

Category: 240
Number: 243

Subject: **VENDOR/CREDIT CARD POLICY**

1. **PURPOSE:** The purpose of this policy is to establish a standard set of regulations pursuant to those established under the Michigan Public Act 266 of 1995, which regulates credit card transactions of local units of government.
2. **AUTHORITY:** The Saginaw County Board of Commissioners.
3. **APPLICATION:** This policy applies to all County Elected Officials, Boards, Commissions and Departments of Saginaw County.
4. **RESPONSIBILITY:** The Controller/CAO shall be responsible for the implementation and administration of this policy.
5. **DEFINITION(S):**
 - 5.1 **Public Act 266 of 1995:** "AN ACT to authorize and regulate credit card transactions involving local units of government, including the use of credit cards by officers and employees of local units of government; and to provide for powers and duties of certain state and local agencies, officers, and employees."
 - 5.2 **Cardholder:** County employee or elected official whose name appears on the credit card and is accountable for all charges made with that card.
 - 5.3 **Credit Card:** A card or device issued under a credit card arrangement for the purpose of making authorized purchases on the County's behalf.
 - 5.4 **Credit Card Arrangement:** An unsecured extension of credit for purchasing goods or services from the credit card issuer or any other person that is made to the holder of a credit card and that is accessed with a credit card.
 - 5.5 **Credit Card Program Administrator:** The County Purchasing/Risk Manager who is responsible for administering the credit card program and who acts as the contact between the County and the credit card company.
 - 5.6 **Vendor Credit Card:** A credit card issued by a vendor or other third party which is only valid for purchases from that vendor. All sections of this policy apply to vendor credit cards unless otherwise noted.

6. POLICY:

6.1 Entering Credit Card Arrangements

6.1.1 Only the County Board of Commissioners may enter into a credit card arrangement.

6.2 Credit Card Program Administrator: Designation and Duties

6.2.1 The County Purchasing/Risk Manager is designated as the Credit Card Program Administrator.

6.2.2 The Credit Card Program Administrator is responsible for the County's credit card issuance, accounting, monitoring, and retrieval, and for overseeing compliance with this policy.

6.3 Authorized Users

6.3.1 Only County employees and elected officials who are issued a credit card by the Credit Card Program Administrator are authorized to use the specified credit card.

6.3.2 The employee or elected official issued a credit card is responsible for its protection and custody and shall immediately notify the Credit Card Program Administrator if the credit card is lost or stolen.

6.3.3 Upon termination, any employee or elected official that has been issued a credit card must immediately surrender the card to the Credit Card Program Administrator.

6.4 Authorized Credit Card Use

6.4.1 Cardholders are authorized to use the credit card to purchase goods or services for the official business of the County with the exception of those noted in section 6.5 of this policy.

6.4.2 The maximum credit limit for each credit card issued shall not exceed \$5,000. Any request for a credit card with a credit limit in excess of \$5,000 shall require specific approval by the Board of Commissioners.

6.5 Unauthorized Credit Card Use

- 6.5.1 The credit card may never be used to purchase items for personal use or for non-County purposes, even if the cardholder intends to reimburse the County.
- 6.5.2 The credit card shall not be used to pay for any employee eligible reimbursable food, beverages or meals. Food purchased for departmental training sessions and departmental board or commission meetings or lunches, conferences or related travel must have prior written approval by the Controller/CAO. This exemption does not apply to food/beverage purchases for resale and/or departmental program use.
- 6.5.3 The credit card may not be used to supersede the County purchasing policy, the County budget, or any other County policy.
- 6.5.4 All unauthorized purchases will be denied and will become the sole responsibility of the cardholder.
- 6.5.5 Violation of this policy, including unauthorized purchases by a cardholder, may result in card cancellation, disciplinary action up to and including dismissal from County employment, and criminal prosecution.

6.6 Credit Card Invoice Payment

- 6.6.1 The cardholder must obtain purchase documentation from the vendor to support all purchases made with the card. This documentation must be submitted along with the credit card invoice and approved claim to the Financial Services Department in accordance with the County Claims Processing Procedure Policy. Documentation shall be retained in the Financial Services Department for public inspection for a period of at least three years.
- 6.6.2 The balance of all credit card invoices must be paid in full each month so as to avoid all finance charges.
- 6.6.3 No payments will be made to credit card companies for personal credit cards or those credit cards which have not been authorized by the Board. Valid county expenses incurred by employees and paid for with personal or unauthorized credit cards will be reimbursed in accordance with the County's travel policy.

7. ADMINISTRATIVE PROCEDURES: The Controller's Office shall be responsible for developing, updating and implementing any associated administrative procedures not already stated in this policy.
8. CONTROLLER/CAO LEGAL COUNSEL REVIEW: The Controller/CAO has determined that this policy as submitted to the Board of Commissioners contains the necessary substance in order to carry out the purpose of this policy. County Civil Counsel has determined that this policy as submitted contains content that appears to be legal activities of the Saginaw County Board of Commissioners.

Approved as to Substance:
Saginaw County Controller/CAO

Approved as to Legal Content:
Saginaw County Civil Counsel

ADOPTED: May 20, 2003

AMENDED: May 19, 2009 (6.5.2); November 20, 2018 (6.5.2)