

CITY OF KIMBALL
MUNICIPAL POLICY NUMBER 06-2011
CREDIT CARD POLICY

DATE COUNCIL APPROVED: July 5, 2011

UPDATED: November 13, 2018

I. Purpose

The purpose of this policy is to provide user information to those employees who have been approved by the Kimball City Council to do business for the City of Kimball using a credit card issued in the City's name. The use of credit cards for City financial transactions is limited and carefully controlled. While the use of credit cards is an accepted practice and, in some cases, the only permitted practice, their use is allowed only for specific purposes and situations to transact City of Kimball business.

II. Authority to Establish

As stated in *Minn. Stat. §471.382*, the Kimball City Council may authorize the use of a credit card by any City employee otherwise authorized to make a purchase on behalf of the City. All purchases by credit card must otherwise comply with all statutes, rules and policies applicable to City purchases. A City employee who makes or directs a purchase by credit card that is not in compliance with statutes, rules and policies, is personally liable for the amount of the purchase.

Credit cards will not be used for carrying debt. The entire card balance shall be paid in full each month. (*Minn. Stat. Ch. 475*)

III. Scope

It is the policy of the City of Kimball to allow the use of a credit card by departments certain expenses as outlined below. Department Heads are responsible for all cards issued to their department and the use of those cards by their employees. Personal use is prohibited and will be subject to discipline, up to and including termination. Each department wishing to obtain a credit card will complete a credit card user agreement form. This form will then be kept on file in the City Hall. (Exhibit A)

IV. Authorization

- a. Council approval is necessary for a Department Head to obtain a credit card.
- b. A card issued to an employee is to be used by that employee only.
- c. A Department Head may, at any time and without notice to the employee, cancel credit card use authorization for any of their employees.
- d. The City Council shall review credit card use randomly.
- e. If it is determined that the credit card used is not in the best interest of the City of Kimball, the City Council may discontinue credit card privileges.
- f. When applying for a credit card, the City Clerk/Treasurer will complete and sign the application for credit, after request is approved.

V. Controls

- a. The City Council will approve or deny each credit card request.
- b. A credit limit of \$1,500 is the maximum allowed per department per billing cycle.
- c. All existing purchasing policies apply to purchases made on a credit card.
- d. All receipts and/or invoices must be maintained by the persons using the card and presented to their Department Head weekly for reconciliation of the billing.
- e. It will be the responsibility of the Department Head to cancel a lost card immediately by notifying the City Clerk/Treasurer.

- f. The original credit card user agreement will be kept in the employee's payroll file in City Hall.

VI. Eligible Uses of the Credit Card

The credit card may be used to:

- a. Reserve rooms for conferences and/or meeting attendance.
- b. Purchase gasoline and/or diesel fuel when using a City vehicle.
- c. Purchases from vendors that do not invoice the City as a billing method.
- d. Purchases from the internet.

VII. Ineligible Uses of the Credit Card

The credit card may not be used for:

- a. Personal purchases - personal use of City credit cards is prohibited
- b. Meal expenses
- c. Gratuities and excess daily meal allowance
- d. Gasoline and/or diesel fuel for any personal vehicle
- e. Back ordered items
- f. Cash advances
- g. Alcoholic beverages

Any unallowable expenses charged on a card will be the responsibility of the employee making the purchase. It is the employee's responsibility to ensure that only reimbursable expenses are charged the card assigned to them. If transaction limits are inadequate for the types of purchases you need to make, please request to have your Department Head increase your single purchase limit. Multiple transactions from the same vendor can be legitimate if purchases are separate items.

VIII. Monthly Reconciliation

The City Clerk/Treasurer will be sent a monthly billing statement identifying purchases listed for each department.

It is the responsibility of each Department Head to submit receipts weekly for the purpose of reconciling the billing statement.

When a Department Head is interested in obtaining a credit card for use within their department, the attached (Exhibit B) should be completed and returned to the City Clerk/Treasurer. The request will then be forwarded to the City Council. Once approved, the Department Head will be notified. The original request will be on file in City Hall.

IX. Terminated Cardholders

A credit card held by a terminating employee must be turned in to the City Clerk/Treasurer's Office prior to termination. If the card is not retrievable, the responsible Department Head must notify the City Clerk/Treasurer.

X. Approval of Policy

This policy shall be formally approved and adopted by the City Council.

Exhibit A

Credit Card User Agreement

I agree to the following regarding use of the Credit Card Program:

- a. I understand that I am making a financial commitment on behalf of the City of Kimball and will strive to obtain the best value for the City.
- b. I understand that under no circumstances will I use the credit card to make personal purchases, whether for myself or for others.
- c. I have been given a copy of the Credit Card Policy, which I have read and understand the requirements for credit card use.
- d. I will follow the established procedures for use of the credit card. Failure to do so may result in either loss of privileges or other disciplinary actions, up to and including termination of employment.
- e. My receipt will show the date, name of establishment and an itemized detail of items bought.
- f. I agree that should I willfully violate the terms of this Agreement, I will reimburse the City of Kimball for all incurred charges and any fees related to the collection of those charges.

Department

Employee Name (Print)

Phone

Date

Employee Signature

Exhibit B

Request for City of Kimball Credit Card

To: Kimball City Council

From: _____
(Department Head)

RE: Request for Credit Card

The following employee is authorized to be issued a City of Kimball Credit Card for the department indicated.

Full Name (print): _____

Signature: _____

Title: _____

Department: _____

I have read the City of Kimball Credit Card Policy and I understand the responsibility of purchasing services and supplies using said policy. I agree to abide by the policy for the use of a credit card. I also understand that misuse of the card can result in disciplinary action or may be cause for dismissal.

Signature of Department Head

Date

City Clerk/Treasurer

Date of Approval