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**THE CITY OF ROCHELLE**  
**Ogle County, Illinois**

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**RESOLUTION**  
**NO. \_\_\_\_\_**

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**A RESOLUTION AMENDING THE CITY CREDIT CARD AND CHARGE ACCOUNT  
POLICY**

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**JOHN BEARROWS, Mayor**  
**ROSE HUERAMO, City Clerk**

**TOM McDERMOTT**  
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**KATE SHAW-DICKEY**  
**DAN McDERMOTT**  
**ROSAELIA ARTEAGA**  
**BEN VALDIVIESO**  
**City Council**

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Published in pamphlet form by authority of the Mayor and City Council of the City of Rochelle  
Peterson, Johnson, and Murray, LLC, City Attorneys  
200 W. Adams, Suite 2125, Chicago, IL 60606

CITY OF ROCHELLE

Ogle County, Illinois

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION AMENDING THE CITY CREDIT CARD AND CHARGE ACCOUNT POLICY**

**WHEREAS**, Section 7 of Article VII of the 1970 Constitution of the State of Illinois provides that a municipality that is not a home rule unit shall only have the powers granted to them by law and as such the City of Rochelle, Ogle County, Illinois being a non-home rule unit pursuant to the provisions of said Section 7 of Article VII, and may exercise only the powers expressly granted by law; and

**WHEREAS**, the Illinois General Assembly granted non-home rule municipalities broad authority to “pass all ordinances and make all rules and regulations proper or necessary, to carry into effect the powers granted to municipalities.” 65 ILCS 5/1-2-1; and

**WHEREAS**, the City has adopted a Credit Card and Charge Account Policy to provide internal controls and precautions to ensure that credit cards are only used for authorized purposes and are properly utilized to enhance productivity, reduce paperwork and reduce overall costs associated with small purchases; and

**WHEREAS**, it would benefit the City to have the ability to change credit card companies when other credit card providers offer more advantageous rewards programs; and

**WHEREAS**, amending the City’s Credit Card and Charge Account Policy to allow the City Manager to authorize the cancellation and approval of credit cards on behalf of the City would be beneficial to City; and

**WHEREAS**, it has been determined by the Corporate Authorities of the City of Rochelle that it is in the best interest of the City and its residents to amend the Credit Card and Charge Account Policy to allow the City Manager to cancel and approve new credit cards as reflected in the attached Exhibit A.

**BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ROCHELLE, ILLINOIS:**

**SECTION ONE:** That the City hereby incorporates all of the recitals above into this Resolution as if fully set forth herein.

**SECTION TWO:** The City Manager is authorized to cancel and authorize new credit cards on behalf of the City, and the City’s Credit Card and Charge Account Policy is hereby amended as reflected in the attached Exhibit A.

SECTION THREE: If any provision of this Resolution or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Resolution is severable.

SECTION FOUR: Where the conditions imposed by any provisions of this Resolution are more restrictive than comparable provisions imposed elsewhere in any other local law, ordinance, resolution, rule or regulation, the regulations of this Resolution will govern.

SECTION FIVE: The City Clerk shall publish this Resolution in pamphlet form.

SECTION SIX: This Resolution shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

APPROVED THIS 26<sup>th</sup> day of February 2024.

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MAYOR

ATTEST:

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CITY CLERK

## **EXHIBIT A**

### **City of Rochelle**

**CATEGORY: FINANCE PAGE: 1 of 4**

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**TITLE: CREDIT CARD AND CHARGE ACCOUNT**

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**POLICY EFFECTIVE: 2/26/24 SUPERCEDES POLICY FROM: 7/9/2018**

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#### **PURPOSE:**

The purpose of this policy is to provide clear procedures under which Departments will control the use of credit cards and charge accounts with merchants assigned to and utilized by City employees for non-stock materials and services. These procedures are intended to ensure the following:

1. To ensure that the procurement with credit cards and charge accounts are accomplished in accordance with the policy and procedures established by the City.
2. To enhance productivity, significantly reduce paperwork, improve internal controls, and reduce the overall cost associated with small purchases.
3. To ensure appropriate internal controls are established within each Department procuring items with credit cards and charge accounts so that they are used only for authorized purposes.
4. To ensure that the City bears no legal liability from inappropriate use of credit cards and charge accounts.

#### **SCOPE:**

This policy is applicable to all City departments who have selected employees to use credit cards. The decision of when a credit card is issued, and to whom, will be made by the Finance Director upon recommendation of the Department Head. Each department should only have a small number of credit card holders, generally limited to purchasing coordinators identified by Department Heads. The type of credit card may be switched at the request of the Department Head, upon approval of the Finance Director and authorization of the City Manager.

#### **RESPONSIBILITY:**

1. Department Heads will ensure that a copy of this policy is read and followed by the appropriate employees in their department.
2. Every employee who has been authorized to have a City credit card must read and return a signed Consent Form to the Finance Director prior to receiving the card.

3. The Finance Director will maintain a record of all credit card approvals, credit card numbers, and list of any lost/stolen/destroyed credit card information as well as the authorized list of charge account users for the various on-site charge accounts.
4. The City Manager is authorized to execute changes in credit card issuers/providers on behalf of the City. This includes the ability to cancel credit card accounts and execute the necessary applications and paperwork for the issuance of new credit cards on behalf of the City of Rochelle.
5. The Finance Office will update the list of authorized charge account users on an annual basis. Such updated list shall be sent to each business where a City charge account exists within thirty (30) days of the beginning of each fiscal year. The Finance Office will first verify list of authorized users with the respective Department Heads. The Finance Office will send the list of authorized charge users to the respective businesses where the City maintains "house" charge accounts. Said businesses, shall sign an agreement that no persons, other than those authorized by the City, shall be given access or the ability to charge goods or services to the City.
6. Any employee that violates this policy will be subject to discipline.

**USE OF CREDIT CARD/CHARGE ACCOUNT:**

1. All credit cards and charge accounts will only be used for City purchases.
2. The monthly limit for each credit card is \$5,000.
3. Purchases should never be mailed to an individual's home address.
4. Cash advances are strictly prohibited.
5. Where applicable, the City's tax exempt status should be applied so that no taxes are included with the purchase of services or goods. Every effort should be made to make purchases using the tax exempt status but the City acknowledges that there may be times that it is not feasible.
6. The authorized cardholder is responsible for obtaining and maintaining an original receipt for each purchase made. Original receipts must be submitted to the Finance Office with the related invoice for payment.
7. A suitable description of the merchandise purchased will be printed by the vendor or employee on the original receipt in order to sufficiently describe the item and explain its purpose.
8. The credit card/charge account will not be used for personal purchases of any kind. Use of the credit card/charge account for personal purchases or expenses with the intention of reimbursing the City is prohibited.
9. Credit cards/charge accounts will not be used to purchase alcoholic beverages at any time.

10. Credit cards/charge accounts will not be used for entertainment or in-room movies during hotel visits while on City business.

11. Authorized cardholders and account users are expected to obtain the best prices possible.

**POLICY:**

1. The credit cards are for City purchases and travel-related expenditures and should be used in accordance with City policies regarding purchasing and travel. Use of the City credit card must be pre-approved by the City Manager using the attached form.
2. The credit cards can be used for purchases in an **emergency response situation** when normal payment methods are not feasible and where the use of the cards would not otherwise be allowed.
3. Each credit card has the cardholder's name embossed on it and is the responsibility of that cardholder. A Department Head may authorize the use of his or her credit card for travel-related expenses of an employee in the Department or for purchases made by authorized buyers as defined in the Purchasing policies. **However, all responsibility for that card remains with the cardholder.**
4. Purchases made with the credit cards/charge accounts must follow the *City's Guidelines for Purchasing Materials, Supplies, Equipment and Services*.
5. Misuse of the cards would constitute a serious violation of City policy.

**SECURITY:**

The authorized credit cardholder is responsible for the security of his/her card. Authorized account users are responsible for the security and correct usage of the charge account. The authorized credit cardholder may allow a subordinate use of his/her credit card, if the subordinate has read and signed the credit card and charge account policy agreement and is purchasing goods or services for the City on behalf of his/her supervisor. The authorized credit cardholder will take care that security features are in place when he/she or his/her subordinate is making online purchases and that online receipt/printouts are submitted with invoices.

**LOST OR STOLEN CARDS:**

1. Lost and stolen cards will be immediately reported to the Finance Office so they can be cancelled.
2. The Department Head will also be notified by the authorized credit cardholder.

3. Failure to promptly notify the issuing bank of the theft or loss of the credit card could make the City responsible for any fraudulent use of the card and result in loss of privileges for the authorized credit cardholder.
4. After the card has been canceled, a new card may be issued to the authorized credit cardholder.

**THE FINANCE DEPARTMENT WILL:**

1. Review purchases made with the City credit card as part of the normal Accounts Payable process.
2. Review the approved the Employee Expense for Reimbursement Report form in the customary manner and ensure that the travel expenses charged to the credit card have been included as a prepaid item and have not been duplicated elsewhere on the form.
3. Ensure that reimbursements to the employee do not include travel expenses that have already been charged to the credit card.
4. Random audits will be conducted for credit card activity, charge account activity and receipt retention as well as statement review by the Finance Office.

Prepared by:

\_\_\_\_\_  
 Chris Cardott  
 Finance Director

\_\_\_\_\_  
 Date

I have read and understand the Credit Card and Charge Account Policy for the City of Rochelle and take personal responsibility for the safeguard and proper use of a City credit card or charge account authorization which has been assigned to me for the use in the performance of my job.

I understand that I will be held personally liable for any inappropriate charges I incur to the City credit card or charge account and payment for any inappropriate charges is hereby authorized to be withheld from my paycheck.

The undersigned individual has read, understands and agrees to adhere to the above statements.

Employee Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

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

Department Head Signature: \_\_\_\_\_

STATE OF ILLINOIS        )  
  )  
COUNTY OF OGLE        )        SS.

CERTIFICATE

I, Rose Hueramo, City Clerk of the City of Rochelle, County of Ogle and State of Illinois,  
DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. \_\_\_\_\_,  
“A RESOLUTION AMENDING THE CITY CREDIT CARD AND CHARGE ACCOUNT  
POLICY” which was adopted by the Mayor and City Council of the City of Rochelle on February  
26, 2024.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of  
the City of Rochelle this 26th day of February, 2024.

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CITY CLERK