



**CITY OF BOWLING GREEN
ADMINISTRATIVE INSTRUCTION NO. 6
POLICY FOR CREDIT CARD PURCHASES**

Purpose

This policy is being established in order to document the policies and procedures required for the holders of the 5/3 Bank City Credit Cards. It is further established to:

- Ensure that the procurement with City credit cards is accomplished in accordance with the City's ordinances and administrative instructions.
- Ensure appropriate internal controls are established within each department using the cards so that they are used only for authorized purposes.
- Ensure that the City bears no legal liability from inappropriate use of credit cards.
- Provide a convenient and yet adequate source of funding for employees who must procure for the City in venues wherein established accounts with the vendor may not be readily available.

It is intended that the directives established herein be viewed as minimum standards for departments. Departments may wish to establish additional controls beyond those set forth in this policy.

Card Usage Guidelines

- The charge card should be used to purchase travel-related items and emergency items or items ordered by phone, mail, etc.—generally from vendors with whom the City does not have an established account or that require advance payment.
- Any purchase that is anticipated to exceed \$100 must have a requisition and purchase order in place for 5/3 Bank MasterCard in advance.
- No purchases will include sales tax. The Finance Department has tax-exempt forms available upon request. Sales tax will be allowed for restaurant charges.
- It is the cardholder's responsibility to ensure that the supplier does not charge sales tax.
- When overnight stays are required, please contact the Finance Department prior to departure to get a tax-exempt form for the hotel/motel where employee will be staying. The form should be presented to the hotel upon arrival when registering.

- When staying at an Ohio hotel, review the bill at checkout to confirm no state sales tax has been charged. If personal or incorrect items appear on the bill, corrections need to be credited at that time.
- Any questions about permitted use of the 5/3 Bank MasterCard should be directed to the Finance Department.

Prohibited Uses of Card

- No ATM/cash advances
- No internet purchases without authorization of the applicable department/division head
- No personal items, alcoholic beverages or any other unauthorized charges
- Tips in excess of 15% are the responsibility of the cardholder or employee making charge.
- No charges other than those for authorized employee(s) [no spouses, etc.]
- No Ohio sales tax will be paid by the City, except as mentioned earlier. It is the responsibility of the cardholder to pay sales tax if it is charged and no steps are taken to remove it.

Receipt Documentation

- Cardholders are required to maintain itemized receipts for charge card transactions. The collection of receipts is necessary to substantiate the items purchased.
- Receipts must show individual items purchased—not just the total charged. This also ensures that no sales tax is included in the total.
- Charges without proper receipts are unsubstantiated and cannot be audited. Therefore, all charges must have documentation showing item(s) purchased, cost and account to be charged.
- Undocumented purchases will become the personal liability of the person making the charge and the responsible department cardholder (if different than person making the charge).

Statement Review and Verification

At the end of each billing cycle, the Finance Department will match the 5/3 Bank activity documentation forwarded by the department to the monthly 5/3 Bank MasterCard statement. The department employee responsible for the charge card will be contacted to supply any missing information. This must be done on a timely basis to avoid finance charges.

Card Changes/Lost or Stolen Cards

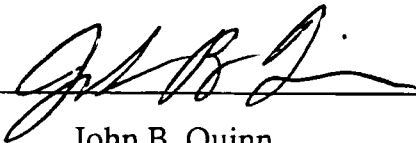
Any changes to the card must be requested from the Finance Director. Lost or stolen cards must be reported immediately to 5/3 Bank to prevent against fraudulent use. The Finance Department should also be called, followed by written statement with the

date the card was lost and the date and time it was reported to 5/3 Bank. This information is required for any follow up needed resulting from the lost/stolen card.

Cardholder Responsibilities

- Accountable for the card being used in compliance with City policy
- Prompt submission of expenditure documentation to avoid incurring finance charges
- Held personally liable for all personal purchases, whether or not they were made intentionally
- Intentional use for personal purchases or purchases not in accordance with City policy will result in card cancellation.
- Keep card in an accessible, but secure location. Guard account number with care as with a personal card
- Card is issued to, and becomes the responsibility of, the department or division head. Should that responsibility be delegated, the Finance Department should be notified of the responsible employee's name. Any questions or problems arising from the use of the department/division's card will be directed to this person, regardless of who initiated the charge being questioned.
- Card issued in department head's name must be turned in to the Finance Department to be cancelled at such time as that person leaves City employment.
- Any problems or questions on the card should be directed to the Finance Department

PLEASE READ AND SIGN THE ATTACHED AGREEMENT AND RETURN TO THE FINANCE DEPARTMENT.



John B. Quinn
Mayor

11-13-06
Date

**AGREEMENT TO ACCEPT CITY OF BOWLING GREEN
CREDIT CARD POLICY**

I, _____, hereby acknowledge receipt of a City of Bowling Green 5/3 Bank MasterCard, Account No. _____.

I agree to use this card for City approved purchases only and agree not to charge personal items. I understand the use of this card will be audited for proper use and will submit required documentation for each use of the card in a timely manner.

I further understand that improper use of this card may terminate my right to use this card and could result in disciplinary action. I agree to return this card to the City of Bowling Green Finance Director's Office immediately upon termination or other circumstances.

As a cardholder, I have read, understand and agree to comply with the policy as set forth in the City of Bowling Green Policy for Credit Card Purchases.

CARDHOLDER:

Signature _____

Department _____

Title _____

Date _____

RETURN THIS COMPLETED PAGE TO THE FINANCE DIRECTOR'S OFFICE.