



MAYFIELD
VILLAGE

MAYOR BRENDA T. BODNAR
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MEMORANDUM

TO: Council President Schutt and Members of Council
FROM: Diane Wolgamuth, Director of Administration
DATE: August 2, 2024
RE: **Updated Credit Card Usage Policy**

In January of 2019, Council passed Ordinance No. 2018-31 adopting a Credit Card Usage Policy. Over the past several weeks, I have worked with Law Director Calta and Finance Director Rich to update that policy and to include language regarding the use of vendor accounts. Attached is the updated "Vendor Account and Credit Card Usage Policy."

We look forward to reviewing this update with Council on Monday evening and answering any questions you might have. Following approval by Council, the policy will be re-issued to all employees. Thank you.

cc: Mayor Brenda T. Bodnar
Department Heads
Council Clerk

**AN EMERGENCY RESOLUTION
ADOPTING AN UPDATED VENDOR ACCOUNT AND
CREDIT CARD USAGE POLICY
FOR MAYFIELD VILLAGE**

WHEREAS, in 2019, Mayfield Village Council approved and adopted a formal written policy regarding employee use of Village-issued credit cards; and

WHEREAS, the written Credit Card Usage Policy has been updated to include vendor accounts and employee responsibilities with respect to both vendor accounts and credit cards; and

WHEREAS, it has been deemed in the best interest and for the health, safety and welfare of all Village residents to update the Credit Card Usage Policy and replace it with the attached Vendor Account and Credit Card Usage Policy; and

WHEREAS, the Administration deems it appropriate for Council to approve and adopt this updated formal written policy regarding the use of Village accounts and credit cards.

BE IT RESOLVED by the Council of Mayfield Village, Cuyahoga County, State of Ohio, that:

SECTION 1. The attached Vendor Account and Credit Card Usage Policy is hereby and herein adopted to read as set forth in Exhibit “A,” a copy of which is attached hereto and incorporated herein by reference, effective immediately.

SECTION 2. The Council finds and determines that all formal actions of this Council relating to the adoption of this Resolution have been taken at open meetings of this Council; and that deliberations of this Council and of its committees, resulting in such formal action, took place in meetings open to the public, in compliance with all statutory requirements including the requirements of Section 121.22 of the Ohio Revised Code.

SECTION 3. This Resolution is hereby declared to be an emergency measure immediately necessary for the health, safety and welfare of the residents of Mayfield Village, Ohio, for the reason that it enables the Village to implement the changes contained therein and ensure that employees understand their responsibilities when utilizing vendor accounts and Village-issued credit cards. It shall, therefore, take effect immediately upon the passage by the affirmative vote of not less than five (5) members elected to Council and approval by the Mayor or otherwise at the earliest time allowed by law.

RESOLUTION NO. 2024-41
INTRODUCED BY: Mayor Bodnar

STEPHEN SCHUTT
Council President

First Reading: _____, 2024

Second Reading: _____, 2024

Third Reading: _____, 2024

PASSED: _____, 2024

BRENDA T. BODNAR, Mayor

APPROVED AS TO FORM:

ATTEST:

DIANE A. CALTA, ESQ.,
Director of Law

MARY E. BETSA,
Clerk of Council

**Vendor Account and Credit Card Usage Policy
Mayfield Village**

Issued _____, 2024

***This policy was approved by Village Council on _____, 2024
and replaces any and all prior policies.***

VENDOR ACCOUNTS

Mayfield Village has open accounts with a variety of local vendors. These accounts are used to purchase goods and services required for Village business. Vendor accounts are in the name of Mayfield Village and include the Village's tax-exempt status. All vendor accounts are to be used for Mayfield Village purchases only and, when opened, should include a Village mailing address, along with an email address for the Department using the account and for the Finance Department. No employee authorized to purchase through a vendor account may use the account for personal purchases.

CREDIT CARD ACCOUNTS

Mayfield Village also utilizes credit card accounts. For purposes of this policy, "credit card account" means any bank-issued credit card account, store-issued credit card account, grocery card account, gasoline card account, or any other card account allowing the holder to purchase goods and services on credit. Credit card accounts are designed to make authorized expenditures in a manner that reduces paperwork and processing time and are used when the vendor will not accept any other form of payment. Using the Village credit card is preferred to reimbursing employees for authorized purchases made with their personal credit card. Using the credit card is a privilege that Mayfield Village may withdraw at any time, with or without cause. Internal accounting controls and specific finance and accounting procedures for the use of the credit cards are set forth below.

The name "Mayfield Village" appears on all credit cards. Credit cards can be used for in-store purchases as well as mail, e-mail, internet, telephone and fax orders. Mayfield Village credit cards are not ATM (automated teller machine) cards or debit cards and are not to be used for personal or non-Village expenditures. Expenditures are restricted to municipal or public purposes related to the work of the cardholder or the department where he or she is employed.

The cardholder is responsible for the security and physical custody of the card and is accountable for all transactions made with the card. The cardholder is also responsible for ensuring that the card is not used by unauthorized personnel. Cardholders cannot lend the card to anyone else. Card numbers may not be distributed and should not be saved in on-line accounts. The cardholder must comply with the Village's recordkeeping requirements (including retention of original receipts) for the protection of both the cardholder and the Village.

When a vendor account or credit card statement is received, the Finance Department will match the credit card receipts turned in by the card users to the statement. The required documentation will be reviewed to insure completeness. Any charge that is shown on the statement that cannot be matched with appropriate documentation will be investigated. If appropriate documentation cannot be acquired from the employee that made the charge, the charge amount may be deducted from the employee's next paycheck. Credit card transactions and detail shall be reviewed in accordance with Ohio law.

PROCEDURES FOR USAGE OF CREDIT CARDS

For usage of the bank-issued credit card:

- All expenditures must be work-related. Personal use may result in criminal prosecution.
- A purchase order must be in place prior to using the credit card.
- The bank-issued credit card is locked in the safe in the Finance Department. The purchaser must personally sign out the credit card. They must include their name, vendor name and purchase order number. Following the purchase, the credit card should be immediately returned, and the amount spent indicated on the sign-in sheet. A copy of the charge receipt is to be provided to the Finance Department.
- The original receipt should be provided to the purchaser's Department Head, in the event the authorized use is not the Department Head, as soon as possible for review, approval and notation of purchase order number. The original receipt should then be submitted to the Finance Department for filing until the credit card statement is received. If the receipt is not detailed enough to determine what was purchased, additional information should be provided to identify the products and/or materials that were purchased.
- Once the credit card statement has been received, the approved receipts will be attached to the statement and proof of payment.

For usage of a store-issued card, grocery card account, gasoline card account, or any card account other than the bank-issued credit card:

- All expenditures must be work related. Personal use may result in criminal prosecution.
- A purchase order must be in place prior to using the card.
- It is understood by each individual cardholder that it is their responsibility to obtain transaction receipts from the merchant or supplier each time the card is used.
- The receipt should be provided to the purchaser's Department Head, in the event the authorized user is not the Department Head, as soon as possible for review, approval and notation of purchase order number. The receipt should then be submitted to the Finance Department for filing until the credit card statement is received.
- Once the statement has been received, the approved receipts will be attached to the statement and proof of payment.

REQUIRED DOCUMENTATION

Vendor account and/or credit card receipts for purchases made must be submitted to the Department Head as soon as possible. The receipt must include the date of the purchase, a description of the item/service purchased and the amount or be stapled to an invoice supplied by the vendor. The business purpose of the charge must also be written on the receipt or invoice.

If the credit card is used for meals and/or entertainment, the following must be included with the receipt:

- Date of the purchase.
- Amount of the purchase.
- Individuals present at the meal/entertainment.
- Business purpose of the meal/entertainment. Reasonable gratuities are acceptable.

INDIVIDUALS AUTHORIZED TO USE VENDOR ACCOUNTS AND CREDIT CARDS

The Mayor and all Department Heads are authorized to use vendor accounts and credit cards. Other employees may be designated by the Mayor or their Department Head as authorized to use vendor accounts and credit cards, but only after having signed this Policy and having it on file with the Village's Finance Department.

Employees agree to surrender and cease use of any credit card in their possession upon termination of employment, whether for retirement, voluntary suspension, resignation or dismissal. Employees may also be asked to surrender the credit card at any time. Upon an employee's termination of employment with the Village, all credit cards must be returned to the Finance Director.

AUTHORIZED USES

Vendor accounts and credit cards may be used for expenses incurred while performing Village business. All purchases must be previously approved by an open purchase order. The following are examples of authorized uses:

- Purchase of office supplies or other supplies needed to properly perform Village business.
- Gasoline for and repairs to Village owned vehicles.
- Business meals and entertainment in connection with performing Village business. Reasonable gratuities are acceptable.
- Travel expenses incurred for meetings or training. Expenses include overnight accommodations, parking, meals, or any other costs related to the meeting or training.
- Supplies for authorized programs and events.
- Emergency purchases necessary to protect Village property.
- Purchase of items on the internet or from other approved sources when a Village check is not accepted or practical.

UNAUTHORIZED USES

Use of a Village vendor account or credit card for personal expenses is strictly prohibited. In addition, the Village credit card may not be used for any strictly-prohibited expenses, which include but are not limited to:

- Purchases of alcohol.
- Cash advances, ATM withdrawals, money orders, and all other cash-related transactions.
- Purchases of any service or product that requires a contract.
- Purchases prohibited by Village policy or not related to Village business.
- Donations to charitable organizations.
- Payments to individuals and employees.
- Purchases of any illicit merchandise or services.
- Purchases or transactions made with the intent to circumvent the Village purchasing policy, transactional limits, or applicable law.

Misuse or fraudulent use of vendor accounts or credit cards will result in disciplinary action, up to and including termination of employment. An officer, employee or public servant who knowingly misuses a vendor account or credit card account commits a crime of misuse of credit cards and is subject to prosecution under R.C. 2913.21.

MAXIMUM CREDIT LIMITS

Vendor accounts and credit card transactions are subject to the credit/spending limitations of the account. Purchases exceeding these limits are permitted only if authorized in writing by the Mayor or Finance Director.

QUARTERLY REVIEW

The number of credit cards and accounts issued shall be reviewed quarterly by the Finance Director.

LOST/STOLEN CARDS

If a credit card is lost or stolen, the Finance Department must be contacted as soon as possible to report the status of the card.

Acknowledgement of Vendor Account and Credit Card Usage Policy

By signing below, I acknowledge that I have read, understand and agree to the terms and conditions of this Vendor Account and Credit Card Usage Policy, issued _____, 2024. I acknowledge that, as a responsible agent for Mayfield Village, I am empowered to safeguard its assets. I understand that use of any Village account or credit card is a convenience that carries responsibilities. I assume the responsibilities of this Policy and understand that failure to comply will result in revocation of any card in my possession and that I will be prohibited from future use of the Village’s accounts and/or credit cards. I understand that improper use of Village accounts or credit cards can be considered misappropriation of funds which may result in disciplinary action up to and including termination of employment.

I understand that I will be held personally liable for any violation of this Policy and that my misuse of a credit card or vendor account will also require reimbursement to the Village for any unauthorized purchases. I acknowledge that misuse of a Village account or credit card is a violation of R.C. 2913.1 and is a misdemeanor of the first degree.

Employee Signature

Title/Dept

Name (Print)

Date