



## City Council Agenda Memo

Crest Hill, IL

**Meeting Date:** May 22, 2023  
**Submitter:** Lisa Banovetz, Director of Finance / Glen Conklin, Treasurer  
**Department:** Treasurer's Office  
**Agenda Item:** Credit Card Discussion

**Summary:** The Treasurer's Office has prepared a summary of the City's current Credit Card Policy, in addition to providing details as to which City employees have Credit Cards, and what the limits are on these Credit Cards.

Six (6) months of the most recent City of Crest Hill Credit Card statements have been collected for the City Council's (Council) review. These statements include sensitive Credit Card account information and therefore the statements have not been included as an attachment to this agenda item.

Going forward, on a monthly basis, complete Credit Card statements will be included in the Council's packet that is submitted by the Treasurer's Office for Council's review.

A summary of the City's current Credit Cards is listed below. The City has a cumulative monthly credit limit of \$25,000 for all Credit Card purchases.

<u>Name</u>	<u>Credit Limit</u>	<u>Single Transaction Limit</u>	<u>Cycle Transaction Limit</u>
City Administrator	\$25,000	\$10,000	50
Ed Clark	\$10,000	\$4,000	50
Mark Siefert	\$2,500	\$0	0

The City's current Purchasing Policy does *not* address the use of City issued Credit Card spending. The City is requesting that Council consider amending its current Purchasing Policy to add the section below related to City Credit Cards as follows:

## Credit Card Procedures and Guidelines

### CITY CREDIT CARDHOLDER RESPONSIBILITIES

City-issued Credit Cards (Credit Cards) are issued to designated employees of the City to support specific and limited types of City purchases. Credit Cards are used as a supplement to other acceptable methods of procurement and should only be used when other approved procurement methods are *not* available.

The City strongly encourages the use of other approved methods of procurement when possible. All purchases made with Credit Cards are subject to the requirements and restrictions set forth in the City's Purchasing Policy, as well as

the Credit Card Procedures and Acceptable Use Guidelines. Any purchases made with the City's Credit Cards are subject to public disclosure under the Freedom of Information Act (the "FOIA").

## **CREDIT CARD PROCEDURES**

The Credit Card Procedures and Acceptable Use Guidelines (Credit Card Procedures) govern the use of the Credit Cards issued to designated employees of the City to support specific and limited types of City purchases. The Credit Card Procedures are intended to guide employees on appropriate uses and protect employees and the City from any inappropriate use of the Credit Cards. Purchasing with a Credit Card must follow the City's Purchasing Policy including, but not limited to, the competitive purchasing process.

The City of Crest Hill's Credit Cards are City property. In the event a Credit Card is lost or stolen, immediately report the loss or theft to the Director of Finance.

## **ACCEPTABLE USE GUIDELINES**

1. As a supplement to other methods of purchasing, the City uses Credit Cards as a form of payment in limited circumstances to provide an efficient electronic payment method. Credit Cards should only be used when ordinary procurement methods are not available. The use of a Credit Card is not intended to replace effective procurement planning.
2. Holders of a City issued Credit Card should refer to the City's Purchasing Policy for further guidance regarding acceptable uses.
3. All purchases made with a City issued Credit Card must conform with the City's Purchasing Policy, including, but not limited to the following:
  - a) Credit Card purchases should not exceed set limits made within a single billing period.
  - b) Avoid all unauthorized purchases.
  - c) Ensure all City related purchases are budgeted, and have received approval, prior to purchase.
  - d) All purchases follow federal, state and city statutes, ordinances, rules, policies, and procedures.
  - e) Credit Card purchases are *not* split in a manner that violates the City's Purchasing Policy.
  - f) All Credit Card purchases do *not* include any taxes, such as sales tax, from which the City is exempt from paying. Any taxes charged on a Credit Card purchase will require the purchaser to contact the merchant to receive an adjustment credit for the taxes charged on the respective purchase.
4. Annually, the Director Finance shall conduct a review of all Credit Cards, including a use analysis, to determine if the Credit Card holders' current position or duties warrant a continued need for a City issued Credit Card.

### Card Restrictions

The following uses of Credit Cards are prohibited unless authorized by the City Treasurer:

1. Cash advances.
2. Purchases from vendors that already issue the City an invoice.
3. Purchases that are not City related and are for personal benefit.
4. Purchases of meal expenditures under the per diem overnight travel Policy.
5. Purchases of food or beverage, with the following exceptions as approved by a Department Head or Treasurer prior to purchase:
  - a. Refreshments related to a City hosted meeting or event.
  - b. Employee or official recognition events.
  - c. Emergency situations of employees working through a normal meal break.
  - d. Other situations as approved by the Treasurer.
6. Under no circumstances shall the purchase of alcoholic beverages be allowed, using a City issued Credit Card.
7. Returns of any purchase made with a City issued Credit Card must be in the form of an account credit and should not be in cash, check, or any other form.

### Cardholder Eligibility Criteria

Subject to the approval of the Treasurer, the City will consider issuance of a Credit Card to certain positions based on the operational needs of the City.

Before receipt, all persons issued a Credit Card shall acknowledge, in writing, their receipt of, and agreement to comply with this Policy, and their personal limitation on purchases made with the Credit Card within a single billing period.

All recipients of a Credit Card shall no longer be eligible to hold such Credit Card and shall immediately return the Credit Card to the Director of Finance upon the occurrence of any of the following:

1. City Separation of employment.
2. Violation of this Policy.
3. A determination is made that there is no longer a need for the Credit Card.

### Process for Obtaining a Credit Card

1. Completion of a bank's application and City approval.
2. Review of this Policy and acknowledge agreement to comply with this Policy.

### Credit Card Usage Procedures

#### Procedures before Purchase:

1. Purchase the least expensive item that meets the immediate need.
2. Ensure that the purchase does not include sales tax. Sales tax exemption forms may be obtained from the Director of Finance.
3. Obtain a receipt for your purchase. The original receipt must be submitted to the Treasurer's Office immediately after purchase. Copies of emailed receipts are sufficient.
4. Include a detailed description of each item purchased including the following: detail of the equipment or good purchased, reason for use of Credit Card, specific event held or attended and reason for event and attendees (if applicable).
5. Failure to provide receipts of the Credit Card purchase to the Treasurer's office may become the responsibility of the employee to pay for that purchase, personally. Repeated failures to provide receipts to the Treasurer's office for Credit Card purchases will result in the loss of Credit Card privileges and will require the employee to relinquish the Credit Card to the Treasurer's Office.

### Miscellaneous Issues

#### Disputed Charges:

1. Follow the Credit Card issuer's Policy for disputing a charge
2. Forward a copy of the written dispute to the Treasurer's Office.

#### Lost or Stolen Credit Cards

1. Immediately report the lost/stolen Credit Card to the Director of Finance

#### Separation of Employment

1. Upon separation, the employee shall relinquish the Credit Card to the Director or Finance

#### Accidental Use and Reimbursement

1. In the case of an accidental personal charge being made to the Credit Card, the Credit Card holder must submit in writing a letter stating that the charge was not a City charge, provide a copy of the receipt, and provide for immediate reimbursement for the charge to the City in the form of a personal check to the City.

**Recommended Council Action:** Discuss Credit Card Policy and modify as considered necessary.

**Financial Impact:**

**Funding Source:** N/A

**Budgeted Amount:** N/A

**Cost:** N/A

**Attachments**