

LUCAS COUNTY, OHIO  
BOARD OF COMMISSIONERS

NUMBER: 26b

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TITLE: CREDIT CARD POLICY

PERSONNEL  
ADMINISTRATIVE X

RESOLUTION  
NO: 12-988

EFFECTIVE  
DATE: November 27, 2012

TYPE:  
POLICY X  
PROCEDURE X

SUPERSEDES:  
POLICY # 26  
PROCEDURE #

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**PURPOSE:**

- 1) To develop a policy on the acceptance of credit cards so that citizens can use them to make payments to certain county offices.
- 2) To provide user information to those employees who have been approved by the Lucas County Board of Commissioners to do business for Lucas County using a credit card issued in the County's name. The use of credit cards for County financial transactions is limited and carefully controlled. While the use of credit cards is an accepted practice and, in some cases, the only permitted practice, their use is allowed only for specific purposes and situations to transact Lucas County business.

**APPLICABILITY:**

This policy will cover the funds in departments for which the County Commissioners appropriate and approve budgets.

**SECTION 1: Citizen Use of Credit Cards in Paying for Services**

- 1) Elected officials who are authorized to accept payments by credit cards are: the Auditor, Clerk of Courts, Coroner, Commissioners, Engineer, Prosecutor, Recorder, Sheriff and Treasurer.
- 2) Acceptable means of payment for county expenses are credit cards or debit cards. Please note that if debit cards are used, they will only be processed as a credit card.
- 3) Acceptable credit and debit cards are: Visa, Master Card, Discover, and American Express.
- 4) Ohio Revised Code 301.28 (A)(2) states: expenses that credit or Debit cards can be used for are: fees, costs, taxes, assessments, fines, penalties, payments, permits, licenses or any other expense a person owes to a county office under authority of a county elected official.

- 5) A surcharge or convenience/user/service fee is a cost paid by the card user for "service" or the "convenience" of using his/her card in a transaction. It is used to cover the costs that merchant banking service providers charge the County to allow citizens to pay for certain services using a credit card. For example, a convenience fee could be levied on card payments paid over the telephone or via the mail. Therefore, the card user pays for the convenience of making a payment without having to travel in person to a county office to make a payment by check or cash.
- 6) The fee is levied to help defray the cost the County incurs in accepting financial transaction devices. Merchant banking service providers charge the County to allow citizens to pay for certain services using a credit card. The fees must be authorized, or permitted, by the rules prescribed by an agreement governing the use and acceptance of credit cards with the credit card company.
- 7) If a surcharge or convenience fee is imposed, every county office accepting payments by a financial transaction device must notify each person making a payment by such device about the surcharge or fee. A notice must include the following:
  - a) A statement that there is a surcharge or convenience fee for using a financial transaction device.
  - b) The total amount of the charge or fee expressed in dollars and cents for each transaction; or the rate of the charge or fee expressed as a percentage of the total amount of the transaction; whichever applicable.
  - c) The surcharge or fee is nonrefundable.
- 8) When credit card transactions are dishonored for any reason, the card holder is liable for payment of a penalty over and above the amount of the expense due. The amount of the penalty will be a fee of \$15, or payment of the amount necessary to reimburse the county for banking charges, legal fees, or other expenses incurred by the county in collecting the returned or dishonored payment. This remedy is in addition to any other available civil or criminal remedies provided by law.
- 9) Any county elected official or employee who accepts a card payment in accordance with the law and any applicable local policies is immune from personal liability for the final collection of such payments.
- 10) The County Treasurer will act as the administrative agent for the implementation of the county credit card policy and the solicitation of proposals.

## **SECTION 2: County Credit Card Authorization**

- 1) A County appointing authority may apply to the Board of County Commissioners for authorization to have an officer or employee of the appointing authority use a credit card held by that appointing authority. The authorization request shall state whether the card is to be issued only in the name of the office of the appointing authority or whether the issued card shall also include the name of a specified officer or employee.
- 2) Lucas County shall follow Ohio Revised Code Section 301.27 (E)(2) that allows for the Board of County Commissioners to pass a resolution each year for the Authorization to have County Credit Cards with an estimated monthly dollar amount to be used for a period longer than one month.
- 3) The Board of County Commissioners shall certify its determination to the county auditor along with the specific appropriation line items from which expenditures are to be made. After receiving certification from auditor that determined sum of money is in the treasury or in the process of collection to the credit of the specific appropriation line items for which the credit card is approved for use, and is free from previous and then-outstanding obligations or certifications, the board shall authorize the officer or employee to incur debt for the expenses against the county's credit card up to the authorized amount.

## **SECTION 3: County Credit Card Use by Employees**

In order to assist departments with the payment of work-related and/or emergency expenses, it is in the best interest to have certain credit cards available. County credit cards issued to a department(s) will be held responsible for its proper use. It is impossible to anticipate every situation encountered by a County department. Therefore, these guidelines should be applied on a conservative basis, consistent with normal business standards, with good judgment exercised wherever the policy is silent.

The following guidelines were established to assure the proper use of the county credit cards.

- 1) A credit card held by the Board of County Commissioners or the office of any other county appointing authority shall be used only to pay the following work-related expenses:

### **Eligible uses of credit card: Ohio Revised Code 301.27 (B)(1)**

- a. Food expenses, transportation expenses, gasoline/oil expenses (county vehicles), motor vehicle repair/maintenance expenses (county vehicles), telephone expenses, lodging expenses, internet service provider expenses. (All per diem amounts and restrictions within the travel policy are still applicable.)

- b. In the case of a public children services agency, expenses for purchase for children for whom the agency is providing temporary emergency care, children in the temporary or permanent custody of the agency, and children in a planned permanent living arrangement.

**Ineligible use of credit card**

- a. Personal purchases "Absolutely no personal use of the card is allowed".  
Person purchases include: gratuities and excess daily meal allowance; gasoline for any personal vehicle; cash advances; alcoholic beverages.
- 2) All existing purchasing policies apply to purchases made on a credit card.
  - 3) No fees or interest charged by a card company because of late payments due to untimely submission of record to the Auditor's office will be paid from county funds, unless authorized by the Board of County Commissioners. Unauthorized payment of fees will be the responsibility of the Department Head who will be personally responsible for those fees if they appear on the billing for their department.
  - 4) Each Elected Official/Department Head is responsible for the use of the cards by their department. The Elected Official /Department Head is responsible to make sure that any charges are authorized County expenditures and that adequate funds are available within the department's approved budget.
  - 5) The debt incurred as a result of the use of a credit card shall be paid from money appropriated to specific appropriation line items of appointing authority for work-related expenses listed.
  - 6) County treasury shall be reimbursed for any amount spent beyond the originally appropriated amount.
  - 7) For all credit card transactions the employee or official using a county credit card will submit to the Auditor's Office documentation sufficient to satisfy Internal Revenue Service requirements for employee business expenses. This documentation will include the credit card slip (customer copy) along with a receipt or invoice from the vendor that documents the goods or services purchased, the cost of the goods or services and the date of the purchase. Each receipt will also indicate the official county business for which the expense was incurred.
  - 8) The individual authorized to make such purchases or returns will be liable for payment of any undocumented items presented on an invoice for payment. Individual liability is imposed for inappropriate use pursuant to the procedure established in ORC 301.27 and 301.29. If within thirty (30) days after issuance of a written notice to the

individual and the County Auditor, the County Treasurer is not reimbursed for the full amount shown on the written notice, the Prosecuting Attorney shall recover that amount from the cardholder by civil action in any court of appropriate jurisdiction.

- 9) Violations will be cause for immediate revocation of authorization to use a credit card or procurement card; revocation of the credit card or procurement card form the office or County Appointing Authority the card has been issued to; and may result in disciplinary action up to and including termination.
- 10) If the card is issued in the name of a specific officer or employee, that officer/employee is liable in person and upon any official bond the officer/employee has given to the county to reimburse the county treasury for the amount charged to the county beyond the originally authorized amount.
- 11) If any county appointing authority suspects the loss, theft, or possibility of unauthorized use of the card, the officer/employee shall notify the county auditor and either the officer's/employee's appointing authority or the Board immediately in writing.
- 12) The auditor shall notify the Board immediately if they determine there has been a credit card expenditure beyond the appropriated or authorized amount.
- 13) Elected Official/Department Head is responsible for the physical custody of the card, and for maintaining confidentiality of all information relating to the card such as the account number and expiration date. That card is not to be loaned to anyone or used by anyone other than the person designated to do so. The cardholder will sign a written acknowledgment indicating that the cardholder understands the intent of the program and agrees to adhere to the policy and guidelines established by the approving authority. The appointing authority will retain the signed acknowledgement, and maintain current record of all cardholders.
- 14) All expenditures made using the County credit card should be tax exempt from Ohio sales tax. Employees are responsible for informing vendors of the sales tax exemption. If requested by a vendor, a State of Ohio sales tax exemption certificate is available from the Auditor's office.
- 15) Purchasing and the Auditor's Officer should have a list of all departments authorized to use the card.

APPROVED BY:



DATE:

12/7/2012