

ORDINANCE NO. 8-18

AN ORDINANCE ADOPTING A PURCHASING CARD POLICY FOR THE CITY OF MEDINA, AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEDINA, OHIO:

- SEC. 1:** That the Purchasing Card Policy for the City of Medina is hereby adopted.
- SEC. 2:** That a copy of the Policy is marked Exhibit A, attached hereto and incorporated herein, and shall be subject to the Law Director's final approval.
- SEC. 3:** That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.
- SEC. 4:** That this Ordinance shall be considered an emergency measure necessary for the immediate preservation of the public peace, health and safety; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and signature by the Mayor.

PASSED: January 8, 2018

SIGNED: John M. Coyne, III
President of Council

ATTEST: Kathy Patton
Clerk of Council

APPROVED: January 9, 2018

SIGNED: Dennis Hanwell
Mayor

Ord. 8-18
Exh. A

**CITY OF MEDINA
PURCHASING CARD POLICY**

OVERVIEW

The objective of the City of Medina's Purchasing Card Program is to improve the way we conduct business. It will allow us to obtain favorable pricing by enabling us to purchase from vendors who do not accept purchase orders, or expedite a transaction in an emergency situation. This program is designed to be easy to use, however, appropriate controls must be in place to ensure the ongoing success of the program.

This program is not intended to avoid or bypass current purchasing and payment procedures (i.e. purchase order and payment by check direct to vendor). Rather, the program enhances the existing process. Policies and procedures cannot cover every issue, exception or contingency that may arise in the use of purchasing cards, therefore, users should use common sense and good judgement in the use of government resources. City funds are committed each time a purchasing card is used, a responsibility that cannot be taken lightly.

GUIDELINES

1. Purchasing card transactions are hereby authorized for in-store, internet, telephone, fax or mail order acquisitions, only when a purchase order is not accepted by the vendor or in emergency situations where use of a purchasing card would be more efficient. You must have a purchase order in place to sign out the card from the Finance Department.
2. The Finance Director shall be responsible for the issuance, monitoring, retrieval and general oversight of compliance with this Purchasing Card Policy.
3. Purchasing cards shall be in the name of City of Medina. Transactions made on behalf of the City are ONLY to be made by City employees authorized by the Finance Director to do so. Authorized user lists will be maintained in the Finance Department.
4. Purchasing cards shall only be used for the purchase of goods and services that are the official business of the City of Medina.
5. All purchasing cards issued to the City of Medina will be maintained in the Finance Department. Should it become necessary for an employee to use a card for the purchase of goods or services as part of official City business, the employee shall sign out the card providing his/her name, department, date of use, vendor, reason for purchase, purchase order number and date of card's return.
6. Because of short payment terms and costly late fees and interest charges, a purchase order must be on file in the Finance Department BEFORE the purchasing card is signed out and used.

7. When providing the vendor with an email address for a purchasing card transaction, the employee must use accountspayable@medinaoh.org as the primary contact so that transactions and amounts can be monitored. Any emails received will then be forwarded to the employee who made the purchase for receipt processing.
8. The employee needs to ensure that sales tax is not charged at the point of sale – the City cannot pay sales tax. The employee is responsible for getting the vendor to remove any sales tax applied in error. If sales tax is not removed, the employee will be required to reimburse the City for that amount. Failure to reimburse will result in payroll deduction for the tax amount.
9. Documentation itemizing the goods and services purchased with City purchasing cards shall be required for all transactions. Obtaining appropriate receipts is the responsibility of the user. Acceptable receipts must be **itemized** and contain vendor name, dollar amounts, description of all items purchased, and date of purchase. This may be a signed credit card slip, sales receipt, invoice showing payment was made, purchase confirmation email, or a combination thereof. If this documentation cannot be provided, the employee shall reimburse the City for the entire amount of the purchase. Failure to reimburse will result in payroll deduction for the entire amount. Habitual failure to turn in appropriate receipts will result in termination of purchasing card privileges.
10. City purchasing cards shall not be used for personal use, cash advances, or other vendor category exclusions (i.e. alcohol, tobacco products, etc.). See “Card Controls and Limits” below.
11. Any refunds from purchasing card sales must be credited back to the purchasing card.
12. All benefits derived from the use of purchasing cards shall become the property of the City of Medina.
13. A purchasing card must be used for hotel stays so the City avoids paying a majority of the taxes. However, the card is only to be used for the room rate and any parking fees. No room service, mini bar food or drink, or entertainment expenses, or anything else other than room rate and parking fees are to be charged to the card.
14. Meals may be charged to the card as long as they do not include alcohol. Itemized receipts are required. Maximum tip allowed is 20%. Failure to provide an itemized receipt will result in the employee being required to reimburse the City for the full amount. Failure to reimburse will result in payroll deduction for the amount.
15. If an employee experiences denials when using a City purchasing card, the employee shall immediately notify Accounts Payable, who will then investigate the denial.
16. Employees shall be responsible for the protection and custody of the purchasing card while in their possession. Employees shall not knowingly post or otherwise make public available card data that could potentially result in fraud or unauthorized charges. If a card is lost or stolen, the

employee shall immediately notify Accounts Payable. Repeated card loss may result in termination of card privileges.

17. Any City employee who violates the provisions of this Purchasing Card Policy shall be subject to disciplinary action, up to and including discharge and/or civil or criminal action.

CARD CONTROLS AND LIMITS

The purchasing cards have embedded limits and restrictions. Each time a card is used, the vendor is required to obtain authorization from the banking network. This ensures the purchase is within the program controls and limits established to safeguard against possible improper and/or fraudulent use.

The following is an outline of the types of embedded restrictions on the cards. They are designed to protect you and the City of Medina:

1. Spending limits:
 - Monthly purchase limit - \$2,500 per card; \$10,000 City wide.
 - The splitting of purchases into separate transactions to avoid either of these requirements is strictly prohibited.
 - Board of Control approval is required to increase any limits.

2. City of Medina purchasing cards are not to be used for items such as:
 - Personal purchases
 - Cash advances, ATM transactions, and other cash related activities
 - Entertainment expenses
 - Alcohol and tobacco

I have read the City of Medina purchasing card policy and agree to abide by all of the requirements.

(Employee name – printed)

(Employee signature)

(Date)