

COUNCIL POLICY NO. 99-3 CREDIT CARD USAGE

SUBJECT: Credit Card Usage in the Performance of City Business

PURPOSE: To establish criteria for the use of credit and purchase cards issued on behalf of the City in the course of performing City business.

BACKGROUND:

The City of Hickory recognizes that the Mayor, Council Members and certain appointed officials are required to make expenditures of funds in the course of performing their functions in municipal government. The use of credit cards is beneficial to the taxpayer, and enables the City to be more effective, more efficient, and more accountable to the public than some of the older, more traditional financial methods. It provides detailed purchase histories and other important record keeping and time saving information. Federal and state governments are wisely using credit cards to reduce paperwork, personnel and other costs related to financial management. Local governments and virtually all private enterprises are implementing similar uses, and the City of Hickory should reap the benefits of this technology.

PROCEDURES:

- A. **Business Credit Cards** -- Bank Business Credit Cards will be available for check out not more than two (2) business days prior to their anticipated use from the Finance Department for the use of the Mayor, all Council Members, the City Manager and City Coworkers. The individual to whom the card is issued is responsible for the card and its proper use. The City Manager will have final approval authority on credit card issuance. The Finance Director will be responsible for verifying reconciliation of all credit card usage and charges pursuant to this policy and the City's travel policy.
1. The credit card is to be used for approved, official business only. The City recognizes that occasionally it will be good business for a City Official to buy meals when working with existing or potential contracted agencies or other individuals, such as potential business investors, agencies that might purchase City services, or while meeting with state or federal legislative delegates. Such use of the credit card is recognized to be a legitimate expense of the City, whether used locally or while travelling.
 2. The credit card will not be used in lieu of the normal purchasing procedures of the City.
 3. Personal use of credit cards is strictly prohibited. In the event that personal charges which cannot be conveniently separated from

appropriate City charges are placed on a City Credit Card, such charges must be reported to the City on the monthly reconciliation report and reimbursed to the City immediately.

- B. **Reconciliation** -- Credit card activity must be reconciled as established below:
1. The Cardholder will submit receipts and/or documentation describing and appropriately coding each transaction.
 2. Receipts/documentation should be completed and the card returned to the City not later than ten (10) days after use. In the event of a lost or missing receipt, the city official must complete a statement explaining the absence of the documentation and confirming that the expenses were legitimately incurred in the conduct of municipal business.
- C. **Purchasing Cards** -- In some circumstances, a Coworker who would not otherwise need a credit card may need a card which is limited to the purchase of specific materials necessary in the performance of the Coworker's duties. The Finance Director is authorized to allow purchasing cards to be obtained and issued to Coworkers as are necessary. Purchasing cards shall be treated in all respects as other credit cards for purposes of accounting and reconciliation. The Finance Director will monitor the use of the cards and advise the City Manager immediately of any irregularities or deviations from this policy.
- D. **Gasoline Credit Cards** -- In some circumstances, the issuance of a gasoline credit card to a coworker is appropriate to provide for the more prompt and efficient completion of the coworker's duties. The Finance Director is authorized to allow gasoline credit cards to be obtained and issued to coworkers as are necessary in his opinion. Gasoline credit cards shall be treated in all respects as other credit cards for purposes of accounting and reconciliation. The Finance Director will monitor the use of the cards and advise the City Manager immediately of any irregularities or deviations from this policy.
- E. **Cancellation of Cards** -- The Finance Director may immediately cancel or order the surrender of any card which appears to be misused or abused, and will bring the matter to the attention of the City Manager. The City Manager will take the appropriate disciplinary action for misuse of credit cards as provided in the City's Personnel Ordinance. In the event such misuse is by an elected official, the City Manager is hereby required to notify all members of the City Council in writing, who may then take any action authorized by the North Carolina General Statutes.

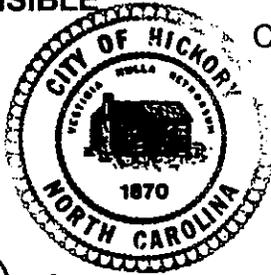
F. **Alcoholic Beverages** -- No alcoholic beverages may be charged to any City credit card.

APPLICABILITY: This policy shall apply to the Mayor, Council Members, City Manager, City Attorney and all City Coworkers.

EFFECTIVE DATE: September 7, 1999

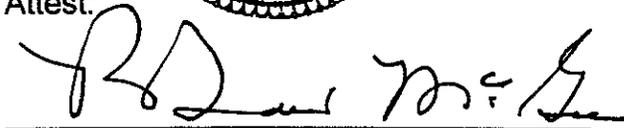
RESPONSIBLE ENTITY: City Manager / Finance Director

(SEAL)




William R. McDonald, Mayor

Attest:



B. Gary McGee, City Manager