

**ORDINANCE NO. 84-A
CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON**

**AN ORDINANCE OF THE CITY OF LIBERTY LAKE, WASHINGTON AMENDING
ORDINANCE 84 A SYSTEM FOR THE ISSUANCE, USE AND CONTROL OF CREDIT
CARDS BY CITY OFFICIALS AND EMPLOYEES INCLUDING AUTHORITY TO
ADOPT RULES AND PROCEDURES REASONABLY RELATED THERETO.**

WHEREAS, the City Council finds the use of credit cards allows for the efficient operation of the City when purchasing goods, supplies and other items from vendors, as well as, charging expenses incident to authorized travel; and

WHEREAS, RCW 43.09.2855 and RCW 42.24.115 authorized the use of credit cards for governmental purchases and acquisitions, as well as, expenses incident to authorized travel provided the City adopts a system relating to the distribution, authorization, credit limits, payment and control of the use of such credit cards.

NOW, THEREFORE, the City Council of the City of Liberty Lake, Washington, do ordain as follows:

Section 1. Definitions. As used in this ordinance, the term "credit card" means a card or device issued under an arrangement pursuant to which the issuer [credit card company] gives to the card holder [the City] the privilege of obtaining credit from the issuer.

Section 2. Issuance, Use and Control of Credit Cards. The City adopts the following Credit Card Policy (see exhibit A) system for the issuance, use and control of credit cards by City officials and employees.

A. The Mayor or designee is authorized to obtain City credit cards under the following system which provides for the distribution, authorization, control, credit limits and payment of bills through the use of the credit cards by City officials and employees.

1. Issuance and Use. Credit cards may be issued to the City of Liberty Lake and used by City officials and authorized employees for purchasing goods, supplies and other items from vendors or incurring registration, training or travel expenses in connection with the performance of their duties on behalf of the City.

2. Authorization and Control. Upon authorization from the Mayor, and the completion of the Employee Purchase Card Agreement (see exhibit B), City employees may obtain credit cards from the City Clerk-Treasurer who shall maintain a ledger of the individual receiving the credit card including the date the card was received. City Council members may obtain credit cards from the City Clerk-Treasurer. The Clerk-Treasurer shall implement accounting controls to insure the proper use of credit cards and credit card funds.

3. Credit Limits. The credit limit shall not exceed \$5,000.00 per card or as otherwise identified in Exhibit C.

4. Payment of Bills. The City Clerk-Treasurer shall establish a procedure for the prompt payment of all credit card bills on or before the due date.

5. Unauthorized Charges. No official or employee shall use the City issued credit card for non-City business purposes. No charge(s) shall exceed amounts established and available in the City budget.

6. Cash Advances. Cash advances on credit cards are strictly prohibited.

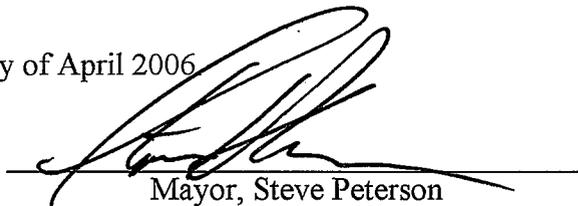
B. Expenses incident to authorized travel may be charged to a City issued credit card provided the official or employee returns to the City an itemized travel expense voucher with credit card receipts. If certain credit charges are disallowed as a result of audit or City policy, such charge must be repaid to the City with the City having the right to withhold funds payable to the official or employee up to the amount of the disallowed charge including interest at the rate charged by the credit card company.

C. The Mayor is authorized to revoke the use of any charge card issued and immediately require the surrender of the credit card. The Mayor may deliver a revocation order to the charge card company with the City not being liable for any future costs incurred after the date of revocation.

Section 3. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

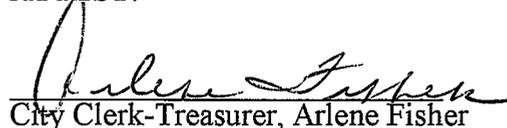
Section 4. Effective Date. This Ordinance shall be in full force and effect five (5) days after publication of this Ordinance or a summary thereof in the official newspaper of the City as provided by law.

PASSED by the City Council this 18th day of April 2006



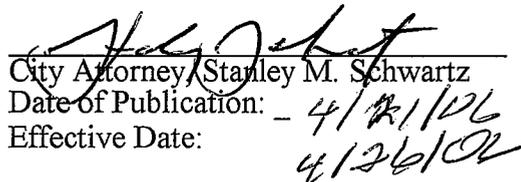
Mayor, Steve Peterson

ATTEST:



City Clerk-Treasurer, Arlene Fisher

APPROVED AS TO FORM:



City Attorney, Stanley M. Schwartz
Date of Publication: - 4/18/06
Effective Date: 4/26/06

CITY OF LIBERTY LAKE CREDIT CARD POLICY

1. PURPOSE

This document establishes the policies and procedures regarding the use of credit cards to procure goods, services or for travel related expenses.

This policy is divided into the following sections:

SECTION 1 –	Purpose
SECTION 2 –	Delegation of Authority
SECTION 3 –	Employee and Elected Official Eligibility
SECTION 4 –	Department Head Procedures
SECTION 5 –	Purchasing/Credit Card Use
SECTION 6 –	Card Restrictions
SECTION 7 -	Misuse of the Credit Card
SECTION 8 -	Credit Card Cancellation
SECTION 9 -	Administration

2. DELEGATION OF AUTHORITY

The Mayor or designee is authorized to obtain City credit cards for the use of travel, procurement purchases (i.e., office supplies, library material, and other items).

3. EMPLOYEE AND ELECTED OFFICIAL ELIGIBILITY

Credit cards will be issued to authorized City employees and elected officials. Department Heads are responsible for authorizing an employee to use a credit card.

If the employee's name appears on the card, only that employee may use the card as prescribed above.

4. DEPARTMENT HEAD PROCEDURES

Department Heads may issue non-individualized "department" card to eligible employees for use as described in section three. Department Heads are responsible for the issuance each card and must keep a written log to ensure cards are checked in and out properly.

Department Heads are responsible for the monthly statements including reconciliation and the issuance of purchase orders as prescribed in the City's purchasing policy procedures. Statements must be returned to the Finance Department before the billing statement due date to allow for processing and Council approval.

5. PURCHASING CARD USE

The maximum monthly limit per card and the City's aggregate monthly limit will be established by the Bank of Whitman. A department Head may establish lower limits for department employees.

Use of the Credit Card does not relieve the employee/cardholder from complying with City and Departmental policies and procedures. The Credit Card is not intended to replace effective procurement planning which can result in quantity discounts, reduced number of trips, and more efficient use of City resources.

All employees are encouraged to use the invoicing and vouchering process when procuring goods or services from a vendor. The Credit Card shall be used on a limited basis if there is a cost savings to the City or use of the Credit Card is the only means available to purchase a product or service.

Resolution of any merchandise returns and billing errors are the Cardholder and/or Department Head's responsibility. All verifiable charges must be paid upon invoicing.

The Cardholder will be responsible to report a lost or stolen card by contacting the Finance Department immediately. The Finance Department will confirm the loss in writing to the bank. Only the Director of Finance may authorize a replacement card.

The following conditions must be met when using the Credit Card:

Each single purchase may be comprised of multiple items, but the total amount must not exceed the transaction limit. When a purchase exceeds the \$500 transaction limit, the normal procedure of using purchasing orders must be followed. Purchases must not be split to circumvent the transaction limit. The least expensive item that meets the needs of the department should be sought.

Cardholders must follow their department's administrative control of funds procedures to ensure that sufficient budgeted funds are available for the purchase.

The cardholder must obtain an itemized receipt from the vendor and submit the receipt to their Department for processing.

6. CARD RESTRICTIONS

The following list covers purchases for which the Credit Cards are specifically prohibited:

- Cash advances or cash refunds;
- Personal use of any kind or any non-city purpose;
- Tuition and/or other reimbursable personal expenses;
- Gas for personal vehicle; (if using personal vehicle mileage must be claimed and processed on a City Travel Voucher);
- Personal cellular phone bills;
- Capital expenditures (unless approved by a Department Head)
- Any work considered to be Public Works;
- Goods or services on City contracts; unless payment by credit card was specifically contracted.

7. MISUSE OF THE CREDIT CARD

If for any reason disallowed charges are not repaid by the cardholder before the card billing is due and payable, the city shall retain a prior lien against and a right to withhold any and all funds payable to the employee up to an amount of the disallowed charges and interest at the same rate as charged by the purchasing card contractor. Consequences for misuse of the Purchasing Card can include:

- Permanent revocation of Credit Card privileges;
- Assignment of wages for repayment of discrepancies;
- Notification to the Director of Finance and the Internal Auditor to investigate the matter further; and
- Disciplinary action.

8. CREDIT CARD CANCELLATION

The Credit Card may be cancelled for any of the following reasons:

- The card is lost or stolen;
- If the card is used in a manner which is inconsistent with City Policy;
- The employee retires, resigns or is otherwise terminated from city employment;
- The authorizing Department Head requests cancellation for any reason;
- The Mayor or Finance Director requests cancellation.

9. ADMINISTRATION

The Credit Card policy is administrated by the Finance Department. The Mayor and Finance Committee is responsible for ensuring that all policies and procedures are followed.



CITY OF LIBERTY LAKE EMPLOYEE PURCHASE CARD AGREEMENT

As an employee of the City of Liberty Lake, I understand the City has authorized my use of a Purchasing (VISA) Card for approved business and travel related expenses. In accepting this card, I agree to the following terms and conditions:

- The card may be used for payment of authorized business and travel related expenses on behalf of the City of Liberty Lake.
- The card may not be used to obtain cash advances or other expenses that are not allowed as established by City or department purchasing policies and procedures.
- The card may not be used for personal use.
- The card may not be used for payments for professional service agreements, public works contracts, and/or human services contracts.
- I understand that when using the Purchasing Card for travel and meal expenses that I am governed by the City of Liberty Lake travel policies.
- I understand that my Purchasing Card limits are set forth by the Finance Department and authorized by the Department Director.
- Whenever a purchase is made, I will retain all receipts, packing slips, and shipping documents.
- I understand that it is my responsibility to reconcile, or arrange for the reconciliation, of my Purchasing Card monthly statement. It is my responsibility to have the Purchase Order or Travel Voucher signed by my supervisor. The Purchasing Card Administrator in the Finance Department must receive the reconciliation, appropriate approvals, and all receipts by the established due dates.
- I understand that I will surrender the Purchasing Card to the Purchasing Card Administrator or the City may revoke the Purchasing Card if , (1) the Purchasing Card is used in a manner which is inconsistent with any City or Department policies and procedures and/or the requirements of this Agreement, (2) I transfer to another department, resign or otherwise terminate City employment, (3) if the monthly reconciled Purchasing Card statement and receipts are not received by the Purchasing Card Administrator by the established due dates, and (4) if finance charges are incurred as a result of my negligence.
- I understand that if my card is lost or stolen I must report it immediately to the Purchasing Card Administrator.
- I will be held personally and financially responsible for unauthorized purchases and/or for purchases not supported by detailed receipts. I authorize such transactions may be deducted from my paycheck.

I have read and understand the above conditions as well as referenced policies and procedures and certify that I will be in compliance with required policies and procedures.

Dated this _____ day of _____, 2006

Employee Signature _____

Department Head _____

Purchasing Card No. (if applicable) _____