

**CITY OF SULTAN
SULTAN, WASHINGTON
RESOLUTION 20-05**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SULTAN
ADOPTING A POLICIES FOR FISCAL AND FINANCIAL MANAGEMENT FOR
THE CITY**

WHEREAS, the City Council of the City of Sultan deems it beneficial for the City to have written and adopted financial policies; and

NOW, THEREFORE, be it resolved by the City Council of the City of Sultan as follows:

Section 1. The attached polices for:

- A. Procurement Card Policy
- B. Credit Card Policy

are incorporated herein by this reference as if set forth in full is hereby adopted as official policies for the City.

PASSED AND APPROVED by the City Council this 27th day of February, 2020.



Mayor Russell Wiita

Attest:



Tami Pevey, City Clerk

CITY OF SULTAN
CITY CREDIT CARD PROGRAM POLICY

US BANK VISA CARD (Washington State Purchase Procurement Card/P-Card)

Sections:

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1.0 Introduction

The implementation of a City credit card program is recognized by the State of Washington as usual and customary for official government purchases as provided in RCW 43.09.2855. The State of Washington WSCA-NASPO Program, administered by the State Department of Enterprise Services, contracts with US Bank to provide local governments a Purchase Card program. The US Bank Visa Card is this current product and operates much as a commercial credit card with the exception that no debt balance may accrue as the outstanding balance must be paid monthly in total.

The City of Sultan City Council recognizes the use of credit cards is a customary and economical business practice to improve cash management, reduce costs, and increase efficiency and authorized the Mayor to enroll the City in the WSCA-NASPO Purchase Card Program in the Regular Council Session of February 13, 2030 (AB20-14).

The City of Sultan also recognizes the use of credit cards to be an appropriate and useful means of making payment for a variety of types of purchases; some examples may include travel expenses, departmental supplies, subscriptions, on-line purchases and recurring vendor payments (where appropriate).

The Mayor (or designee) shall implement and administer the following procedures and processes related to the use of credit cards by City officials and employees.

2.0 Distribution

City credit cards will be directly issued to all non-probationary City of Sultan employees, the Mayor and City Council.

3.0 Application

Employees to be issued a City of Sultan US Bank VISA Card shall make application for a card as follows.

1. Employee completes the City of Sultan US Bank VISA Card Application Form (see Exhibit A) and signs the City of Sultan Credit Card User Agreement (see Exhibit B).
2. Mayor (or designee) approves the application and forwards it along with the signed user agreement to the City Credit Card Administrator.
3. The Administrator will process the application with the issuing bank.
4. Card is received and given to the employee to activate and retain or return to the Administrator for safekeeping until the card is needed by the employee.

4.0 Authorization & Control

Issuing Bank

US Bank is the issuer of the City of Sultan VISA Credit Card. They provide an on-line portal at: <https://access.usbank.com/cpsApp1/index.jsp> in which authorized users may review their credit card transactions within 2 days after the purchase is made. City Credit Card holders will also use this portal to print and reconcile their monthly statements. (Review Exhibit C for detailed how-to instructions)

Finance Director

The Finance Director will be the responsible authority acting as the City Credit Card Administrator who will set up and maintain each credit card account(s) with the banking facility. The Finance Director shall be responsible to perform the audit required under RCW 42.24.080.¹

¹ This statute requires that every credit card invoice presented to the City by an employee for the furnishing of materials, rendering of services or performing labor, or for any other contractual purpose, shall be audited before payment. The invoice shall be submitted to the City Credit Card Administrator and allow the Finance Director to authenticate and certify that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract, and that the invoice represents a just, due and unpaid obligation against the City. No credit card invoice will be paid without such authentication and certification.

City Credit Card Administrator

The City Credit Card Administrator will be responsible for the overall administration of the procurement card program by reviewing, reporting and coordinating all aspects of the program. This administrator will act as the liaison between US Bank and the individual city credit cardholders.

Employee (Cardholder)

Before being issued a City of Sultan US Bank VISA Credit Card each employee will be required to sign a City of Sultan Credit Card User Agreement (see Exhibit B) acknowledging that they have read and understand this policy, that they understand violation of the policy will subject them to disciplinary action, and that in the event they make any unauthorized charges they expressly authorize the City to deduct the same from any wages or other sums due or to become due to the employee from the City.

State and Local Compliance

The Use of Purchase Cards shall fully comply with all applicable State and Local requirements governing purchase of good and services, specifically including without limitation the City's adopted Purchasing Policy.

Annual Control & Disclosure

The Finance Director will conduct an annual physical card inventory test to verify all city issued cards have been accounted for.

The Finance Director will also prepare an annual disclosure for city council that includes a review of credit limits, past year spending pattern, number of unauthorized expenditures (i.e. fraudulent charges), number of employee errors reimbursed (cards mistakenly used for personal purchases), any losses to the City, amount of PCard Revenue (rebates), and results of the physical inventory test.

5.0 Approved Uses for Credit Card Purchases

The use of the City of Sultan US Bank Visa Credit Cards is a facilitating process for purchases pursuant to the City of Sultan Purchasing Policies. All credit card purchases shall only be made for budgeted expenditures authorized by the City Council at the time of the purchase (current year budget).

Examples of allowable purchases may include advance payment of airline fares, lodging, registration fees, tuition, conferences, on-line training, internet purchases, emergency purchases in the field, and specialized office/field equipment and supplies not ordered on a schedule. Authorized users may use their card for pre-approved one-time or recurring purchases from vendors. The use of the card for these purchases will be for timeliness and/or online access to goods and services not available through existing purchase policy processes (checks). These credit cards may be used anywhere that VISA is accepted.

Authorized users may use the credit card to purchase meals while in travel status. Those meals must fall within the normal and customary rates for the geographical area for the meals purchased. All meals charged must have the original detailed receipt showing what was specifically purchased. Receipts that only have the total paid for the meals are not acceptable. If the receipt does not show the detail or if the meal is over the normal and

customary rate, the user will be responsible to reimburse the City for this purchase. When considering use of the city credit card:

1. Can I make the purchase through the existing check issue process.
2. Identify goods and services required to perform job-related task.
3. Determine if purchase is within your credit card limits.
4. Ensure that the items are not on the disallowed charges list (following page).
5. Obtain pricing and in-stock availability and only order items that are immediately available.
6. Ensure that the vendor immediately authorizes the purchase with VISA and provides you a detailed copy of the credit card purchase receipt.
7. Retain all receipts, packing lists and backup authorizing documents and attach to your p-card expense form (shared/forms/employee forms/purchase card expenditure report template.xls).

It is required that all credit card receipts and/or other documents identifying the credit card expenditures be in complete detail. Your p-card expense form(s) is due by the 5th of each month to the Credit Card Administrator or designee for review and preparation for the month vendor payment cycle.

Keep in mind that when involved in any aspect of purchasing, you are acting as an agent of the City of Sultan. Therefore, you are responsible to act in the best interest of the City. Your actions must NOT show, or appear to show, personal favoritism to a vendor at the expense of the City.

6.0 Disallowed Charges

A. Types of Disallowed Charges. The following uses are not authorized credit card purchases:

- Capital Equipment (unless approved by the Mayor)
- Personal Items and Services
- Cash Advances of any kind
- Alcoholic Beverages
- Money Orders/Travelers Checks/Gift Cards
- Charges made without pre-approval

B. Procedure to be used when Disallowed Charges Have Been Incurred.

Any charges against the credit card that are not properly identified as required by this Policy on the expense voucher/invoice, or not allowed following the audit of the invoice by the Finance Director, shall be paid by the official or employee by check, U.S. currency or salary deduction. If, for any reason, disallowed charges are not repaid before the charge card billing is due and payable, the City has a right to withhold any and all funds

payable or to become payable to the official or employee, in an amount up to the amount of the disallowed charges and interest, at the same rate as charged by the credit card company.

Any official or employee who has been issued a charge card by the City shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand by the Finance Director.

The City shall have unlimited authority, as provided in RCW 42.24.115(3), to revoke the use of any issued charge card, and once notice of this revocation has been delivered to the charge card company, the City shall not be liable for any costs.

Any employee with a demonstrated history of charge card defaults may be barred from using any City credit cards by the Mayor as appropriate.

7.0 Credit Limits

Credit limits are set to match field needs and are based on the anticipated need for employees and elected officials. Card limits can be temporarily raised for travel or a specific authorized purchase.

If an increase or decrease to these transaction limits is deemed necessary by the Mayor, the request must be submitted in writing to the City Credit Card Administrator. Please specify within this increase request whether this is a temporary or permanent request.

There also may be limitations on acceptable merchant category codes (MCC). In other words, some vendors may be disallowed and thus will cause a decline of any attempted purchase with them (allowable or not). If after adhering to the proper guidelines and limits stated above, you feel that your purchase has been mistakenly declined, contact your City Credit Card Administrator for assistance.

8.0 Receipt of Goods & Services

The cardholder is responsible for ensuring the receipt of the goods and services as ordered and any follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods. Should any item(s) need to be returned to the vendor, the cardholder will follow the vendors return policy and also be responsible to ensure that proper credit is posted for said return item(s). In most cases, returns and errors can be resolved directly between the cardholder and the vendor.

If for any reason the cardholder is unable to reach agreement with the vendor, the cardholder must contact US Bank and explain the dispute and the reason behind it. In addition to contacting US Bank, the reporting cardholder will also contact the City Credit Card Administrator and apprise them of the situation. We will follow US Bank procedures in relation to the dispute and its process.

9.0 Payment of Bills

Monthly Billing statements will be retrieved on the first business day of the month by each cardholder via the on-line portal provided. Each cardholder will complete a Pcard expense

form and attach appropriate receipts and proper account coding, for the total amount of the monthly billing and submit to the City Credit Card Administrator or designee within seven (7) business days month following the statement retrieval.

The City Credit Card Administrator will be responsible for reconciling the complete combined City card statement each month. The City of Sultan will not pay interest and/or penalties on any credit card. The City of Sultan is responsible for the VISA card payment and liability and it will not affect any City cardholder's personal credit in anyway.

10.0 Card Security

Your City of Sultan VISA Card should always be treated with great care and should be kept in a secured location. You are the only person authorized to use the card and it should not be lent to another person.

Be sure not to write the credit card number(s) down in any location and do not allow any vendor to write down your credit card number.

It is the responsibility of the cardholder to immediately report a lost or stolen City credit card. The City of Sultan is liable for all transactions until the card is reported lost or stolen to, and only to, the extent expressly required by law. A cardholder must report a lost or stolen credit card by phone directly to US Bank Customer Service at 1-800-344-5696 and also to the City Credit Card Administrator. Verbal reports of lost or stolen credit cards must be followed up in writing to the City Credit Card Administrator. A replacement card will be sent within 10 days after report is filed.

11.0 Renewal of an Existing Credit Card

A renewal credit card will be sent automatically to the City Credit Card Administrator by the issuing bank approximately 30 days prior to the expiration date of the card. This renewed card will in turn be forwarded to the cardholder.

12.0 Extended Absence

If you will be absent from the City for an extended period, please seek assistance from the City Credit Card Administrator to determine the best options to cover your procurement responsibilities.

13.0 Audits & Enforcement

To ensure the continued success of the City Credit Card Program, as well as adherence to the policies as outlined, all individual credit card accounts will be open to internal audit requirements.

Statement Reconciliations not received by due date or without complete receipt detail – Your credit card limits may be set to ZERO until reconciliation is received. For continual offenders, your credit card may be cancelled at the discretion of the Mayor. See *also*, Section 6 on Disallowed Charges.

Personal Use – Personal use of a city credit card will NOT be tolerated and will result in:

- Disciplinary measures that may include termination and/or legal action
- Permanent revocation of the card
- Direct payroll deductions for any unauthorized or personal charges made on the city credit card

Termination – You must return your credit card to the City Credit Card Administrator when you leave/terminate your employment with the City of Sultan

14.0 Resources THIS WILL BE UPDATED AFTER WE COMPLETE THE APPLICATION PROCESS

Who to Call

City of Sultan

Mayor –
 Phone:
 Email:

City Credit Card Administrator

Phone:
 Email:

VISA – US Bank

General account inquiries including:	1-800-344-5696 or
Statements, transactions, and balances	701-461-2010
Lost or stolen cards	
PINs	

Password Resets & General Navigation

877-887-9260 or
 701-461-2042

City Credit Card Application - Exhibit A



IAAC POLICY NO. X.X.XXX

CITY OF SULTAN PURCHASE CARD APPLICATION

Please forward application to: City of Sultan- Credit Card Administrator

EMPLOYEE INFORMATION

_____	_____	_____
First Name	Middle Initial	Last Name

Business Address		
_____	_____	_____
City	State	Zip
() _____		
Business Phone	_____	

CITY OF SULTAN INFORMATION

City of Sultan

Company Name

319 Main Street Sultan, WA 98372-1513

Company

APPROVAL INFORMATION

_____	_____
Monthly Credit Limit	Single Transaction Limit

EMPLOYEE / APPROVAL SIGNATURE

_____	_____
Printed Applicant Name	Signature of Applicant /Date
_____	_____
Printed Mayor Name	Signature of Mayor

CITY OF SULTAN CREDIT CARD USER AGREEMENT

Your signature below verifies that you have read and understand the City of Sultan Credit Card Program guidelines listed below and agree to comply with them.

1. I understand the City Credit Card is intended to facilitate the purchase of business-related goods and services for the conduct of City business and is not for my personal use.
2. I understand that my card may be revoked at any time based on change of assignment or location and that use of this card is not an entitlement nor reflective of title or position.
3. I understand that if I am issued a card with my name specifically, I am the only person authorized to use the card and I am responsible for all charges made against the card.
4. I understand that improper use of the card can be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.
5. I understand that all charges are billed directly to and paid directly by the City of Sultan and any personal charges on the card could be considered misappropriation of funds since VISA/US Bank cannot accept any payment from me directly.
6. I understand that I will be required to provide detailed receipts, to reconcile monthly statements and to comply with internal control procedures designed to protect the City assets. This may include being asked to produce the credit card to verify its existence and providing assistance in an audit review of its use.
7. I understand that I am responsible for resolving any discrepancies that may occur by contacting the vendor and/or US Bank directly.
8. I will safeguard use of the issued credit card and use appropriate security whenever and wherever I use the card. If my card is lost or stolen, I agree to immediately notify VISA as well as the City Credit Card Administrator.
9. I understand that the VISA card is the property of the City of Sultan and it must be surrendered upon termination of employment or demand of surrender by the City Credit Card Administrator and/or the Mayor. At that point, no further use of the account will be authorized.
10. I understand that I will be help personally liable for inappropriate charges I incur to the City credit card, and payment for any such inappropriate charges is hereby authorized to be withheld from my paycheck.

I hereby acknowledge receipt of the City Credit Card (ending in last 4 digits) _____

As a Corporate Cardholder, I agree to comply with the terms and conditions of the agreement, including the City of Sultan’s City Credit Card Program.

I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS.

Card Holder: _____ Date: _____

Signature: _____

**CITY OF SULTAN
CREDIT CARD USE
POLICY AND PROCEDURE**

1.0 PURPOSE:

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

2.0 DEPARTMENTS EFFECTED:

Mayor, Council, City Administrator, Department Heads and employees

3.0 POLICY:

A. The City Council has authorized the City Administrator and Finance Director to implement procedures for the use of City credit cards for the following uses:

- Travel: Credit cards may be used by the above assigned individuals (section 2) for official business – related expenditures for hotel, parking, ferry, taxi, meals, gas, airline tickets, emergency city vehicle repairs and other travel related expenses as authorized by the Mayor or City Administrator. In addition, the travel liaison may use the City credit card for conference and class registrations only if payment by checks is not feasible. Out of state travel and out of state registration require the Mayor's pre-approval.
- Purchases: The assigned credit cards may be used for ordering supplies, including on-line purchases, under \$1,000 for City purposes, when pre-approved by the Department Head.
- Purchases where an open charge account exists may be utilized for convenience at the time of purchase with the approval of the Finance Director.
- Credit Limit: The credit limit for each assigned City credit card shall be \$5,000.
- City credit cards shall not be used for cash advances or personal purchases.

B. Credit Cards may be issued to Departments as follows:

Council:	Council members
Administration:	Mayor, City Administrator
Finance:	Finance, Legal, Grants
Community Development:	Planning, Building, Code Enforcement
Public Works:	Parks, Streets, Cemetery, Water, Sewer, Garbage and Storm.

C. The City has the following credit cards:

1. Visa Cards for each Department)
2. Staples Credit Card
3. Lowes Credit Card
4. Office Depot Credit Card

4.0 PROCEDURES

- A. Authorization: Payment of all credit card expenditures is contingent upon the Finance department's approval of the monthly statement of transactions. If expenditure is deemed inappropriate, the assigned credit card holder will be responsible for reimbursing the City.
- B. Receipts/Verification:
 - 1. Receipts **must be obtained** for each credit card transaction.
 - 2. The purpose of the charge and the name of the individual(s) involved must be clearly written on the receipt. Meal receipts must note who ate and the purpose of the meeting.
 - 3. Receipts or purchase verification for on-line charges are to be saved and retained by the assigned individual or designee.
- C. Each assigned department will verify the transaction prior to entry into the finance accounts payable program.
 - 1. A completed purchase order and attached detailed corresponding credit card receipts are required.
- D. The Finance Department will:
 - 1. Verify all credit card expenditures against the monthly transaction summary
 - 2. Notify the Department Head of missing receipts within 5 days of receiving the monthly statement. An affidavit of lost receipt must be obtained from the employee if the original receipt has been lost or destroyed.

6.0. CONTROL:

- A. The assigned department is responsible for contacting the vendor when supplies purchased with the credit card are not acceptable (incorrect order, damaged, etc.) and for arranging a return for credit or exchange.
- B. The Finance Director is responsible for administration of the cards to include, but not limited to, selection of the card provider, payment of credit card bills, managing the issuance of cards and ensuring proper use.

The City Administrator will disallow the use of the assigned City credit card for violation or misuse of the credit care in accordance with this policy. The following will be considered an unauthorized purchase or use of any City purchasing/credit card:

- 1. Cash advances
- 2. Payment of invoices or statements
- 3. Purchases where an open charge account would be utilized
- 4. Personal purchases of any kind
- 5. Purchase of meals if meals are provided as part of the conference.

ATTACHMENT B

- C. Any exceptions to this policy must be approved in writing in advance by the City Administrator
- D. Assigned individuals will sign a Credit Card User Agreement (Attachment A) before they are eligible to use the card.
- E. Credit cards checked out by Council and staff must be returned with 48 hours of returning from a meeting or conference.
- F. Credit cards checked out to the City Administrator and Department Heads are to be returned to the City immediately upon ending employment with the City.
- G. Misuse of a city credit card may result in disciplinary action or termination or legal action
- H. Failure to provide detailed documentation as required by the policy will result in the user being responsible for the charge.