with the applicable retention schedule.

EXHIBIT A

AUTHORIZED USER LIST

Name of Authorized User	Title or Position of Authorized User	Issuer/Type of Credit Card	Authorized Credit Card Account (<u>ONLY</u> Last 4 Digits of Account No.)	Date and Resolution No. of Authorization Approved by Board	Date and Resolution No. of Authorization Terminated or Revoked

EXHIBIT B

LIBERTY TOWNSHIP, DELAWARE COUNTY, OHIO ACKNOWLEDGMENT OF RECEIPT OF CREDIT CARD ACCOUNT POLICY

Name: _____ (Print Name)

Position: _____

I, the undersigned, acknowledge that I have received a copy of the **LIBERTY** Township Credit Card Account Policy ("Policy"), dated _____, 20____. In connection with my receipt of the Policy I state and agree with all of the following:

- I have fully read and understand the Policy.
- I have been given the opportunity to ask questions regarding the Policy and its contents.
- I understand if I have any further questions about the Policy or use of a Credit Card issued in the name of the Board of Trustees or Township, I will contact the Township Fiscal Officer.
- I agree that I am responsible for knowing the contents of the Policy.
- I agree I am bound by and agree to abide by all of the Policy's terms, conditions, and requirements.
- I understand that this Policy is not all inclusive of the policies, rules, or regulations that apply to the use of a Credit Card issued in the name of Board of Trustees or Township and that other policies or provisions of other policies, rules, or regulations may apply.
- I agree and understand that any and all provisions of this Policy may be changed, modified, or eliminated without advance notice to me, at any time.

I also acknowledge that I have received or am authorized to use a **LIBERTY** Township ("Township") Credit Card to carry on my person and use for Work-Related Expenses on behalf of the Township, and am considered an "Authorized User." I hereby agree to be an Authorized User and will use such Credit Card in accordance with the Policy. Further, I will immediately report any lost or stolen Credit Cards or if I have reason to believe a Credit Card is lost or stolen or that theft, fraud, or possible unauthorized use of a Credit Card has occurred. I additionally agree to return any Credit Cards upon resignation, termination, or the request of the Fiscal Officer or Board.

I understand the Credit Card may only be used to pay for Work-Related Expenses on behalf of the Township, and that I will be held liable for any Unauthorized Expenses or purchases.

Signature

Date

Printed Name

Title

EXHIBIT C

Issuer/Type of Credit Card	Credit Card Account (<u>ONLY</u> Last 4 Digits of Account No.)	Account Maximum Credit Limit