




ADMINISTRATIVE DIRECTIVE

DIRECTIVE NO: 2026-04	ISSUE DATE:
ISSUED BY: D. McClary	SIGNATURE: 
VILLAGE COUNCIL APPROVAL DATE: 03/11/1996	
REVISION DATES: 09/11/1999; 05/23/2005; 01/22/2007; 00/00/2026	
RESCINDS/REPLACES:	
CATEGORY: FINANCIAL MANAGEMENT	
SUBJECT: Credit Card Use Policy	

LEGAL AUTHORITY CITATION

This administrative directive is issued by the Village Manager pursuant to the following legal authority:

- Village Charter – Sec. 3.12 – Duties of administrative officers; performing such duties as are provided for such officers by state law, this Charter, the village ordinances, and the administrative directives of the Village Manager
- Michigan Credit Card Transactions Act, Public Act 266 of 1995, as amended
- Village Council Resolution adopted on _____.

PURPOSE

The purpose of this policy is to comply with the provisions of Michigan Public Act 266 of 1995, as amended, to authorize and regulate credit card transactions involving the Village of Lake Orion, including the use of credit cards by officers and employees of the Village; and to provide for powers and duties of certain Village departments, officers, and employees.

POLICY

Section 1. Authorization.

The Village of Lake Orion hereby authorizes the use of credit cards for the purpose of purchases for equipment, supplies, materials, services, travel and other appropriate transactions in compliance with the purchasing policies of the Village and only for the official business of the Village by the following officers and employees:

- Village Manager
- Clerk/Treasurer
- Chief of Police

- Director of Public Works
- DDA Executive Director
- Employees authorized by a department director with the approval of the Village Manager

Section 2. Responsibility for Management of Credit Cards.

The Clerk/Treasurer is responsible for the issuance, accounting, monitoring, retrieval, and disposal/destruction of credit cards and credit card transactions and for the Village's compliance with state statutes relating to the use of credit cards.

Section 3. Regulations for Use of Credit Cards.

The following regulations shall apply to the use of Village credit cards:

1. Credit cards may be used only by the Village officers and employees named above for the purpose of purchases for equipment, supplies, materials, services, travel and other appropriate transactions in compliance with the purchasing policies of the Village and only for the official business of the Village.
2. Village personnel named above using credit cards must submit within a reasonable time receipts and other documentation detailing the goods and services purchased, the cost, date of purchase, the General Ledger expenditure account(s) to which the purchase is to be posted, and a description of the official business of the Village for which the card was used.
3. Village personnel who are issued credit cards are responsible for the protection and custody of their cards and shall immediately notify the Clerk/Treasurer or the Village Manager if their card is lost or stolen or if there is unauthorized use of the card.
4. Village personnel possessing a credit card must immediately surrender their card upon termination of employment.
5. The Clerk/Treasurer is responsible for monitoring the use and internal controls for credit cards issued to Village personnel.
6. Village personnel possessing a credit card shall review and approve all transactions for their credit card on credit card invoices before payment is made by the Village.
7. The balance on each credit card, including interest due on an extension of credit under the credit card arrangement, shall be paid for not more than thirty (30) days of the initial statement date. The Clerk/Treasurer shall endeavor to avoid interest, penalties, or late fees on credit card balances whenever possible.
8. Credit cards shall be used solely for the purchase of equipment, supplies, goods, services, travel, or other bona fide business of the Village and shall not be used to obtain cash advances.

9. The total combined authorized credit line for each individual issued a Village credit card shall not exceed \$10,000.00 for Village officers and department heads and \$2,000.00 for any employee authorized by the Village Manager.
10. The requirements set forth in the Village's purchasing policies for competitive price quotes or competitive bidding shall apply to credit card transactions as to any other form of payment.
11. Unauthorized use of Village credit cards shall subject the Village employee possessing or using such card in an unauthorized manner to disciplinary action up to, and including, termination of employment. Employees violating this policy may also be subject to criminal prosecution.