BEFORE THE BOARD OF FERRY COUNTY COMMISSIONERS
RESOLUTION NO. 2013-11
AMENDING 2011-05

IN THE MATTER ADOPTING A CREDIT CARD POLICY

The authorization of use of County Credit cards and establishing policies.

WHEREAS, RCW 43.09.2855 (3) authorizes local governments, including counties, to use credit cards for official government purchases and acquisitions provided that their legislative bodies adopt a system for:

a) The distribution of the credit cards;
b) The authorization and control of the credit cards;
c) The credit limits available on the credit cards;
d) Payment of the bills; and
e) Any other rule necessary to implement or administer the system under this section; and

WHEREAS, RCW 42.24.115 authorizes municipal corporations to issue charge cards to officers and employees for the purpose of covering expenses incident to authorized travel;

WHEREAS, the Board of Ferry County Commissioners intends by this Resolution to adopt a system for the authorization, distribution, control, implementation and the administration of credit cards by county officials and employees;

WHEREAS, commercial credit cards may be issued to Elected Officials and Appointed Department Supervisors, Junior District Elected officials and appointed Secretary/Treasurer for those districts that currently have the County Auditor, audit their bills; upon written request and approval by the Board of County Commissioners.

NOW, THEREFORE, IT IS HEREBY RESOLVED AND ORDERED THAT;
The Ferry County Board of County Commissioners shall implement the attached policy for the authorization, distribution, control, implementation and administration of credit cards by Ferry County Elected Officials, Department Heads, Junior Districts and employees as follows;

Introduction

Ferry County credit cards are to be used specifically for purchasing goods and services for Ferry County. Credit card purchase will not replace the normal purchasing procedures, but it will be used in instances where it is more advantageous or cost effective.

EX. #1

Credit card privileges may be rescinded at any time at the discretion of the County Auditor or Board of County Commissioners if policies and/or procedures are not followed. Each Elected Official/Department Head (or designee) will audit credit card usage and the cardholders will be personally liable for any unauthorized use that occurs on their credit card.

These procedures provide the guidelines under which cardholders may utilize their credit card. All cardholders should read the procedures carefully. A cardholder's signature on the Ferry County Cardholders Agreement understands the intent of this process and agrees to adhere to the guidelines.

In the event a credit card holder leaves County employment, or leaves a Junior District, the credit card will be verified to be paid in full and deactivated and the credit cards must be turned in at the time an employee resigns as stated under "Termination of the Cardholder" below. Credit cards must be returned and verification of zero balance completed before final paycheck is issued.

Credit cards may be issued to regular County employees with pre-approval by their respective Elected Official/Department Head in coordination with approval of the Board of County Commissioners. No person other than the Elected Official/Department Head or their employee with permission of Elected Official/Department Head is authorized to use the assigned credit card. The Elected Official/Department Head (or designee) will provide training to the employee prior to the issuance of the credit card to ensure that all policies and procedures are understood. An employee will not be issued a credit card unless training has taken place. The credit card issued to the employee shall only be used for purchases directed by the Elected Official/Department Head under the provisions of the purchasing and credit card policies and approved for County business only.

Definitions

1. "Billing Period" means the monthly cycle during which transactions are posted. This cycle might not coincide with an actual calendar month.
2. "Credit Card Statement" means the individual cardholder's monthly statement that list all transactions made during the billing period.
3. "Cardholder" means an employee who is issued a credit card.
4. "Disputed Item" means a transaction appearing on the statement that the cardholder or custodian did not authorize.
5. "Ghost card number" means when the number is used on the internet or phone transaction and a physical card was not used.
6. "HR" means human resources coordinator.
7. "Reconciliation" means the process of verifying, approving and settling transactions.
8. "Transaction log" means a monthly transaction log.

Management and Obtaining Credit Cards

Board of County Commissioners

1. Establish credit card limits and approve credit card requests from Elected Officials/Department Heads.
2. Disperse a copy of authorization to Treasurer for card application.

Elected Official/Department Head

1. It is the responsibility of the Elected Official/Department Head to review the credit card policy and procedures, credit cardholder's agreement and transaction log prior to the submission of the credit card application form to the Treasurer's Office.
2. Review and pre approve all credit card purchases.
3. Review and sign all transaction logs and vouchers for credit card payments.
    a. If the Elected Official/Department Head has used the credit card an employee (supervisory position) will review, sign transaction logs, and vouchers for the credit card.
4. Ensure monthly transaction logs are reconciled and submitted to the Auditor's Office by the 5th of each month.
5. Answer all questions about credit cards use for County purposes.

Treasurer

1. Receives approval from Board of County Commissioners.
2. Gives application to Elected Official/Department Head.
3. Receives application from Employee, Elected Official, or Department Head.
4. Processes application with financial institution.
5. Receives credit card from financial institution.
6. Disperses credit cards to appropriate cardholders.
7. Receive credit cards from Elected Officials/Department Heads, and their employees in case they leave the employment of the County at an exit interview with HR.

Auditor

1. Monitor card activity and review management reports provided by the financial institution.
2. Perform audits for compliance with policies, procedures, and laws.

Restrictions on Use of Credit Card

1. A single purchase transaction may not be broken down into series of smaller purchases to circumvent transaction dollar limits stipulated by Ferry County Commissioners.

2. The maximum dollar limit per transaction is up to $2,500.00. The credit limit per account is $5,000.00. Elected Officials/Department Heads my request lower transaction or account credit limits.
3. An Elected Official/Department Head may specify additional restrictions.
4. Credit cards may **NOT** be used for any of the following:
    a. Cash advances of any type
    b. Purchase of goods or services for personal use
    c. Personal or professional services
    d. Extra hire services or temporary hire services
    e. Cellular phones, tele-communication equipment, services and charges.
    f. Computer related equipment/hardware/software unless approved by MIS
    g. Repairs for County vehicles unless an emergency occurs while traveling out of the County, contact Elected Official/Department Head for prior authorization.
    h. Purchase of goods or services on existing County contracts from other than the awarded vendors
    i. Work considered to be a Public Work (prevailing wages issue).
    j. Capital items
    k. All other purchases prohibited by law or by County policy or guidelines.
    l. Purchase of fuel, unless it is for a County owned vehicle.
5. Credit cards may be required to be immediately surrendered if used in a manner inconsistent with county policies or procedures; Unauthorized use may be deemed by the Auditor or Elected Official/Department Head to be a fraudulent/inappropriate act, and, if so, will result in permanent revocation of the credit card, and may result in disciplinary action and/or criminal prosecution. Disciplinary actions will be processed in accordance with established personnel policies and/or collective bargaining agreement. Criminal prosecutions will be referred to the Prosecuting Attorney for action.
6. The Board of County Commissioners shall set credit limits on each credit card issued, PROVIDED, that in no event shall the credit limit for the purchase card of any individual department exceed $5,000.00, except Public Works limit shall be $25,000.00.

HOW TO OBTAIN A CREDIT CARD

1. The initial step in obtaining a credit card is for the Elected Official/Department Head to get prior approval from Board of County Commissioners then obtain a credit card application form from the Treasurer's Office.
2. The employee and the Elected Official/Department Head must review the credit card policy, procedures, the credit cardholder's agreement,

and questions that should be answered prior to the submission of the credit card application form to the Treasurer's Office.

3. The credit card application form must be completed in full and the original returned to the Treasurer's Office.
4. After the credit card application form is received and approved by the Treasurer, a credit card will be requested for the employee.
5. Once the credit card is received by the Treasurer's Office, the Elected Official/Department Head will be contacted for card pick-ups.

Responsibilities of Credit Card Users

Credit card User Acknowledgement

1. The credit card user must sign a Ferry County credit card user agreement which specifies transaction limits and responsibility for use of and/or loss of the credit card. Cardholders must abide by the terms of the cardholder agreement. The terms of the acknowledgement authorizes a payroll deduction from the credit card user for inappropriate, unauthorized, or unsubstantiated purchases with the credit card, subject to restrictions of State law.
2. The original credit cardholder's agreement shall be forwarded back to the Treasurer's Office; a copy will remain with the Elected Official/Department Head and a copy for the cardholder. A copy of the agreement will be kept with Treasurer's Office and the original will be forwarded to the Auditor's Office for their employee file.

Procurement Rules

The credit card user must have a working knowledge of all applicable procurement rules, guidelines, and be responsible for adherence to these controls and procedures. All purchases must be made following applicable Ferry County resolutions, ordinances, and State laws.

Subject to the forgoing, credit card user shall:

1. Seek the best price available and utilize discounts available at the time of purchase.
2. Resolve discrepancies with the supplier or financial institution.
3. The credit card user must obtain a supplier sales receipt for each transaction that clearly describes the items purchased, price, and any applicable shipping charges and sales tax. Maintain original itemized receipts, sales slips, supplier invoices, packing slips, and other related documentation. Obtain the necessary approvals and submit a voucher to the Auditor's Office within ten business days of receipt of the statement. Any Elected Official/Department Head or employee using a card for travel and travel related expenses must submit a fully itemized travel expense report with the payment voucher.
4. The credit card user is personally responsible for payment of unauthorized purchases or purchases not supported by receipts.

5. Safeguard cards from theft, loss, and misuse.
6. Contact the financial institution immediately if the physical card or "ghost" card number is lost or stolen. Pursuant to law, failure to notify the financial institution of any card loss or theft within two business days after learning of the loss or theft may lead to liability to the card holder for any unauthorized transactions that occur after the loss or theft.
7. Maintain strict security of cards and card numbers. Cards will be locked in secured storage when not in use. Card numbers shall only be disclosed when necessary to make an authorized purchase.
8. Immediately discontinue using a card if any disallowed charges are outstanding.
9. The cardholder will present the credit card at the time of purchase.
10. The cardholder must sign the receipt and keep a copy of the charge receipt and transaction receipt when they leave with their purchase. Transaction details for all charges made during a month shall be entered onto the transaction log. All related charge receipts for that month should be kept and filed together with the monthly transaction log.
11. The cardholder may also place an order over the telephone or internet. When a telephone or internet order is placed, the cardholder should print a copy of both the order confirmation and the invoice receipt showing prices and shipping charges. The internet transaction should be entered on the transaction log.
12. When the goods or services are received, the cardholder should check the transaction against the monthly transaction log entries and enter the date of delivery. The cardholder must keep all shipping documents together with the corresponding charge receipts and file them with the cardholder's monthly transaction log.

SHIPPING AND RECEIVING

The cardholder must provide the vendor/supplier with the appropriate shipping information. All goods must be shipped to an official Ferry County business address.

Incorrect Shipments or Returns

If a shipment is incorrect, the cardholder should promptly contact the vendor/supplier to arrange for a return, exchange or credit. If the vendor/supplier agrees to issue a credit, it should be noted on the cardholder's monthly transaction log and a copy of any credit memo should be kept and filed with the monthly transaction log. The cardholder should verify that the credit is properly reflected on the next monthly statement. It is the cardholder's responsibility to know the vendor's return policy.

RECONCILING MONTHLY PURCHASES

The monthly transaction logs/monthly statement:

1. Each cardholder must keep a log of all transactions charged to his/her account on a monthly basis. For each month, a new monthly transaction log should be started. Appendix A – monthly transaction log form.
2. The cardholder will be sent a monthly invoice statement by the credit card company. It will be the responsibility of the cardholder to reconcile the charges on the account with the cardholder's monthly transaction log.
3. At the end of the billing cycle for each month, the original sales documents (receipts, packing slips, cash register tape, credit card slips) for that month should be stapled in order of the reconciled monthly transaction log and forwarded to the Elected Official/Department Head for approval and subsequent vouchering.
4. It is the responsibility of the Elected Official/Department Head (or designee) to review the cardholder's monthly transaction log and monthly invoice statement prior to the submission via the county vouchering system.
5. The Auditor's Office will be responsible for submitting all payments to the credit card company after receiving the appropriate payment vouchers (with the exception of Public Works).

Discrepancies:

1. The cardholder must report any discrepancies on the cardholders monthly invoice statement to the vendor immediately to try to resolve the issue(s) in question.
2. The cardholder must complete a credit card dispute form and forward copies to the Auditor's Office, and attach a copy of the monthly transaction log. Appendix B – Credit card dispute form.
    a. If the discrepancy cannot be resolved with the vendor, the cardholder will then need to contact the Auditor's Office within 30 days from the date of the statement on which the discrepancy appeared.
    b. The Auditor's office will finish completing the credit card dispute form and give final disposition to the outcome of the claim and file.

MONITORING PROCEDURES

The Auditor's office will review each credit card billing and all documentation to guarantee compliance with the credit card policy, procedures, and State law prior to submitting any claims to the Ferry County Board of Commissioners for approval and payment.

TERMINATION OF THE CARDHOLDER

1. The Elected Official/Department Head must immediately notify the Treasurer that the credit card of the named cardholder should be deactivated.

2. The Elected Official/Department Head shall complete a credit card deactivation from and forward it to the Treasurer and Auditor/Payroll. Appendix C – Credit card deactivation form.
    a. Or, the credit card is surrendered to the Human Resources Office upon an exit interview, and the credit card is forwarded to the Treasurer.
3. The Treasurer will immediately deactivate the credit card and send back to the Elected Official/Department Head a completed credit card deactivation form to close out the cardholders file.
    a. The Treasurer will request from the Auditor's Office the original credit cardholder's agreement when all of the above has been completed.
4. If, upon voluntary or involuntary termination of employment of the cardholder, the credit card must be:

    - Turned in to the cardholder's Elected Official/Department Head and;
    - Forwarded to the Treasurer; or
    - During an exit interview be surrendered to the Human Resources Office and forwarded to the Treasurer.

MISUSE OF THE CARD BY THE CARDHOLDER

1. Whenever a credit card is misused or the policies, procedures, and/or State laws are violated, the Elected Official will work with the Risk Manager. The Department Head will work with the Risk Manager and Board of County Commissioners to determine the appropriate disciplinary action, up to and including termination.
2. The Elected Official/Department Head may request suspension or cancellation of a credit card any time by notifying the Treasurer, and follow up with a completed credit card deactivation form.
3. The Elected Official/Department Head along with the Auditor's Office will work together in determining the appropriate disposition of the credit card. The Auditor's Office will inform the Treasurer if the credit card should be deactivated.
4. The Board of County Commissioners may unilaterally suspend or cancel a credit card if:
    - The Ferry County credit card policies, procedures, and State laws are not followed.
    - After review, it is determined that there is no longer a need for the cardholder to use a credit card.
    - If the cardholder
    - 1) attempts to exceed the maximum transaction dollar limit;
    - 2) attempts to exceed the maximum monthly transaction limit;
    - 3) Attempts to use the credit card for any unauthorized use.
    - 4) Attempts to raise the limit of a credit card without permission of the Board of County Commissioners first.

REPORTING LOST OR STOLEN CREDIT CARDS

If a credit card is lost or stolen the cardholder must immediately notify the credit card company at the toll-free number on the back of the card. In addition, the Treasurer must be notified that the card is lost or stolen on the first available business day. In order to receive a replacement credit card, the cardholder and their Elected Official/Department Head must complete a new credit card application form and the cardholder must complete a new credit cardholder agreement. The Treasurer will provide a replacement credit card after the proper forms have been submitted and approved. The cardholder is responsible to review and reconcile the monthly invoice statement of the deactivated credit card as well as the monthly invoice statement for the new credit card.

ADOPTED this 15th day of April 2013.

BOARD OF COUNTY COMMISSIONERS
FERRY COUNTY, WASHINGTON

BRAD L. MILLER, Chairman

BRIAN DANSEL, Vice Chairman

MIKE BLANKENSHIP, Member

ATTEST:

Hayley Aubertin
Clerk of the Board

APPROVED AS TO FORM:

Mike Sandona, Prosecutor