

Laketown, Utah
ORDINANCE 2021-05

**AN ORDINANCE OF LAKETOWN AMENDING THE ADMINISTRATION OF
LAKETOWN TOWN CODE TITLE 1 ADDING
CHAPTER 14 CREDIT CARD POLICY**

WHEREAS, the town council desires to establish standards of credit card use; and

WHEREAS, the state of Utah auditor's office recommends this addition and the town council conducted a public hearing for this amendment.

NOW THEREFORE, BE IT ORDAINED by the Laketown Town Council that the Laketown town code Administration Title 1 be amended to add chapter 1-14-1 Credit Card Policy.

SECTION 1: Language to be added.

1-14 Chapter 1 Credit Card Policy

SECTION:

- 1-14-1: Credit Card Procedures
- 1-14-2: To Obtain a Card
- 1-14-3 Card Holder Responsibilities
- 1-14-4 Accountant Responsibilities
- 1-14-5 Approved Credit Card Purchases
- 1-14-6 Prohibited Credit Card Purchases
- 1-14-7 Built-In Restrictions
- 1-14-8 Reconciliation and Payment
- 1-14-9 Disputed Transactions
- 1-14-10 Employee Termination

1-14-1 Credit Card Procedures:

By requesting a Town of Laketown Credit Card, each applicant acknowledges that they have read and understand the Town of Laketown's Policy and Procedures, in its entirety. These procedures provide information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled monthly and miscellaneous information about the program.

1-14-2 To Obtain a Card:

Complete a Town of Laketown Credit Card Acceptance Agreement (Appendix A). All requests will be processed through the Town of Laketown Accountant with final approval by the Laketown Town Council. The cardholder's signature on the Acceptance Agreement (Appendix A) indicates that the cardholder understands the intent of the program and agrees to adhere to the guidelines established for Credit Card Policy and Procedures.

Upon receipt of an approved credit card, it is the responsibility of the cardholder to sign the back of the issued card. Applicants are responsible for the security of the card issued and the transactions made with the card. The credit card is issued in the name of the applicant and it will be assumed that any purchases made with the card will have been made by the applicant. **The cardholder is the only person entitled to use the card issued.** Failure to comply with the guidelines established for the program may result in severe consequences, up to and including termination of employment.

1-14-3 Card Holder Responsibilities:

It is the responsibility of the cardholder to:

- Read and understand the Town of Laketown Credit Card Policies and Procedures
- Sign the Town of Laketown Credit Card Acceptance Agreement. (See Appendix A)
- Make only authorized purchases as prescribed by the Town of Laketown Purchasing Policy and approved departmental budget
- Retain receipts for all transactions. In the absence of a receipt, a Missing Receipt Form must be completed and signed by the cardholder **and** a Member of the Laketown Town Council. (See Appendix B)
- Reconcile the credit card statement upon its arrival. All reconciliations, statements, and receipts, with an attached Warrant request for each transaction, are due to the Town of Laketown Accountant by the 1st of the following month
- Keep the credit card and the corresponding account information secure. Immediately report any lost or stolen credit card and/or account information to the Town of Laketown Accountant
- Report fraudulent charges or any discrepancies in the credit card statement in a timely manner to the Town of Laketown Accountant

1-14-4 Accountant Responsibilities

It is the responsibility of the Accountant to:

- Request and oversee the issuance of new cards, through the Treasurer's Office, and the Laketown Town Council. The credit limit will be determined at the discretion of the Laketown Town Council
- Inform the Laketown Town Council when limit changes or cancellations are needed due to personnel changes
- Payment on Credit Cards is to be done immediately upon receipt
- Credit Card reconciliations are to be completed within 15 days of payment due date
- Review the cardholder's reconciliation and transactions for completeness, accuracy, and compliance with Town of Laketown policies and procedures
- Address the cardholder about questionable transactions for clarification purposes
- Report any misuses of credit cards immediately to the Town of Laketown Council

- Sign the Warrant form for each cardholder after review
- Insure that the Treasurer's Office receives copies of receipts

1-14-5 Approved Credit Card Purchases:

- Business related uses, subscriptions, seminars, dues, books
- Office supplies, furniture
- Small tools (purchase/rental), electrical, safety and building maintenance supplies
- Vehicle maintenance supplies
- Certain allowable travel expenditures:
 - Conference registrations or seminar rooms
 - Town of Laketown sponsored group gatherings
 - Hotel rooms

1-14-6 Prohibited Credit Card Purchases:

The following purchases are strictly prohibited from being purchased by using a Town of Laketown credit card:

- Any merchant, product, or service normally considered to be inappropriate use of Town of Laketown funds
- Purchase of items for personal use or consumption
- Purchasing in violation of the Town of Laketown Purchasing Policy
- Capital equipment purchases/repair
- Alcohol
- Fuel for fleet vehicles unless traveling outside of Utah.
- Splitting a purchase to remain under purchasing policy limits
- Consultants:
 - Architects
 - Engineers
 - Attorneys and Attorney's fees
 - Medical, including hospital/doctor visits

1-14-7 Built-In Restrictions:

Each card is assigned Monthly and Single-Purchase credit limits. If you find over time that these limits are too low to accommodate your monthly requirements, please contact a member of the Laketown Town Council to review the limit given. The Town of Laketown has the ability to block, if necessary, certain supplier's Merchant Category Codes. If the Town of Laketown chooses to block a Merchant the card will be declined. Please refer to the Accountant regarding issues with a possible blocked card.

1-14-8 Reconciliation and Payment:

The Town of Laketown Credit Card Program carries the Town of Laketown, not individual, liability. Credit Card Invoices will be paid by the Town of Laketown Accountant as outlined in Section 1.30. The cardholder will not be required to pay the Monthly Statement using personal funds. The program does not impact the cardholder's personal credit rating in any way.

The cardholder is required to obtain and retain all receipts for goods and services purchased when using the credit card. If purchases are made via phone, mail, e-mail or other electronic means, ask the supplier to include and itemized receipt with the goods when the product is shipped to you. This itemized receipt is the only original documentation specifying whether or not sales tax has been paid against the purchase.

Each cardholder will receive a statement identifying all transactions made against the card during the previous billing cycle. The statement must be reconciled against the receipts for accuracy. The reconciled statement is to be sent to the Town of Laketown Accountant for review, and approval. The cardholder's activity may be audited at any time.

1-14-9 Disputed Transactions:

Disputes on credit cards must be identified in writing to the issuing credit card company within 60 days of the monthly statement date. If a dispute is not identified in writing within 60 days of the Monthly Statement date the issue must then be resolved between the Town of Laketown and the supplier.

The cardholder is responsible to identify possible disputed or fraudulent transactions on the monthly statement provided to them for reconciliation. If an audit is conducted on the cardholder's account, the cardholder must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, the cardholder is responsible for showing that the error or dispute resolution process was completed.

It is the cardholder's responsibility to notify immediately the Town of Laketown Accountant if there is a possible dispute on an issued credit card.

1-14-10 Employee Termination:

Upon notice of a cardholder terminating their current employment, the cardholder's supervisor is responsible to take possession of the card and any outstanding original receipts. The supervisor should immediately notify the Accountant so they can notify the card issuer and close the account.

Appendix A

CREDIT CARD HOLDER ACCEPTANCE AGREEMENT

The following Credit Card Acceptance Agreement must be signed by all authorized employees of the Town of Laketown with access to a credit card.

I understand that the Town of Laketown has authorized my use of a Town of Laketown credit card for authorized Town of Laketown expenditures on its behalf. In accepting and/or using the card, I agree to be bound by the terms and conditions which follow.

- I will use the card issued to me for the payment of authorized expenses consistent with my organizational responsibilities and to satisfy the needs of my department and the Town of Laketown
- I will not use the card to obtain cash advances
- I understand that **I am the only authorized card user** and accept the responsibility and accountability for the protection and proper use of the card
- I will not use the card for personal use or for any other non-Town of Laketown purposes
- I understand that all purchases shall be made in accordance with applicable purchasing and credit card policy and procedures approved by the Laketown Town Council
- I understand that I will be responsible for the timely reconciliation of all credit card transactions charged to my assigned card
- I understand that I am responsible to provide appropriate documentation/receipts for credit card transactions charged to my assigned card
- I will surrender my assigned card to the Town of Laketown Accountant (Administrator) in the event of my separation from the Town of Laketown
- I understand that any charges against my assigned card that are not properly identified or not allowed by the Town of Laketown shall be paid by me by check, United States currency or salary deduction. I further understand that any employee who has been issued a card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the Administrator or Member of the Laketown Town Council
- I will immediately report any stolen or lost card to the Administrator

I understand that any variance and/or violation of the above conditions will result in cancellation of my assigned credit card. Misuse of the card could result in disciplinary action and/or personal liability for unapproved charges. All Town of Laketown credit cards are subject to examination by external and internal auditors.

I HAVE READ AND I UNDERSTAND THE ABOVE CONDITIONS.

Name: _____ Department: _____

Signature: _____ Credit Card #: _____

Appendix B

**ENTITY CREDIT CARD
 MISSING RECEIPT FORM**

This form is to be used as documentation only if the actual receipt, invoice, packing list, or internet order screen print unavailable for a transaction made on a Town of Laketown Credit Card. It will be allowed only as a rare circumstance **must be filled out COMPLETELY and signed by a Council Member.**

***Cardholder Information**

Cardholder Name:		Account #:	
Department:		Extension:	

***Why is the original receipt, packing list, invoice, or other appropriate substitute n**

***Supplier Information**

Supplier Name:		Phone #:	
City and State:			
Date of Purchase:			
Order placed with (name of supplier's representative):			

*Item Description	Quantity	Unit Price
* Order Total		

The Town of Laketown is exempt from sales tax in most instances. Tax Exempt #: XXXXX

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*Cardholder Signature:		Date:
_____		_____

*County Council Member:		Date:
_____		_____

*** = Required Information**

SECTION 2: This ordinance shall take effect upon adoption.

PASSED and ADOPTED THIS 10th day of March 2022.

Town of Laketown:

Burdette W. Weston
Laketown Mayor

TOWN COUNCIL VOTE AS RECORDED:

	Aye	Nay
Council Member Clark:	_____	_____
Council Member Ogilvie:	_____	_____
Council Member Robinson:	_____	_____
Council Member Wight:	_____	_____
(In event of a tie vote of the Council):		
Mayor Burdette W. Weston	_____	_____

ATTEST:

Amber Droesbeke
Clerk