



# Administrative Policy and Procedure City of Prosser, Washington

<b>SUBJECT: Credit Card Use Policy</b>		
	Policy No. ADM.005	Pages:6
Effective Date: 04/01/2019		
Developed By: Toni Yost	Department Head Approval: Toni Yost	City Administrator Approval: Mayor Taylor

## OVERVIEW

### 1. PURPOSE.

To authorize the City’s Policy on the use of City credit cards to transact official City business.

### 2. ABSENCE OF CITY ADMINISTRATOR.

Prior to October 2, 2015, the term City Administrator shall mean the Mayor. After October 2, 2015, in the event that the office of City Administrator is unfilled, then the term City Administrator shall mean the Mayor.

### 3. ORGANIZATIONS AFFECTED.

This policy applies to the Mayor, City Council, City Administrator, Department Heads and employees.

### 4. REFERENCES.

- PMC 2.95
- RCW 43.09
- RCW 42.24.115

### 5. RESPONSIBILITIES

**5.1 Authority.** Prosser Municipal Code 2.95.060 authorizes the Mayor or City Administrator under the direction of the Mayor, and Finance Director to implement a credit card policy and monitor compliance with the policy. The policy requires the Finance Director to develop forms for employees to appeal administrative refusal to reimburse credit card purchases to the City Council.

### 6. STATEMENTS OF POLICY AND PROCEDURES

**6.1 Authorized use of credit cards.** The City Council has authorized the Finance Director to implement procedures for the use of City credit cards for the following uses:

- 6.1.1 Fuel (for City owned vehicles), supplies, copies, equipment and other official city purchases and acquisitions. If the employee has been issued a separate fuel card, that card should be used rather than the general credit card.
- 6.1.2 Registrations for training seminars and related conferences.
- 6.1.3 Travel and training expenses including deposits to hold rooms, lodging, airline tickets, tips, parking, and gasoline. (the purchase of meals is prohibited)

**6.2 Credit Card Limits.** The credit limit on each card issued shall not exceed \$5,000.

**6.3 Prohibited use of the credit cards.** The following uses for credit cards issued are prohibited

- 6.3.1 Cash advances of any nature (RCW 43.09.2855 (6))
- 6.3.2 Personal purchases of any kind
- 6.3.3 Purchase of meals associated with meals, travel, or training. Due to the City's per diem policy for business travel it is necessary to exempt the purchase of meals from credit card use.

#### **6.4 Procedures**

- 6.4.1 Authorization. Payment of all credit card expenditures is contingent upon the City Administrator's or Department Head's approval of the monthly statement of transactions. If an expenditure is deemed inappropriate, the assigned credit card holder will be responsible for reimbursing the City.
- 6.4.2 Receipts/Verification.
  - 6.4.2.1 Receipts must be obtained for each credit card transaction. These receipts must be detailed and include information on the vendor, a detailed list of charges including item description and cost, and the date and time of the purchase.
  - 6.4.2.2 The purpose of the charge and the name of the individual(s) involved must be clearly written on the receipt.
  - 6.4.2.3 Receipt or purchase verification for on-line charges are to be saved and retained by the assigned individual or designee.
  - 6.4.2.4 Receipts should be immediately (within 7 days) provided to the Finance Department or Department Director.
  - 6.4.2.5 The Department Heads will verify department credit card expenditures against the monthly statement and return the verified statement including all supporting documents and receipts to the Finance Department for audit and processing.

6.4.3 Appeal

6.4.3.1 If it is determined that an expenditure is deemed inappropriate, the assigned card holder may appeal the decision to the City Council. Such an appeal must be submitted on the attached Request for Appeal form and filed with the City Administrator. The assigned card holder is still required for reimbursing the expense at outlined in 5.4.1, and return their card if requested, to prevent any additional fines, penalties, or additional charges. Depending upon the decision of the City Council, the assigned card holder may be reimbursed for the expense paid and card returned

**6.5 Control.**

- 6.5.1 Each department is responsible for contacting the vendor when goods purchased with the credit card are not acceptable (incorrect order, damaged, etc.) and for arranging a return for credit or exchange.
- 6.5.2 The Finance Director is responsible for administration of the cards to include, but not limited to, selection of card provider, payment of credit card bills, managing the issuance of cards and ensuring proper use.
- 6.5.3 The Budget and Finance Committee will review all payments, as part of their regular voucher review process, to ensure that all payments are compliant with this policy.
- 6.5.4 The City Administrator will disallow the use of the assigned City credit card for violation or misuse of the credit card in accordance with this policy. Please refer to section 5.3 of this policy regarding prohibited uses of the credit card.
- 6.5.5 Any exception to this policy must be approved in writing in advance by the City Administrator.
- 6.5.6 Assigned individuals will sign a Credit Card User Agreement (attachment A) before they are eligible to use the card.
- 6.5.7 Credit cards are to be returned to the City immediately upon the written demand of the Finance Director.
- 6.5.8 Misuse of a city credit card may result in disciplinary action or termination of legal action.
- 6.5.9 Failure to provide detailed documentation as required by this policy will result in user being responsible for the charge. The City will have the right to withhold any and all funds payable to the elected official or employee in the amount of the charge including any associated interest or penalty.

**APPENDIX A: Credit Card User Agreement**

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# CITY OF PROSSER, WA

601 7th Street, Prosser, Washington 99350 (509)786-2332 Fax (509)786-3717

## CREDIT CARD USER AGREEMENT

I, \_\_\_\_\_, as an employee of the City of Prosser accept personal responsibility for the safeguard and proper use of the City credit card # \_\_\_\_\_ which has been assigned to me for use in the performance of my job, in accordance with the terms outlined below.

Credit cards are to be used solely for travel related business expenses (within and outside the city), and conference/class registrations incurred by the assigned individual only. **EXCLUDING MEALS**

Credit cards may be used for purchasing department supplies up to \$ \_\_\_\_\_ only if prior approved by the assigned card holder's Department Head.

I have read and understand the credit card policies and procedures as set out in Prosser Municipal Code 2.95 and Administrative Policy ADM.005.

I understand the City Administrator will disallow my use of a City credit card for violation or misuse of the credit card and/or credit card policies and procedures and that such violation or misuse may subject me to discipline, including termination, under the City's Personnel Policies.

I understand that each time I use, or authorize the use thereof, that I am adhering to the following statement:

"I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenditures incurred by me and that no payment has been received by me on account thereof."

I understand that I will be held personally liable for inappropriate charges I incur on the City credit card, and payment for any such inappropriate charges and any associated interest or penalties is hereby authorized to be withheld from my paycheck.

The undersigned individual has read and understands the above statements.

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

**APPENDIX B: Request for Appeal**

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**CITY OF PROSSER, WA**

601 7th Street, Prosser, Washington 99350 (509)786-2332 Fax (509)786-3717

**CREDIT CARD USE  
REQUEST FOR APPEAL**

Date:

Employee Name:

Credit Card Charge Information
<b>Date of Purchase:</b>
<b>Vendor:</b>
<b>Amount of Charge:</b>
<b>Product or Service:</b>
<b>Reason for Denial of Charge:</b>

Appeal Summary
<b>Please provide an explanation or additional information which will assist the Council while considering your appeal. (please attach an additional page if necessary)</b>

Once signed, please submit this completed form to the City Administrator's Office for scheduling on the City Council Agenda. You will be contacted with a meeting time and date once assigned.

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 Employee

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 Date