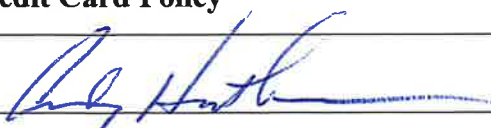




LEWIS AND CLARK COUNTY POLICY (TEMPLATE)

Subject: Credit Card Policy	Policy No: 1.1.5
Approved: 	Effective Date: Aug. 19, 2021 Revised Date:

I. POLICY STATEMENT

Purpose: This policy seeks to establish specific directions and guidelines for all County Departments, Employees and Agents of Lewis and Clark County. The provisions of the policy shall apply to every purchase of goods and services of the County using a county credit card, unless an alternative purchasing method is required by federal or state law or grant provisions. This policy strives to comply with MCA Title 7, chapter 5, Part 23 “County Contracts” and the applicable parts of MCA Title 18, “Public Contracts” and Rule 2.5 of the Administrative Rules of the state of Montana, “State Procurement.” Any requirement of this policy may be modified on a case-by-case basis by the Chief Administrative Officer, after informing the Board of County Commissioners of his intent at a regularly scheduled work session or commission meeting.

II. APPLICABILITY

Scope: This policy is applicable to all county departments and entities, for all acquisitions of goods and services using a county issued credit card. Departments may apply additional requirements as long as they are: a) equal to or more restrictive than the procedures and standards established in this policy and b) consistent with the purposes of this policy.

Authority: The authority to authorize and issue county credit cards to county employees for the benefit of Lewis and Clark County, its departments and entities is exercised by the Lewis and Clark County Board of County Commissioners.

Administration:

- A. Department Heads are responsible for the implementation of this policy within their departments and for establishing procedures to demonstrate compliance.

- B. The County Finance Office shall provide general oversight and assistance to county departments in the administration of this policy and should be considered a resource for questions and information regarding credit card use. In that role, the County Finance Office's responsibilities include, but are not limited to; assisting departments with the use of credit cards, reconciling and approving payment of credit card bills and reviewing department documentation and procedures to verify compliance with this policy.
- C. The County Commissioners have final authority for administration, interpretation, and application of the terms of this policy. However, it is recommended that questions of interpretation be resolved with the County Finance Office and the Chief Administrative Officer prior to seeking an interpretation or ruling from the Commissioners.
- D. The public has the right to inspect and copy all documents related to credit card purchases. No fee will be charged for document inspection or to vendors who provide their own copying equipment. The employee may impose reasonable conditions on the manner and time of the copying to avoid disruption and to protect public access to the records. When copies are made, a fee will be charged consisting of 50 cents for the first copy and 25 cents for each page thereafter.

III. DEFINITIONS

Bank. The financial institution, which has entered into an agreement with the County to provide the Credit Card Program.

Billing Cycle. The monthly billing period that begins on a set date of each month and ends on the same date the following month.

Board or BOCC. The Board of County Commissioners of Lewis and Clark County, Montana.

Cardholder. The employee responsible for making purchases for a department with a credit card.

Cardholder agreement. The terms and conditions of the card issue that define Cardholder use of the credit card.

County. Lewis and Clark County, Montana

Chief Administrative Officer. The Chief Administrative Officer of Lewis and Clark County, Montana, or such person's designee.

Credit Card. A credit card issued to an employee for the purpose of making authorized purchases on the County's behalf.

Department Director. The duly appointed Director of any department of the County.

Designee. A duly authorized representative of a person holding a superior position.

Emergency Purchase. An expeditious purchase of goods to reduce an imminent or existing threat to the health, safety or welfare of person or property within the County.

Family. Parent, sister, brother, spouse, children, nieces, nephews, step-parent, step-children, step-brother, step-sister, half-brother, half-sister, daughter-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, aunts, uncles, grandchildren, and grandparents of a County employee, as well as members of the same household and their parent, sister, brother, children, , nieces, nephews, step-parent, step-children, step-brother, step-sister, half-

brother, half-sister, daughter-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, aunts, uncles, grandchildren, and grandparents.

Department Administrative technician or Finance Person. A County employee responsible for a departmental budget.

Goods. A tangible personal property other than real property.

Item. A single separate unit, article, product, material, or service.

Merchant Category Code (MCC) Limit. A method to control allowable spending. All merchants are assigned an industry-specific MCC code, which the County can restrict from credit card access. Once an MCC code is blocked, attempted purchases from all merchants within that category will be declined.

Monthly limit. The maximum dollar value of charges a credit card holder is authorized to make during the billing cycle.

Single Invoice Limit. The maximum value of charges a Cardholder is authorized to make during a single transaction.

IV. DIRECTIVES

A: Scope

This policy includes all purchases of goods and services by Lewis and Clark County.

1. Unauthorized Purchases
 - a. County employees are not authorized to purchase non-exempt goods or services without a Purchase Order or Credit Card except in case of emergency as defined herein.
 - b. Any purchase made contrary to the provisions of the Purchasing Policy or the Credit Card Policy shall not be binding on the County unless approved by the Board or designee and may be subject to disciplinary action. All procurements shall apply with Montana Statute if applicable.
 - c. The purchase of food with County funds must be for a public purpose and pre-approved in writing by the Chief Administrative Officer.
 - d. The purchase of greeting cards; birthday, retirement or other special occasion cakes or snacks; gifts, flowers; or other office supplies for office parties and employee social functions for any occasion are not authorized.

B: Ethical Standards

Violations of ethical standards shall be handled in accordance with applicable state statute and the County Human Resources Manual.

Violations of these standards of conduct may result in disciplinary action as set for in Section **XXXX**

Failure to comply with the credit card policy may result in employee removal from the Credit Card program and other disciplinary action as appropriate in accordance with County disciplinary procedures. All employees are required to read and sign an affidavit that they have read the credit card policy and receive training in the use of the credit card before obtaining a county credit card.

C: Revision to Credit Card Policy

The Credit Card Policy will be reviewed no less than every three years by the Chief Administrative Officer and Chief Financial Officer. Revisions must be approved by the Board by resolution.

D: Credit Card Program

The goals of the credit card program include:

- i. Providing an efficient and cost effective method of purchasing and paying for goods and services required by departments.
- ii. Reducing the time and money spent processing transactions.
- iii. Ensuring that Lewis and Clark County bears no legal liability from inappropriate use of credit cards
- iv. Providing for disciplinary action if the credit cards are misused.

A credit card will be issued to employees who frequently purchase goods or services. Single limits and monthly limits will be established by the Chief Administrative Officer or Designee. All cards will have a maximum monthly limit and a per transaction limit that shall be determined by the Chief Administrative Officer or Designee. There shall be no capital equipment, or purchase of centralized Information Technology equipment (computers or other items that must have the approval of the IT&S department to purchase).

1. Process overview

- a. The Department Head submits a credit card request form along with a justification for credit card issuance.
- b. The Chief Administrative Officer or Designee will authorize the issuance of a credit card to an employee
- c. The Finance Department will coordinate issuance of the card to an employee
- d. Cardholder orders goods or services for purchase from a vendor who accepts Visa.
- e. The vendor processes the card information to obtain authorization for the purchase.
- f. The bank verifies the account number and spending control limits on the card.
- g. The cardholder receives the merchandise and a copy of the receipt.
- h. The vendor receives payment for the merchandise.

- i. The cardholder delivers the receipt to the administrative technician or finance person in their department.
- j. The department administrative technician or department finance person reviews transactions, inputs transactions in the accounts payable system and forwards the approved transactions to the Finance Department after the Department Head approves the transaction in the accounts payable system.
- k. Finance reviews the transactions and reconciles to a statement received from the bank.
- l. Accounting pays the statement to the Bank by the due date via ACH.

2. Responsibilities

- A. Department Head is responsible for the following:
 - a. Request the issuance of card to appropriate staff.
 - b. Ensure that all purchases are an appropriate use of funds.
 - c. Review, sign and approve monthly statement submitted by cardholder.
 - d. Upon termination of an employee with a credit card, obtain possession of the card and return card to the Finance Department.

- B. Cardholder is responsible for the following:
 - a. Holding and securing the card and card number
 - b. Receiving all required approval prior to making a purchasing commitment
 - c. Buying supplies and services
 - d. Collecting and saving receipts for further processing
 - e. Receiving and promptly inspecting all ordered materials and services
 - f. Reporting discrepancies to vendor and notating the receipt of discrepancy
 - g. Reporting lost, stolen or compromised cards to the Bank and Finance Department immediately
 - h. Disputing unauthorized transactions
 - i. Reviewing/verifying charges with the Department Head or Designee
 - j. Ensuring that sufficient budget is available for purchases made
 - k. Identifying, contacting and reversing disputed charges with vendors
 - l. Submitting receipts to the department designee in a timely manner
 - m. Complying with Lewis and Clark County rules and procedures

- C. Finance is responsible for the following:
 - a. Evaluating the need to cancel or reissue cards and making recommendations to the Chief Administrative Officer.
 - b. Collecting revoked cards from cardholders
 - c. Training cardholders
 - d. Maintaining program policy and procedures
 - e. Coordinating program policy issues
 - f. Participating in resolving billing disputes
 - g. Ensuring compliance with all County policies and procedures and recommending disciplinary action to appropriate administrators

- h. Facilitating temporary and permanent changes in blocked MCC's to the bank
- i. Reviewing and communicating to the Bank all card changes and requests
- j. Reconciling the credit card transactions to the consolidated credit card statement on a monthly basis.

D. Accounting Department is responsible for the following:

- a. Developing and maintaining internal controls
- b. Paying monthly charges from the consolidated statement
- c. Filing monthly statements and supporting documentation

E. Bank is responsible for the following;

- a. Activating and deactivating cards at the request of Finance
- b. Paying suppliers
- c. Provide electronic access to account information
- d. Controlling pre-defined cardholder limits
- e. Providing monthly statements and reporting information
- f. Providing duplicate copies of receipts in case of disputed charges
- g. Providing customer service

3. Procedures for obtaining and using the credit card.

A. Requesting a credit card

- a. All requests for credit cards must be submitted to the Chief Administrative Officer or Designee by the Department Head via a credit card application and approval form. No credit checks will be made against individual cardholders. The Chief Administrative Officer or Designee must approve all requests for credit cards before a credit card is issued.
- b. Finance will review the approved application and coordinate the issuance of the credit card with the bank, and notify the cardholder of the next available credit card training session.
- c. The Cardholder will attend a mandatory credit card training session, sign the Cardholder Acceptance form and receive a credit card policy. No cards will be issued until these requirements are completed.
- d. The Bank issues the credit card and sends it to Finance, who presents it to the Cardholder. The Cardholder will sign in the signature space on the back of the card at the time the card is released to the cardholder
- e. The Cardholder Acceptance form will be retained in Finance.

B. Modifying card limits

- a. All requests for modifications to Cardholder limits must be submitted by the Cardholder and Department Director via a card modification form to the Chief Administrative Officer or Designee.
- b. The Chief Administrative Officer or Designee reviews and approves all modifications to limits and submits it to Finance for processing.

- C. Using the card- General Information
- a. Placing Orders: The Cardholder may pick up supplies or services, or place an order for these by telephone, facsimile or electronically. Any purchases that require approvals must be obtained prior to placing the order.
 - b. Back Orders: the Cardholder must confirm that the vendor will charge the credit card when shipment is made so that receipt of the supplies may be certified on the monthly statement. The supplies or services must be immediately available for pick up, shipment or delivery within the monthly billing cycle. The order should not be placed without this assurance. No back ordering is allowed when using the credit card.
 - c. Authorized Purchases and Uses:
 - i. When a vendor does not accept a County issued purchase order or check and the goods and services aren't available elsewhere
 - ii. Purchases that can only be made via the internet with a credit card
 - iii. Urgently needed supplies or service (must be verifiable)
 - iv. Emergency purchases (must be verifiable)
 - d. Prohibited Purchases: The credit card is to be used for Lewis and Clark County authorized purchases only. Purchases for federally funded projects are allowed unless specifically prohibited on a named grant basis. The card cannot be used for any personal use. The following supplies and services shall not be purchased with a credit card:
 - i. Personal items
 - ii. Cash Advances
 - iii. Gas and Oil products (unless purchased for a County owned vehicle)
 - iv. Personal telephone calls
 - v. Capital Equipment
 - vi. Centralized Information Technology Equipment
 - vii. Meals unless specifically allowed in grants or authorized per Purchasing Policy Section (IV) E3
 - viii. All other supplies or services that may be prohibited by the Department Head or Finance.
 - e. Travel: Card may be used for pre-approved travel arrangements, to include
 1. Hotel/motel reservations and payments
 2. Air flight reservations
 3. Air flight travel payment
 4. Rental car

Card may not be used for meals or other travel expenses.

There is no transactional dollar limit on travel. However, all travel/reservations must follow the approved County Travel Policy

- f. Dollar Limits: A purchase may consist of multiple items, but the total invoice (including shipping) cannot exceed the Cardholders single purchase limit. All purchases on cards over the single transaction limit assigned must be pre-approved according to Section...”Modifying card limits”. The single purchase limit for cards will be determined at the time of issue. Charges for purchases shall not be split or staggered to stay within the single purchase limit. Splitting or staggering charges will be considered abuse of the card program.
- g. Documentation: For all transactions, the Cardholder must retain the original customer’s copy of the summary charge slip, along with the detail receipt, which identified every item purchased and the corresponding item cost in order to forward to the department tech or finance person for approval, who will in turn forward the documentation to Finance. For telephone or internet orders, the Cardholder must retain the receipt and/or packing slip. For all purchases of travel related charges (airline tickets, hotel accommodations, fuel for County vehicles, and rental cars) for County employees, an approved Travel authorization form must be attached to the receipt.
- h. Missing Documentation: Where supporting documentation is missing, the Cardholder must contact the vendor and request a duplicate receipt. If the Cardholder is still unable to obtain documentation the cardholder must contact Finance. Failure to provide adequate documentation will result in disciplinary action and employees may be required to reimburse the County for unsupported transactions.
- i. Credits: When items are returned a receipt must be obtained to verify credit is received and turned in.
- j. Denied Purchase: The Cardholder must report a denied point of sale or other rejected purchases to Finance. Information to be provided includes Cardholder name and account number, vendor and date of declined sale. Finance shall inquire into the denied sale, take appropriate action and report back to the Cardholder.
- k. Modification of Merchant Category Codes (MCC’s): the Cardholder should report purchases denied due to blocked MCC to Finance at once. Upon review of the denial and blocked code Finance may, at their discretion, request the bank to make a temporary or permanent change to the blocked MCC in question.
- l. Funding: a cardholder must follow the department’s administrative funding procedures to ensure that sufficient funds are available prior to making a purchase.
- m. Compliance: Use of the card does not relieve the cardholder from complying with Federal, State, Local laws, ordinances, regulations or County policies and procedures. A cardholder may be required to substantiate necessity or official use. Misuse of the card shall be subject to the immediate payment of all improper charges by the card holder and revocation of card privileges. Resolution of situations involving improper use of the card will be handled by the appropriate authority in accordance

with the County's policies and procedures. Misuse may result in penalties up to and including termination.

- n. Questions: Questions regarding card procedures should be directed to Finance.

4. Reconciling Monthly Statements

1. The Bank will provide departments with monthly statements, for verification of charges and reconciliation approximately 1-2 days after the end of each billing cycle.
2. The Cardholder must verify receipt of goods and services for all purchases and have supporting documentation (such as invoices, charge slips, receipts and packing slips) for all transactions processed on their card and submit the documentation to department finance for entry into the accounts payable system.
3. Department Finance approves all transactions have been made for a proper public purpose and in accordance with the credit card policy and the budget. All receipts are forwarded to County Finance for approval and payment.
4. Finance will reconcile card transactions paid through the accounts payable system with the consolidated bills. Credit card statements must be paid within 30 days of the department receiving the statement.

5. Payment & Reconciling

- a. The vendor is paid by the card provider within 3 days of the receipt of goods or services.
- b. Finance will pay the consolidated billing statements within 10 days from receipt of the statement. The County retains the right to dispute a charge up to 60 days after the statement date in which the transaction occurred.

6. Resolving Returns and Credits, Disputes and Erroneous Charges

- a. The Cardholder must resolve problems directly with the vendor. The vendor must issue a credit for billing errors, defective supplies or unacceptable services, returned supplies or canceled orders. The credit should appear on the Cardholder's statement within 60 days. Under no circumstances can the employee accept cash to settle a disputed amount.
- b. If the Cardholder is unable to resolve the issue with the vendor, or Cardholder's credit does not appear on the monthly statement within 60 days, Cardholder should contact the department finance person and County Finance.
- c. When an account is in dispute status, the disputed amount will still be included in calculating the available money for authorizations (monthly limit). However, disputed items are removed from all finance charges, late charges, over-limit fees, past due amounts and payment calculations. Disputes must be brought to the bank's attention promptly to avoid

payment of finance charges or payment of improper unauthorized or erroneous amounts.

- d. After the item has been entered as a dispute, the Bank must determine who is responsible by researching the transaction including requesting a copy of the sales receipt when necessary.
- e. If the problem is resolved between the merchant and the Cardholder while the item is in dispute, the Cardholder must notify Finance as soon as possible.
- f. If it is determined that the Cardholder is responsible for the transaction, the questioned amount will be added to the next monthly statement. If the Cardholder is not responsible for the transaction, the dispute is settled for the Cardholder and the charge back process will be initiated against the merchant by the Bank.
- g. If there continues to be problems with a particular merchant, the Cardholder shall notify Finance.

7. Reporting a lost or stolen card

If a card is lost or stolen, the Cardholder must immediately notify the Bank's Customer Service Department at 1-800-344-5696 and the Finance Department. The Cardholder must provide the Bank with the card's 16 digit account number. Access to the card will be immediately blocked, and the Cardholder shall not be responsible for any charges after the card is reported lost or stolen. The Bank will also require the Cardholder to submit written confirmation by email or mail of the card cancellation request reported verbally. A replacement card will be issued by the Bank and delivered to Finance.

8. Card Termination

- a. Employees leaving County employment: The Department Director or designee will immediately notify Finance of terminated employees who hold cards. Finance will cancel the care of an ex-employee immediately
- b. Exit Interview- During the exit interview, the Department Director or designee will obtain the card from the terminated employee. The Department Director or designee must notify Finance when cards belonging to terminated employees are not returned.
- c. Card Returned: The Department director or designee must return the cards to Finance who will cancel and/or destroy the cards.

9. Revocation of Card

Recommendations to revoke card privileges may be made to the Chief Administrative Officer or Designee by the Chief Financial Officer, or Designee. This recommendation would occur as a result of the Cardholder's failure to follow the County's policy and procedures. Upon acceptance of the recommendation to revoke by the Chief Administrative Officer or Designee, finance will immediately cancel the cards. Finance will obtain the revoked card from the employee and destroy the card.

10. Violations

Unauthorized purchases will result in disciplinary action up to and including termination and the employee will be required to make payment for any such transaction. When purchases are in question, Finance is responsible for resolving the issue with the Cardholder. If Finance is not satisfied that the purchase was necessary and for official use, the Cardholder must provide either a credit voucher proving the item(s) were returned for credit or a personal check made payable to the County, for the full amount of the purchase. Checks must be sent along with the receipt to Finance.

The following actions are prohibited:

- a. Purchases of items specifically prohibited by policy;
- b. Purchases that exceed the card limits;
- c. Not reporting lost or stolen cards;
- d. Purchase from vendors that create a conflict of interest (i.e., purchases from companies owned or operated by County employee(s) and /or their relatives, etc.);
- e. Inadequate record keeping and/or documentation of purchases;
- f. Acceptance of cash in lieu of a credit to the statement;
- g. Splitting or staggering of purchases within the single purchase limit.

V. CLOSING

Questions concerning this policy should be directed to the County Finance Office.

VI. REFERENCES

- A. Lewis and Clark County Internal Control Policy
- B. Purchasing Polcy
- C. Administrative Rules of Montana- Title 2.5
- D. Montana Code Annotated(MCA) Section 18, Chapter 4, Montana Procurement Act

VII. ATTACHMENTS

- A. None.