

**CITY OF BELLE ISLE
CREDIT CARD POLICY FOR ELECTED
OFFICIALS AND CITY EMPLOYEES**

A. PURPOSE

In order to conduct City business in a more efficient manner, the City has granted authority to certain elected officials and City employees to utilize credit cards for certain purchases. The purpose of this policy is to supplement the City's Purchasing Policy and provide guidelines and procedures regarding the proper use of City credit cards. This policy is not intended to replace current state law but rather is intended to comply with such laws and establish guidelines for elected officials and employees using such credit cards. City issued credit cards are for official City business only. Utilizing the credit card for anything other than official City business may result in disciplinary action and/or criminal prosecution. All purchases utilizing a City credit card must be in accordance with this policy and state law.

B. OBJECTIVES

1. To provide an efficient method of purchasing and paying for goods and services.
2. To improve efficiency by streamlining payments and eliminating the administrative burden and costs associated with traditional methods of payment.
3. To ensure card purchases are in accordance with the City's Purchasing Policy.
4. To ensure that the City bears no legal liability from inappropriate use.
5. To provide for disciplinary action if the credit card is misused.

C. PUBLIC INSPECTION

In accordance with Florida Statutes § 286.011, any documents related to purchases using City credit cards incurred by elected officials and other employees of the City shall be available for public inspection.

D. ISSUANCE

All City credit cards are issued through the Finance Department. Each credit card is issued in the name of the elected official or employee who is responsible for its use with the "City of Belle Isle" clearly shown on the card as the governmental buyer.

The following elected officials and employees are authorized by the City to receive and utilize a City credit card and will be required to sign a Credit Card Agreement (Attachment A) acknowledging receipt and understanding of this policy:

- Mayor
- City Manager
- Police Chief
- Deputy Police Chief
- Police Administrative Assistant
- City Clerk
- Public Works Manager

E. LIMITS/RESTRICTIONS

1. Credit Limits

The Finance Department will establish credit limits for each cardholder. Credit limits vary per authorized individual and cannot exceed those established by the Finance Department unless authorized by the Director of Finance or the City Manager.

2. Single Transaction Limits

Transaction limits are established to ensure compliance with state purchasing laws, maintain proper budgetary controls, and to minimize excessive use of any individual credit line. The established single transaction limit for each card must be no greater than \$4,500.00.

3. Prohibited Purchases

The following types of purchases are strictly prohibited:

- a. Purchases of goods or services for personal use;
- b. Purchases not related to official City business;
- c. Purchases in violation of the City's Purchasing and/or Travel Policies;
- d. Cash advances;
- e. Alcohol and tobacco products;
- f. Gasoline, except when City issued fuel card is unavailable;
- g. Travel related meals if cardholder is paid per diem for the same travel;
- h. Travel related gasoline purchases if cardholder is paid mileage for the same travel;
- i. Any transaction amount greater than the single transaction limit set forth by this policy unless authorized in writing by the Director of Finance or the City Manager;
- j. Items specifically restricted by this policy, unless a special exemption is granted by the City Manager;
- k. Purchases or transactions made with the intent to circumvent the City's Purchasing Policy, single transaction limits, or state law.

4. Allowable Purchases

City credit cards can be used to purchase goods or services where not otherwise prohibited or restricted by this policy, the City's Purchasing and Travel Policies, or state law. Such purchases include:

- a. Purchases of goods or services for official City business which fall within the transaction limits and guidelines of all City policies;
- b. Purchases of travel/training related expenses, such as registration fees, airfare, car rental, lodging, meals, parking, and tolls, if cardholder does not receive reimbursement, per diem, or mileage for the same expense;
- c. Emergency purchases necessary to protect City property;
- d. Purchases of items on the internet or from other approved sources from which a City check is not accepted or practical;
- e. Any purchase specifically authorized by the City Manager.

F. RESPONSIBILITIES

The following are the responsibilities of:

1. Cardholder (Elected Official or Employee)

- a. Hold and safeguard the credit card;
- b. Comply with all purchasing and credit card policies;
- c. Determine availability of budgeted funds before using;
- d. Order materials and services;
- e. Collect and save all sales receipts/invoices;
- f. Match receipts with charges;
- g. Identify disputed charges;
- h. Make sure vendor is aware of City's tax exempt status to ensure that sales tax is not charged;
- i. Notify Finance Department immediately of lost or stolen card.

2. Department Director or designee

- a. Ensure their departmental cardholders understand proper use of credit cards;
- b. Review & reconcile transactions with cardholder;
- c. Assign and/or verify the appropriate expenditure accounts;
- d. Authorize and sign off on their departmental cardholder's purchases;
- e. Collect credit cards from cardholders who end their employment and forward the credit cards to the City's Finance Department.

3. Program Administrator

The City designates the Director of Finance as the program administrator of City credit cards (the "Administrator"). The Administrator shall:

- a. Serve as a liaison between the City's cardholders and the issuers of such cards;
- b. Maintain the cardholder agreement for all cardholders;
- c. Provide instruction, training, and assistance to cardholders;
- d. Maintain account information and secure all cardholder information;
- e. Keep cardholders up-to-date on new or changing information;
- f. Upon receipt of information indicating fraudulent use or lost/stolen cards immediately report it to appropriate parties, including the issuer;
- g. Review monthly statements and ensure all card accounts are being utilized properly as set forth by state law and this policy;
- h. Define the City's policy and procedures for proper documentation and storage of receipts, logs, and approvals required under this policy;
- i. Identify any changes to named persons authorized to use a credit card;
- j. Any other duties assigned by the City Manager.

G. RECORD KEEPING/RECEIPTS

It is the responsibility of the cardholder to obtain receipts for all purchases. Receipts must be obtained whether a purchase is made in person or via telephone, fax, mail, or

online. It is the cardholder's responsibility to assure that the description on the receipt is legible and clearly describes the purchase. All receipts must contain itemized details of the goods/services purchased. A credit card slip that lists only the total amount charged without a detail of the goods/services purchased is not a sufficient receipt.

Receipts should be submitted to the Finance Department as soon as possible together with a completed and signed Credit Card Purchase Authorization form and all other documentation required.

H. SALES TAX

Most purchases are exempt from sales tax. Cardholders are responsible for notifying vendors that the transaction is exempt from Florida sales tax and providing the City's tax exempt certificate. Cardholders must assure that sales tax has not been added to the receipt or request that a credit for any sales tax charged be processed. Some Internet purchases will require the cardholder to call a customer service number on the company's website in order not to have taxes place on the order; it is the responsibility of the cardholder to ensure that this occurs.

I. CREDITS/RETURNS

Purchases returned must be credited to the City's account to which the transaction was charged. Cardholders are not authorized to receive a cash payment or store credit for returned items. It is the responsibility of the cardholder's department director or designee to assure that credits for returned items are properly applied to the cardholder's card.

J. DISPUTES/ERRONEOUS CHARGES

It is the responsibility of the cardholder to document and resolve disputes and erroneous charges directly with the vendor and notify the Finance Department of the issue. In most cases, disputes can be resolved in this manner. If a dispute cannot be resolved, a written notice must be submitted to the Finance Department.

K. RECONCILIATION/BILLING STATEMENTS

The Finance Department is responsible for reconciling the credit card statements monthly and will notify the cardholders of any missing receipts or issues that need further documentation or clarification. Department directors and elected officials will be informed of any violations. Depending on the severity of the violation, the Administrator may suspend or revoke the use of the credit card after consultation with the City Manager and/or City Council and notification to the cardholder.

L. SUSPENSION POLICY

The Suspension Policy is a progressive step policy, and may be put into effect by a cardholder's failure to submit proper documentation to the Finance Department by the established deadlines, or misuse of the card by making inappropriate purchases of goods or services not in compliance with this policy.

- First Offense: The cardholder will receive a documented written warning from the Administrator.
- Second Offense: Suspension of credit card privileges for a period of one (1) to three (3) months. The affected credit card must be surrendered to the Administrator during the suspension period.
- Third Offense: Permanent revocation of credit card privileges.

Depending on the severity of the violation, the credit card may be immediately suspended or revoked by the City Manager and/or City Council and further action may be taken.

The City credit card will be suspended if a cardholder is suspended from employment or elected office and will be revoked if a cardholder terminates employment or is removed from elected office.

M. REIMBURSEMENT

In the event of any unauthorized use of the credit card for personal use, cash advances, or the purchase of alcohol or tobacco products, the cardholder shall be notified and given **15 days** to reimburse the City for such amount plus interest, if any, charged by the credit company. Reimbursement to the City will be required in addition to implementation of the Suspension Policy described above.

1. Failure to Timely Reimburse the City

a. Elected Official

If an elected official fails to timely reimburse the City, the Administrator shall notify the City Manager who shall notify City Council and at its next regular meeting, Council shall act on the violation. The Council may direct the Administrator to suspend the card for a period of time determined by the Council, revoke the card, request criminal prosecution, or any combination of these consequences.

b. City Employee

If an employee fails to timely reimburse the City, the Administrator shall notify the City Manager. The City Manager may direct the Administrator to suspend or revoke the card, issue a disciplinary action up to and including termination of employment, authorize the Finance Department to deduct any amount owed from the violator's salary, request criminal prosecution, or any combination of these consequences.

ATTACHMENT A

City of Belle Isle Credit Card Agreement

I acknowledge receipt of the City of Belle Isle Credit Card Policy and agree to abide by the Policy.

I understand that:

- a. The City credit card is to be used only for legitimate business purchases at the request of and for the benefit of the City of Belle Isle.
- b. The City credit card is to be used within the guidelines of the City's Purchasing Policy.
- c. The City credit card must be used in accordance with the provisions of the Credit Card Policy.
- d. The City credit card is **NOT** to be used for personal use even with the intent to repay the City.

Violations of these requirements may result in revocation of use privileges. Employees found to have inappropriately used the credit card will be required to reimburse the City of Belle Isle for all costs associated with the improper use through direct payment or payroll deduction. Disciplinary action may be taken up to and including termination of employment. The City of Belle Isle will investigate and commence, in appropriate cases, criminal prosecution against any employee found to have misused the credit card or who violates the provisions of the cardholder agreement, the City of Belle Isle Credit Card Policy, or the Florida Statutes.

Printed Name: _____

Signature: _____ Date: _____

CREDIT CARD ISSUED

Credit Card Number: _____ Date: _____

CREDIT CARD RETURNED TO FINANCE DEPARTMENT

Received By: _____ Date: _____