

CITY OF CHESAPEAKE, VIRGINIA**NUMBER: (1.17) 44.3****ADMINISTRATIVE REGULATION****EFFECTIVE DATE: 04/14/14****SUBJECT: DEPARTMENT OF FINANCE
CITY CREDIT CARD POLICY AND
PROCEDURES****SUPERCEDES: 6/1/04****REVIEW DATE: 04/14/14****I. PURPOSE**

The following policy and procedures are adopted in order to enhance the internal control applicable to the utilization of City credit cards and ensure that the City's procurement guidelines are observed. Credit cards (Corporate Cards) are issued in specific situations where P-Cards are not appropriate, such as Economic Development overseas travel. Corporate Cardholders shall not use P-Cards.

II. POLICY AND PROCEDURES

- A.** The issuance of a City credit card to a City employee shall be authorized in writing by the City Manager or his designee. This credit card is to be used exclusively for official City business and authorized expenditures. Once the City Manager or his designee has approved the credit card, the individual or department receiving approval must obtain the credit card through the Procurement Administrator in Purchasing. This will ensure uniformity in credit cards and billing procedures. This City credit card policy is separate from the City Purchase Card (P-Card) policy as outlined in AR 1.23.
- B.** Each individual Cardholder must sign a Corporate Cardholder Agreement. See attachment to this Administrative Regulation.
- C.** Authorized expenditures shall include entertainment, overnight hotel accommodations, and other expenditures allowable by the Official Travel Regulations (AR 1.16). Authorized expenditures may include non-travel related expenditures, but are governed by II D. and E. below.
- D.** Unauthorized expenditures shall include, but not be limited to: personal expenses; cash advances or refunds; alcohol related expenses (unless excepted by State law); recreation; gifts; lost or stolen articles; damage to personal vehicles or other items; all expenses related to the personal negligence of the employee (such as fines), and religiously affiliated items. Since the City is sales tax exempt, the cardholder is responsible for ensuring that sales tax is not charged to the card.
- E.** Prudent judgment is expected when making expenditures with a City credit card. Expenditures shall be appropriate for official City business and made in the best interest of the City, with consideration of current economic and budgetary constraints. For expenditures not covered by this policy, good business judgment and professional

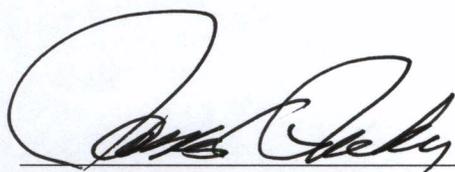
discretion shall dictate the employee's action, recognizing that proper care shall be exercised when using citizen's tax dollars.

- F. Noncompliance with City credit card policy and procedures by cardholders is grounds for revocation of card privileges and may be subject to disciplinary action.
- G. Processing credit card statements and receipts for payments must follow the guidelines listed below:
 - 1. When the monthly credit card statement is received in the department, the departmental personnel must consider this a priority for processing so that finance charges will not be assessed.
 - 2. Vendor's Invoice Payment Certification form must be approved by the Department Head if a subordinate has utilized the credit card. If the Department Head has utilized the credit card, the City Manager or his designee must approve the charges.
 - 3. An original itemized receipt must be provided for each charge that is reflected on the credit card statement. Missing receipts will delay payments to the credit card company, which could result in interest charges to the City.

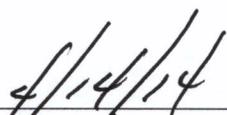
III. CARD SECURITY

Immediately upon receipt of a Corporate Card, the cardholder must sign the back of the card. It is the cardholder's responsibility to safeguard the Corporate Card. If a card is lost or stolen, the cardholder shall immediately notify Purchasing.

A new Corporate Card will be issued promptly to the cardholder after the reported loss or theft. A card that is subsequently found by the cardholder after being reported lost or stolen must be cut in half and forwarded to Purchasing.



James E. Baker, City Manager



Date

The Applicant Verifies:

- I am a regular employee of the City of Chesapeake.
- I am approved by my Department Head or the City Manager's Office to have a Corporate Card.
- I have completed the Corporate Cardholder Course.
- I agree to read and sign this agreement and submit it to Purchasing.

Applicant's Initials

Corporate Cardholder Agreement

In accordance with the City of Chesapeake Administrative Regulation 1.17 and through the delegation of authority from the Procurement Administrator, you are authorized to commit funds on behalf of the City and your Department by use of a City of Chesapeake Corporate Card issued in your name by the Purchasing Division.

You are **personally accountable** for the following:

- a) Only you may use your Corporate Card. The card may not be transferred to, assigned to, or used by anyone other than the designated Cardholder. The Corporate Card financial institution and the City may suspend or cancel your cardholder privileges at any time for any reason.
- b) All purchases must be made by you on behalf of and for the benefit of the City and the particular City department or other entity in which you are employed.
- c) You will protect the Corporate Card from unauthorized use. You are responsible for proper use of the Corporate Card and recording of the charges, and must retain all required original receipts to be submitted with the monthly expense voucher.
- d) If the Corporate Card is lost or stolen, you will immediately contact Purchasing or in their absence, the Corporate Card financial institution to request the account be closed.
- e) You are responsible for following up on erroneous charges, returns, or adjustments and to ensure proper credit is received on your Corporate Card account, including full credit of merchandise returned to a vendor.
- f) Single transactions for general supply items and services may not exceed \$5,000. Transactions cannot be split to avoid the \$5,000 transaction limit. It is a serious violation of the Corporate Card to deliberately purchase related items on different days from the same supplier to avoid the \$5,000 per transaction limit.
- g) Subscriptions, dues, memberships, conference registrations, travel and other transactions must not exceed the monthly spending limit of the card. *Please note that you may be subject to lower transaction limits as defined by Purchasing.*
- h) You must abide by rules and procedures established by the Purchasing Division and Administrative Regulations.

Failure to comply with these guidelines may result in the suspension of your Corporate Card and/or disciplinary action, up to and including termination.

Policy violations include, but are not limited to:

- Purchasing items for personal use.
- Using the Corporate Card for purchases of \$5,000 or greater.
- Splitting a transaction to avoid the \$5,000 transaction limit (see item *f* above).
- Failure to return the Corporate Card to Purchasing when reassigned, terminated, or upon request.
- Failure to follow Administrative Regulations (e.g. AR 1.16, 1.17, 1.23 etc.)
- Failure to submit the Cardholder Report with original receipts by the monthly deadline.

By agreeing to the terms and conditions outlined in this agreement, the Corporate Card Applicant requests approval to obtain a Corporate Card. By signing this agreement, the Applicant agrees to be bound by this agreement.

Corporate Card Applicant's Name (Printed)

Corporate Card Applicant's Signature

Date

Please sign and date this form.

Send it by mail to:

Purchasing Division

City of Chesapeake

306 Cedar Road

Chesapeake, VA 23322