RESOLUTION 06-072

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO, ESTABLISHING A CREDIT CARD USE POLICY FOR ALL ELECTED OFFICIALS AND EMPLOYEES OF THE CITY OF KETCHUM.

WHEREAS, the primary goal of the Credit Card Use Policy is to ensure fiscal control and accountability for credit cards belonging to the City of Ketchum; and

WHEREAS, as a public entity, the City of Ketchum must demonstrate the highest level of fiduciary control over public funds; and

WHEREAS, the Credit Card Use Policy is intended to clarify the responsibilities that accompany the credit cards and to provide guidelines for their proper use, as set out in the attached Exhibit A.

NOW THEREFORE BE IT RESOLVED, that the Ketchum City Council hereby establishes a Credit Card Use Policy for all elected officials and employees of the City of Ketchum.

This Resolution will be in full force and effect upon its adoption this 5th day of June, 2006.

Randy Hall, Mayor

ATTEST:

Sandra Cady, CMC
City Treasurer/Clerk

APPROVED AS TO FORM AND CONTENT:

Benjamin W. Worst,
City Attorney

EXHIBIT A

MEMORANDUM

To: All Elected Officials and City Employees

From: Ron LeBlanc, City Administrator Ron

Subject: Credit Card Use Policy

Issued: June 5, 2005

INTRODUCTION:

The overall goal of the City's Credit Card Use Policy is to ensure fiscal control and accountability for City of Ketchum credit cards. As a public entity, the City of Ketchum must demonstrate the highest level of fiduciary control over public funds. Therefore, this policy is intended to clarify the responsibilities that come with these credit cards and to provide guidelines for their proper use.

POLICY:

1. ***Purpose of Cards***

   City of Ketchum credit cards may be issued to certain employees and officials with the prior approval of the City Administrator or City Clerk. Otherwise, the City Clerk will retain possession of the cards and check them out per this policy. The primary use of the City of Ketchum credit cards is to facilitate authorized purchases for official City business. The use of these credit cards is a privilege granted by the city and abuse will be grounds for employee discipline and possible criminal prosecution.

2. ***Travel Use***

   City of Ketchum credit cards may be issued for expenses related to official city meeting, training and travel related purchases. Most reservations can be made in advance over the phone, or internet, without having to remove the credit card from city hall. Travel related purchases may include, but are not limited to:

   a. Airline Reservations
   b. Hotel Reservations
   c. Rental Car reservations
   d. Conference Registration

   Meals should be expensed according to the 'per diem" guidelines issued and updated by the City Clerk. Gasoline purchases may be permitted, but *only* when a rental car is involved. At no time should the city credit card

be used to purchase fuel for a personal vehicle, even when that vehicle is used for city business.

3. ***Other Use***

City of Ketchum credit cards may be used for purchases not related to training or travel. Any purchase made with a city credit card must be consistent with the approved budget of the department making the purchase. These purchases should be limited only to those items for which no other method of payment is available, e.g. a book purchase from Amazon.com, or for items that typically expect use of a credit card, e.g. Dell Computers.

Police Department investigations may require use of the city credit cards. The Chief of Police will be issued a card for such use as to not compromise any pending criminal investigation.

If an employee needs to use a credit card for a City purchase, authorization must be obtained from the City Clerk or the City Administrator prior to the purchase.

4. ***Issuance of Cards***

City of Ketchum credit cards will be maintained in a secure area by the City of Ketchum City Clerk. Individuals who desire to be issued a credit card must receive authorization from the City Administrator. Written authorization (printed copy of e-mail is acceptable) must be provided to the City Clerk's Department staff.

Upon receiving an approved request, the City Clerk's Office will "check out" a credit card to the appropriate individual. As part of the check-out process, the individual will be required to sign a check-out form and shall also be provided with a copy of this policy. The individual shall sign an acknowledgement indicating they have received and understand this policy.

5. ***Return of Cards***

Individuals in custody of a City of Ketchum credit card shall return the card to the City Clerk's Office as agreed. If the individual fails to return the card as agreed without notifying the City Clerk, the City Clerk's Office staff will report the card as lost or stolen. *If an individual fails to return a credit card as agreed, the individual maybe held responsible for all charges incurred after the card was reported lost or stolen, as well as all charges incurred by the City relating to the cancellation of the card and issuance of a replacement card.*

When returning a card, the individual shall submit all receipts for charges and purchases made with the credit card. The individual is encouraged to

make copies of all such receipts for their own records. These receipts will be used to cross check charges that appear on the credit card bill.

6. ***Lost or Stolen Cards***
   If an individual loses the City of Ketchum credit card or believes the credit card is stolen, it must be reported as such to (phone number on back of card) IMMEDIATELY. Because these cards are in the name of the City of Ketchum, normal limits related to lost/stolen cards do not apply and the City of Ketchum will be responsible for all charges incurred. After notifying the credit card issuer, the individual should notify the City Clerk's Office IMMEDIATELY that the card was reported lost/stolen, or call dispatch if it is reported after normal business hours

7. ***Non-City Purchases***
   a. *City of Ketchum credit cards are not to be used for personal purchases.* If the City Clerk's Office suspects an individual has used the credit card to make personal purchases, or has otherwise abused this privilege, the basis for this determination shall be forwarded to the appropriate department head, the Chief of Police and the City Administrator. Individuals using credit cards for personal purchases will be subject to disciplinary action pursuant to the City of Ketchum employee handbook and possibly exposed to criminal prosecution.

   b. Notwithstanding Section 7.a above, it is understood that individuals may find themselves in situations where charges might be incurred that commingle official City purchases with personal purchases. When in doubt, do not use the City of Ketchum credit card. Should a commingled purchase be made unintentionally, the individual should submit the receipt along with written explanation of which amounts were official City purchases and which were commingled charges when the credit card is returned. *Failure to supply a reconciliation may result in the individual being responsible for all charges, even those made for official City business.*

8. ***Payment of Bills***
   a. The City Clerk's Office will receive all credit card bills on a monthly basis. Charges appearing on the statement will be checked against receipts submitted by individuals using the card during the billing period.

      If unapproved or other improper charges are identified on the bill, a statement indicating these charges and the amounts will be prepared and forward to the individual. Payment of the amounts indicated must be made within 10 days.

b. As a condition of receiving a credit card, the individual agrees to reimburse the City of Ketchum for all unapproved, commingled or other improper charges as determined above. Failure to reimburse the City may subject the individual to additional charges for interest expense incurred by the City. In addition, *the City reserves the right to use all legal means available to collect amounts due the City pursuant to this policy.* Individuals failing to make this reimbursement will be reported to their department head, the Chief of Police, and the City Administrator for disciplinary action or potential criminal prosecution.1 Individuals who fail to properly reimburse the City as indicated above will no longer be allowed to use a City of Ketchum credit card.

City of Ketchum

Credit Card Checkout Form

Name of Individual Receiving Credit Card: _____

Department: _____

Card Number: _____

Date Checked Out: _____

Date to be Returned: _____

(Note: Card must be returned by 3:00 p.m. local time on the date indicated above. Failure to return the card by this date/time will result in the card being reported lost/stolen per Section 5 of the Credit Card Use Policy.)

Purpose: *Travel* __ *Other Purchase* __

_____

By signing below, I agree to abide by the terms of the City of Ketchum Credit Card Use Policy. Further, I acknowledge that I have received, read, and understand the Credit Card Use Policy. I understand that I will be held liable for all charges incurred on the credit card that the Finance Department deems I am responsible for pursuant to the Credit Card Use Policy.

_____ _____

Signature *Date*

ATTENTION

When using the credit card, make sure you have received prior approval for the purchases. If you have not received prior approval and there is any doubt that you will receive approval retroactively – DO NOT USE THE CREDIT CARD!!!

For City Clerk's Office Use Only:

Checked Out By: _____ Date Checked Out _____

Checked In By: _____ Date Checked In: _____

If Checked in After Date Indicated Above, has the card been reported lost/stolen (Y / N): _____

Reported Lost/Stolen by: _____

Date reported Lost/Stolen: _____

Receipts turned in when card returned (Y / N): _____

Reconciliation for commingled charges turned in when card returned (Y / N): _____