



Credit Card Use Policy Village of Lakeview

Adopted May 18, 2015 by Village Council

Purpose

This policy is adopted in accordance with Public Act 266 of 1995, which requires that all municipalities have a written policy when authorizing the use of credit cards to purchase goods and services for the official business of the municipality.

Policy

- A. Management of Credit Cards-** The Village Finance Director shall be responsible for the issuance, accounting, monitoring, and retrieval and generally overseeing compliance with this policy and its related procedures.
- B. Credit Limit-** The total combined authorized credit limit of all credit cards issued by the Village shall not exceed 5% of the total Village budget for the current fiscal year.
- C. Card Use-** The credit card shall be used only by a designated official or employee of the Village for the purchase of goods and services that are meant directly for the business of the Village of Lakeview, and in accordance with other local policies, when the normal checks payable procedure cannot be utilized (i.e. fuel purchases, travel related expenses, conference registration fees, electronic purchases, etc.). The credit card shall not be used for personal uses, cash advances, or other merchant category exclusions (i.e. tobacco products, food, liquor, etc.).
- D. Issuance of Credit Cards-** Credit cards may only be issued in the name of the Village Manager, or the body corporate. Any and all other cards must be checked out from the Finance Director or his/her designee to be returned with the required documentation in the time provided for in Section E. Any official or employee issued a credit card shall return the credit card upon the termination or culmination of his/her services with the Village of Lakeview.
- E. Transaction Procedure-** The use of credit cards for Village business shall be honored by any vendor or merchant who accepts said credit card. Credit card transactions may be performed in person, over the phone, through the mail, or

over a secure internet connection. Any official or employee using credit cards issued by the Village shall submit documentation detailing the goods or services purchased, the cost of the goods or services, the date of the purchase, and the official business for which the goods or services were purchased.

When using a Village credit card, authorized officials or employees are required to follow the below listed procedures, in addition to procedures for management approval and payment of the charge(s):

1. If the transaction is in person, present the credit card to the vendor or merchant and advise that the purchase is with a municipal credit card. If the transaction is via a telephone order, mail order, or secure internet order, the vendor or merchant must be provided with the credit card account number as well as the expiration date.
2. Retain all receipts, credit card slips, delivery and packing slips, and all other transactional evidence with sufficient description of the goods or services purchased to support all charges made, providing them to the Finance Director or his/her designee according to the following schedule:
 - a. No later than one (1) business day after the purchase date, or within one (1) business day of return from travel status, whichever is later;
 - b. Delivery receipts or packing slips no later than two (2) business days after the received date; and
 - c. Proof of secure internet or telephone purchase by copy of purchase confirmation page from vendor's website or a signed copy of item ordered from (i.e. catalog page, brochure, flier, etc.), no later than two (2) business days after the purchase date.

Any official or employee issued a credit card will be personally responsible for immediately reimbursing the Village for any unauthorized purchases or for failure to submit sufficient documentation of purchases. Such wrongful use will also be subject to applicable laws and terms outlined in Section J.

If a cardholder experiences denials when using a credit card, he/she is to contact the Village Manager with the date, vendor or merchant's name, dollar amount, and approximate time of the attempted purchase. The Village Manager shall investigate the denial.

F. Tax Exemption- Notify the vendor or merchant that the credit card transaction is exempt from all local and state sales tax or federal excise taxes for goods and services purchased in the State of Michigan.

G. Credit Card Security- Any official or employee issued a credit card is responsible for its protection and custody. The credit card should always be treated with a level of care that will secure the card and the account number.

1. *Keep the card in an accessible but secure location*
2. *Guard the credit card account number carefully, do not write or post the number other than where required for completing transactions.*
3. *If the credit card is lost or stolen, immediately notify the Village Manager and if possible the issuing credit card company.*
4. *The credit card will not impact the user's personal credit reference. The Village issued credit card is a corporate liability card, not a personal card.*

H. Procedures for Credit Card Payment- The Village Manager shall review and approve all invoices received for payment made prior to their submission to the Village Council for final approval. The balance including interest due on any credit card account shall always be paid in full by the due date listed on the invoice, but not more than 60 days after the initial statement date so as to avoid any unnecessary finance charges.

I. Applicability of Law- This policy does not limit the applicability of chapter XXIVA or section 174, 175, 219a, or 490a of the Michigan Penal Code. Act No. 328 of the Public Acts of 1931, being sections 750.157m to 750.157w, 750.174, 750.175, 750.219a, and 750.490a of the Michigan Compiled Laws; section 1a of the code of criminal procedure, Act No. 175 of the Public Acts of 1927, being section 769.1a of the Michigan Compiled Laws; or any other law, or ordinance, applicable to the use of a credit card, issued by the Village, for other than official use of the Village.

J. Penalty for Wrongful Use- Any official or employee of the Village of Lakeview who violates the provisions of this policy shall be liable for any Village funds paid contrary to this policy and may be subject to civil and/or criminal action. Employees responsible for violating this policy shall also be subject to disciplinary actions provided for by the Village policies and applicable laws, up to and including dismissal.