

CITY OF MILLWOOD

RESOLUTION 2025- 08

May 13, 2025

A RESOLUTION OF THE COUNCIL OF THE CITY OF MILLWOOD, WASHINGTON AMENDING POLICIES FOR FISCAL AND FINANCIAL MANAGEMENT FOR THE CITY AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO.

WHEREAS, the City of Millwood, Washington (the "City") is a code city duly organized and existing under and by virtue of the Constitution and the laws of the state of Washington (the "State"); and

WHEREAS, the Council of the City (the "Council") may adopt and enforce resolutions of all kinds relating to and regulating its local or municipal affairs and appropriate to the good government of the City; and

WHEREAS, the City Council of the City of Millwood deems it beneficial for the City to have written and adopted financial policies; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Millwood as follows:

**Section 1.** The attached City of Millwood Credit Card Program Policy is hereby adopted as an official policy of the City.

**Section 2. Severability:** If any section, sentence, clause, or phrase of this resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconditionally shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

**Section 3. Repealer:** All resolutions, laws, and regulations, or parts thereof in conflict with this resolution are, to the extent of said conflict, hereby repealed.

**Section 4. Effect:** This resolution shall be in full force and effect from and after its adoption.

PASSED BY THE COUNCIL OF THE CITY OF MILLWOOD THIS \_\_\_\_ DAY OF \_\_\_\_\_ 2025.

\_\_\_\_\_  
KEVIN FREEMAN, MAYOR

Attest:

\_\_\_\_\_  
LISA CASSELS, CITY CLERK

**CITY OF MILLWOOD  
CITY CREDIT CARD PROGRAM  
POLICY**

**BANNER BANK MASTERCARD (Washington State Purchase Procurement Card/P-Card) Sections:**

- 1.0 Introduction**
- 2.0 Distribution**
- 3.0 Application**
- 4.0 Authorization and Control**
- 5.0 Approved Uses for Credit Card Purchases**
- 6.0 Disallowed Charges**
- 7.0 Credit Limits**
- 8.0 Receipt of Goods and Services**
- 9.0 Payment of Bills**
- 10.0 Card Security**
- 11.0 Renewal of an Existing Card**
- 12.0 Extended Absence**
- 13.0 Audits & Enforcement**
- 14.0 Resources**

**1.0 Introduction**

The implementation of a City of Millwood (the "City") credit card program is recognized by the State of Washington as usual and customary for official government purchases as provided in RCW 43.09.2855. Furthermore, the City Council recognizes the use of credit cards is a customary and economical business practice to improve cash management, reduce costs, and increase efficiency. To this end, the City recognizes the use of credit cards to be an appropriate and useful means of making payment for a variety of types of purchases; some examples may include travel expenses, departmental supplies, subscriptions, on-line purchases and recurring vendor payments (where appropriate).

The Mayor (or designee) shall implement and administer the following procedures and processes related to the use of credit cards by City employees.

**2.0 Distribution**

The City will issue City credit cards to employed department heads with a business need to use a City credit card, and will not issue any City credit cards to elected or appointed City officials. City credit cards will be directly issued to the following non-probationary City employees: Public Works Supervisor, Utilities Supervisor and City Clerk. The City Credit Card Administrator will not be issued a City credit card to allow for independent review of all City credit card purchases.

**3.0 Application**

Employees to be issued a City credit card shall make application for a card as follows.

1. Employee completes any necessary credit card application, receives a copy of the City Credit Card Program Policy and signs any required credit card user agreement.

2. Mayor (or designee) approves the application and forwards it to the City Credit Card Administrator.

3. The City Credit Card Administrator will process the application with the issuing bank.

4. The credit card is received and given to the employee to activate and retain or return to the Administrator for safekeeping until the card is needed by the employee.

#### **4.0 Authorization & Control**

##### **Issuing Bank**

Banner Bank is the current issuer of any City credit card (the "Issuing Bank"). In the event the City modifies or changes its banking relationship in the future, a new Issuing Bank may be identified by the City.

##### **Treasurer**

The Treasurer will be the responsible authority acting as the City Credit Card Administrator who will set up and maintain each credit card account(s) with the Issuing Bank. The Treasurer shall be responsible to perform the audit required under RCW 42.24.080.<sup>1</sup>

##### **City Credit Card Administrator**

The City Credit Card Administrator will be responsible for the overall administration of the City's credit card program by reviewing, reporting and coordinating all aspects of the City's credit card program. The City Credit Card Administrator will act as the liaison between the Issuing Bank and the individual city credit cardholders.

##### **City Clerk**

The City Clerk will be responsible for reoccurring purchases, such as subscriptions and office supplies.

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<sup>1</sup> This statute requires that every credit card invoice presented to the City by an employee for the furnishing of materials, rendering of services or performing labor, or for any other contractual purpose, shall be audited before payment. The invoice shall be submitted to the City Credit Card Administrator and allow the Treasurer to authenticate and certify that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract, and that the invoice represents a just, due and unpaid obligation against the City. No credit card invoice will be paid without such authentication and certification.

### Employee (Cardholder)

Before being issued a City credit card, each employee to be issued a City credit card will be required to sign a City credit card user agreement acknowledging that they have read and understand this policy, that they understand violation of the policy will subject them to disciplinary action, and that in the event they make any unauthorized or disallowed charges they expressly authorize the City to deduct the same from any wages or other sums due or to become due to the employee from the City.

### State and Local Compliance

The use of any credit card shall fully comply with all applicable federal state and local laws and requirements governing purchase of goods and services, specifically including without limitation the City's adopted Purchasing Policies.

### Annual Control & Disclosure

The Treasurer will conduct an annual physical card inventory test to verify all City issued cards have been accounted for.

The Treasurer will also prepare an monthly disclosure for the City Council that includes a review of credit limits, past year spending pattern, number of unauthorized expenditures (i.e., fraudulent charges), number of employee errors reimbursed (cards mistakenly used for personal purchases), any losses to the City, amount of rebates, and results of the physical inventory test.

## **5.0 Approved Uses for Credit Card Purchases**

The use of a city credit card is a facilitating process for purchases pursuant to the City Purchasing Policies. All credit card purchases shall only be made for budgeted expenditures authorized by the City Council at the time of the purchase (current year budget).

Examples of allowable purchases may include advance payment of subscriptions, airline fares, lodging, registration fees, tuition, conferences, on-line training, internet purchases, emergency purchases in the field, and specialized office/field equipment and supplies not ordered on a schedule. Authorized users may use their card for pre-approved one-time or recurring purchases from vendors. The use of the card for these purchases will be for timeliness and/or online access to goods and services not available through existing purchase policy processes (checks).

Authorized users may use the credit card to purchase meals while in travel status. Those meals must fall within the normal and customary rates for the geographical area for the meals purchased. All meals charged must have the original detailed receipt showing what was specifically purchased. Receipts that only have the total paid for the meals are not acceptable. If the receipt does not show the detail or if the meal is over the normal and customary rate, the user will be responsible to reimburse the City for this

purchase.

When considering use of the city credit card:

1. Determine if the purchase can be made through the existing check issue process.
2. Identify goods and services required to perform job-related task.
3. Determine if the purchase is within the available credit card limits.
4. Ensure that the purchase is not for a disallowed charge.
5. Obtain pricing and in-stock availability and only order items that are immediately available.
6. Ensure that the vendor immediately authorizes the purchase and provides you a detailed copy of the credit card purchase receipt.
7. Retain all receipts, packing lists and backup authorizing documents and attach to your expense form.

It is required that all credit card receipts and/or other documents identifying the credit card expenditures be in complete detail. Each credit card user shall submit to the City Credit Card Administrator a City-approved credit card expense form prior to close of business on every Friday for review and preparation for the monthly vendor payment cycle. Failure to timely submit a credit card expense form to the Credit Card Administrator shall result in all unsubmitted credit card charges to be treated as disallowed. Failure to submit, with the credit card expense form, supporting receipts and/or other documents identifying all credit card expenditures in complete detail, shall result in such credit card expenditures to be treated as disallowed.

When using your credit card, the employee is acting as an agent of the City. Therefore, the employee must act in the best interest of the City. The actions of the employee must NOT show, or appear to show, personal favoritism to a vendor at the expense of the City.

## **6.0 Disallowed Charges**

1. Types of Disallowed Charges. The following uses are not authorized credit card purchases:
  - Capital Equipment (unless budgeted and approved by the Mayor)
  - Personal Items and Services
  - Cash Advances of any kind
  - Alcoholic Beverages
  - Money Orders/Travelers Checks/Gift Cards

- Charges made without pre-approval or not supported by receipt and/or other documentation identifying the expenditure in complete detail
- Fuel, which shall only be purchased using a fuel card authorized by the City.

## 2. Procedure to be used when Disallowed Charges Have Been Incurred.

Any charges against the credit card that are not properly identified as required by this Policy on the expense voucher/invoice, or not allowed following the audit of the invoice by the Treasurer, shall be paid by the employee by check, U.S. currency or salary deduction. If, for any reason, disallowed charges are not repaid before the charge card billing is due and payable, the City has a right to withhold any and all funds payable or to become payable to the employee, in an amount up to the amount of the disallowed charges and interest, at the same rate as charged by the credit card company.

Any employee who has been issued a charge card by the City shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand by the Treasurer.

The City shall have unlimited authority, as provided in RCW 42.24.115(3), to revoke the use of any issued charge card, and once notice of this revocation has been delivered to the charge card company, the City shall not be liable for any costs.

Any employee with a demonstrated history of charge card defaults shall be barred from using any City credit cards.

## **7.0 Credit Limits**

Credit limits for each card are no greater than \$5,000, which are set to match the needs of the City and based on the anticipated need for an employee who has been issued a credit card.

There also may be limitations on acceptable merchant category codes. In other words, some vendors may be disallowed and thus will cause a decline of any attempted purchase with them (allowable or not). If after adhering to the proper guidelines and limits stated above, any employee feels that their purchase has been mistakenly declined, they should contact the City Credit Card Administrator for assistance.

## **8.0 Receipt of Goods & Services**

The cardholder is responsible for ensuring the receipt of the goods and services as purchased and any follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods. Should any item(s) need to be returned to the vendor, the cardholder will follow the vendor's return policy and also be responsible to ensure that proper credit is posted for said return item(s). In most cases, returns and errors can be resolved directly between the cardholder and the vendor.

If for any reason the cardholder is unable to reach agreement with the vendor, the Credit Card Administrator must contact the Issuing Bank and explain the dispute and the reason behind it. In addition to contacting the Issuing Bank, the reporting cardholder will also advise the Mayor and City Credit Card Administrator. The City will follow the Issuing Bank's procedures in relation to any dispute and process.

## **9.0 Payment of Bills**

Monthly Billing statements will be reviewed by the Credit Card Administrator on a monthly basis. Each cardholder will complete an expense form and attach receipt and/or other documentation identifying the expenditure in complete detail and proper account coding, for the total amount of the monthly billing and submit to the City Credit Card Administrator or designee.

The City Credit Card Administrator will be responsible for reconciling and paying the complete combined City card statement each month. The City will not pay interest and/or penalties on any credit card. The City is responsible for the credit card payment and liability, and it will not affect any City cardholder's personal credit in any way.

## **10.0 Card Security**

Each City credit card should always be treated with great care and kept in a secured location. The designated employee is the only person authorized to use the card and no other person shall be allowed to use it.

Be sure not to write the credit card number(s) down in any location and do not allow any vendor to write down your credit card number.

It is the responsibility of the cardholder to immediately report a lost or stolen City credit card. The cardholder may be held responsible for all transactions until the card is reported lost or stolen to, and only to, the extent expressly required by law. A cardholder must report a lost or stolen credit card by phone directly to Issuing Bank and also to the City Credit Card Administrator. Reports of lost or stolen credit cards must also be submitted in writing to the Mayor and City Credit Card Administrator.

## **11.0 Extended Absence**

If the employee will be absent from the City for an extended period, the Mayor shall determine the best options to cover the procurement responsibilities of the employee.

## **12.0 Audits & Enforcement**

To ensure the continued success of the City credit card program, as well as adherence to the policies as outlined, all individual credit card accounts will be open to internal audit requirements.

Statement reconciliations and/or City-approved credit card expense forms not received prior to close of business on every Friday or without complete receipt detail will result in loss of the City credit card until reconciliation is received. On the second offense,

the credit card shall be cancelled . See *also*, Section 6 on Disallowed Charges.

Personal use of a city credit card or failure to follow this policy in any manner will NOT be tolerated and will result in:

- Disciplinary measures that may include termination and/or legal action;
- Permanent revocation of the card; and/or
- Direct payroll deductions for any unauthorized or personal charges made on the city credit card

All employees must return their credit card to the City Credit Card Administrator upon termination of employment with the City.



## ATTACHMENT A

### City Credit Card User Agreement

#### **CITY OF MILLWOOD CREDIT CARD USER AGREEMENT**

*Your signature below verifies that you have read and understand the City of Millwood Credit Card Program guidelines listed below and agree to comply with them.*

1. I understand the City Credit Card is intended to facilitate the purchase of only business- related goods and services for the conduct of City business and is not for my personal use.

2. I understand that my credit card may be revoked at any time and that use of the credit card is not an entitlement nor reflective of title or position.

3. I understand that if I am issued a credit card with my name specifically, I am the only person authorized to use the credit card and I am responsible for all charges made against the credit card.

4. I understand that improper use of the credit card can be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.

5. I understand that all charges are billed directly to and paid directly by the City of Millwood and any personal charges on the credit card could be considered misappropriation of City funds.

6. I understand that I will be required to provide detailed receipts, to reconcile statements weekly and to comply with internal control procedures designed to protect the City assets. This may include being asked to produce the credit card to verify its existence and providing assistance in an audit review of its use.

7. I will safeguard use of the credit card and use appropriate security whenever and wherever I use the card. If my card is lost or stolen, I agree to immediately notify the City Credit Card Administrator.

8. I understand that the credit card is the property of the City of Millwood and it must be surrendered upon termination of service. Employment, or demand of surrender by the City Credit Card Administrator and/or the Mayor. At that point, no further use of the account will be authorized.

9. I understand that I will be held personally liable for inappropriate charges incurred on my credit card, and payment for any such inappropriate charges is hereby authorized to be withheld from my paycheck.

I hereby acknowledge receipt of the City Credit Card (ending in last 4 digits)

As a cardholder, I agree to comply with the terms and conditions of this agreement, including the City of Millwood's City Credit Card Program.

**I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS.**

Card Holder: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_