

City of Parma - Credit Card Policy

Credit Card Usage Overview:

The use of credit cards shall be for City of Parma expenditures only and is not intended to avoid or bypass appropriate purchasing or payment procedures. By accepting the credit card, the employee assumes responsibility for the card and will be responsible for all charges made with the card during the time it is in his/her possession. All credit cards must be maintained with the highest level of security. If the card is lost or stolen, or if an employee suspects that the card and/or account number to have been compromised, the employee agrees to immediately notify their supervisor, the appropriate Appointing Authority (i.e., Safety or Service Director), and the Human Resources & Purchasing Director.

Parameters and procedures related to the use of a City credit card may be updated and changed at any time. The City shall promptly notify all users of the changes. The employee who signs out a credit card agrees to and will be responsible for the execution of any program change.

Issuance Guidelines:

A credit card will be made available to employees based on need and upon approval of the Department Director and appropriate Appointing Authority. An employee who requisitions or purchases goods and services is eligible to use a credit card upon the approval of his/her Director. New City credit cards may be requisitioned only upon the approval of the Human Resources & Purchasing Director.

Making a Purchase:

A purchase order must be obtained for any purchase over \$500.00 prior to the transaction. It is the responsibility of the Department Director to ensure that there is available budget in the account before using the commercial card. Purchases made using a credit card must not include sales tax. The City of Parma is a municipal corporation and is therefore not subject to State and Local sales or use tax. The employee making the purchase must be certain that the vendor/supplier does not charge sales tax; therefore, the receipt and/or packing slip must show a tax amount of \$0.00.

Receipt Documentation:

The employee making the purchase shall forward the receipts for each transaction to the Accounts Payable Clerk within their department. The collection of receipts is necessary to substantiate the purchase and non-payment of sales tax. Acceptable receipt documentation includes: credit card receipt, sales receipt, packing slip, cash register tape or a combination thereof, which contains:

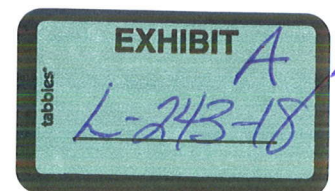
- I. The purchase amount and substantiation that no sales tax was paid
- II. A line item description of the item(s) purchased and the amount paid

Obtaining receipts and other acceptable documentation is the responsibility of the employee making the purchase.

Statement Review and Verification Process:

The following steps should be taken by the Accounts Payable Clerk in each department that is authorized to use a credit card:

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- I. If any discrepancies are identified, the authorized user of the credit card must follow the disputed charges procedure outlined in the each respective credit card agreement.
- II. If sales tax is charged on a specific transaction, clearly note the statement and follow the disputed charges procedure outlined in each respective credit card agreement.
- III. Staple receipts to the cardholder statement and process for payment. Invoices under \$500.00 can be processed at the department level and submitted to the Auditor's Office. Invoices over \$500.00 must to be submitted to Auditor's Office to be keyed for payment. These procedures apply to the Lowes, Home Depot and Sears's credit cards. Remittance to Key Bank is as follows:

A paper statement will not be issued by Key Bank. Each department's Accounts Payable Clerk will need to access the Key2Business (K2B) website to view/print their statement at: www.key2businesscard.com.

The City's billing statement will end on the last day of each month; payment is due within 14 days from that date. The statement date will always be a business day. The statement will contain all charges since the last statement through the end of the then current statement date. Statements will be posted to the K2B website on the calendar day following the statement date. Statement dates will vary when the regularly scheduled statement date falls on a weekend or holiday as set forth below:

Statement Date Falls on a Holiday or Weekend	Move Statement Date To
Sunday -- Thursday	Next Business Day
Friday -- Saturday	Previous Business Say

Key Bank will only accept payment by wire transfer. Payment information will need to be submitted to the Deputy Treasurer and Accounts Payable Coordinator two (2) days before the payment due date in order to avoid late fees. A late fee in the amount of 2.5% of the total invoice will be charged to any late payment. The department that does not remit payment in a timely matter will be responsible for such payment.

The Deputy Treasurer has requested the following information in order to process the wire payment:

- I. A cover letter stating: account number, payment amount, and the following statement; "Please pay the attached invoice by wire for the Key2Business credit card."
- II. A copy of your coded invoice

The original coded invoice and a copy of the cover letter must also be submitted to Auditing.

Credit Card Controls:

The following is an outline of the types of embedded restrictions on the card:

- A. MCC Group Codes:
 - a. Gambling

- b. Date and Escort Services
- c. Government Owned Lottery
- d. Government Licensed Horse/Dog Racing
- e. Massage Parlors
- f. Betting, including Lottery Tickets and Casino Gambling Chips
- g. Internet Gambling
- h. Pornography at Hotels
- i. Liquor

B. Credit Limit

Credit Card Limits:

Lowes:	\$12,000.00
Home Depot:	\$7,500.00
Sears:	\$7,500.00
Key Bank:	\$4,167.00 (Fire Department)
	\$4,166.00 (Police Department)
	\$1,000.00 (Golf Course)

Account Activity Reviews:

Reviews of credit card accounts and activities will be done at the department level on a monthly basis prior to submitting the credit card statement for payment.

Rewards Program:

Lowes: A five percent (5%) discount is received at the point of sale.

Home Depot: An annual rebate of up to five percent (5%) is received on all qualifying pre-tax purchases. The Service Department receives a rebate check on an annual basis during the month of February. The Accounts Payable Clerk shall obtain the appropriate account information (refund line-item) from the Auditor's Office so that the rebate is deposited in a timely fashion. It is the responsibility of the Service Department to review their statements and account rebates for accuracy.

Sears: A rewards program does not accompany this credit card.

Key Bank: A rewards program does not accompany this credit card.

Record Retention:

Each department must follow their record retention schedule pursuant to the department's RC-2 on file with the Ohio Historical Society.

Lost or Stolen Card:

A lost or stolen card must be reported immediately to both the appropriate Appointing Authority and the Human Resources & Purchasing Director. The Human Resources & Purchasing Director or his/her designee will contact the fraud/risk department associated with the lost or stolen credit card.

HOME	SCHEDULES	LEGISLATION	LEGISLATORS	COMMITTEES	SESSION	BUDGET	LAWS	PUBLICATIONS
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House Bill 312

Summary
VERSION OF LEGISLATION

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General Assembly: 132

Short Title: [Regards credit and debit card use by political subdivisions](#) [\[Show Long Title \]](#)

Primary Sponsor: [Representative Schuring](#), [Representative Greenspan](#)

Version: As Enrolled

Legislation Text : [View Current Version](#)

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Subjects

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Committees

[Senate Government Oversight and Reform](#), [House Government Accountability and Oversight](#)

Effective Date

November 2, 2018

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