

ORDINANCE NO. 032-17

**AN ORDINANCE AMENDING THE CURRENT CREDIT CARD  
POLICY IN AND FOR THE CITY OF NAPOLEON, OHIO, AS  
WAS PERIODICALLY AMENDED; AND DECLARING AN  
EMERGENCY**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NAPOLEON,  
OHIO:**

Section 1. That, the City adopts as the City's official Credit Card Policy, the Credit Card Policy updated on April 24, 2017 to include the Auditor of State Bulletin 2016-004, currently on file in the office of the City Finance Director, having been recommended by the Finance Director and the Finance and Budget Committee of Council, and having been reviewed by this Council.

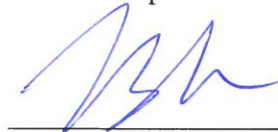
Section 2. That, the Credit Card Policy may be amended from time to time by motion of Council.

Section 3. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Ordinance were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

Section 4. That, if any other prior Ordinance or Resolution is found to be in conflict with this Ordinance, then the provisions of this Ordinance shall prevail. Further, if any portion of this Ordinance is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof.

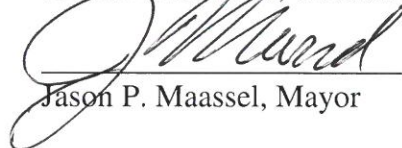
Section 5. That, this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, or safety of the City and its inhabitants, and for the further reason that this legislation must be in effect at the earliest possible time to allow for proper and consistent use of credit cards in and for the City of Napoleon, Ohio; therefore, provided the required number of votes for passage as emergency legislation, it shall be in full force and effect immediately upon its passage; otherwise, it shall be in full force and effect at the earliest time permitted by law.

Passed: May 15, 2017



Travis B. Sheaffer, Council President

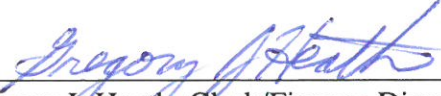
Approved: May 15, 2017



Jason P. Maassel, Mayor

VOTE ON PASSAGE 6 Yea 0 Nay 0 Abstain

Attest:

  
\_\_\_\_\_  
Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Ordinance No. 032-17 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the 22<sup>nd</sup> day of May, 2017; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.

  
\_\_\_\_\_  
Gregory J. Heath, Clerk/Finance Director

# City of Napoleon, Ohio – Credit Card Policy



## CITY OF NAPOLEON, OHIO

# CREDIT CARD POLICY

## CRP17-0001

ORDINANCE EFFECTIVE DATE – \_\_\_\_\_, 2017

Policy Updates: - New Policy by Ordinance No. -17, passed / /2017

NEW POLICY APPROVED AND ADOPTED BY CITY COUNCIL  
IN ORDINANCE NO. \_\_\_\_-17, passed \_\_/\_\_/2017, Effective \_\_/\_\_/2017

Subsequent Policy Updates and Changes shall be approved by simple Motion of Council.

CITY OF NAPOLEON, OHIO  
255 WEST RIVERVIEW AVENUE  
P.O. BOX 151  
NAPOLEON, OHIO 43545-0151  
PHONE: (419) 599-1235  
FAX: (419) 599-8393  
E-MAIL: [gheath@napoleonohio.com](mailto:gheath@napoleonohio.com)

# City of Napoleon, Ohio – Credit Card Policy

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# City of Napoleon, Ohio – Credit Card Policy

## POLICY 0.0 PREFACE:

This document known as the Credit Card Policy (hereinafter referred to as **POLICY**), of the City of Napoleon, Ohio (hereinafter referred to as **CITY**), has been adopted and formally approved by the Legislative Body of the CITY, its City Council (hereinafter referred to as **COUNCIL**), in conjunction with the Revised Code of the State of Ohio as amended (hereinafter referred to as **ORC**), will govern the issuance and use of CITY Issued Credit Cards (CARD).

## POLICY 1.0 PURPOSE:

The purpose of this POLICY is to establish general and specific rules for the issuance, use, and record keeping of CARD's issued to individual CITY employees.

## POLICY 2.0 SCOPE:

This POLICY applies to all CITY employees authorized to receive and use a CITY Issued CARD.

## POLICY 3.0 CREDIT CARD ISSUANCE – DESIGNATION, AUTHORIZATION AND CARD LIMITS:

The CITY Finance Director shall be the sole authority to Designate and Authorize Approved Positions and Persons to receive and use a CITY CARD. Issued CARD's shall be in the Name of the person receiving the CARD, in addition to the "**City of Napoleon, Ohio**".

CARD's are issued with an individual CARD Limit and no individual transaction may exceed the overall dollar limit of the CARD as issued.

See "**APPENDIX A**" for a detailed listing of Authorized Positions, Individual Persons and Credit Limits for CARD's issued. This Appendix may be updated from time-to-time by the Finance Director with added or deleted Positions and Names as needed. Updates and changes to the **Appendix A Does Not** require additional action by City Council, either Legislatively or by Motion.

## POLICY 4.0 CREDIT CARD - OFFICIAL BUSINESS USE AND CITY BENEFIT:

Each person issued a CARD is directly responsible for the legal use, safekeeping and proper documentation for transactions made on the CARD (Including obtaining Purchase Requisitions, Purchase Orders, Invoices and Receipts, etc.).

Issued City Credit Cards are restricted for City Official Business only. Credit Card use must be for the clear benefit to the City. Use of the CARD must be for a **Proper Public Expenditure/Purpose** only.

# City of Napoleon, Ohio – Credit Card Policy

## POLICY 5.0 CREDIT CARD – ALLOWABLE USES:

### GENERAL:

- 1 - CARD's can generally be used for travel, and travel related expenses.
- 2 - Limited other CARD uses as approved by the Finance Director on a case by case basis.
- 3 - All current CITY policies, procedures and restrictions apply to the use of the CARD for both travel and/or other CITY purchases.

**NOTE:** Use of the CARD DOES NOT waive or change the requirement of certification of funds (*A prior Encumbrance or Purchase Order*) as required under the Ohio Revised Code and/or by other established City Policies and Procedures.

### TRAVEL:

- 1 - The CARD can be used to reserve and pay for hotel/motel rooms, conference fees, travel expenses and airline reservations.

**NOTE:** When possible, please use CARD to reserve services only, and then request payment in the form of a CITY issued check.

### OTHER PURCHASES:

- 1- On purchases other than travel, the requesting Department/Division shall request if the Vendor will take a Regular Purchase Order prior to using a CARD.
- 2 - Department/Divisions needing to make Purchases on a CARD, must first fill out a proper Purchase Requisition to the Vendor for which the purchase is to be made.
- 3 - Department/Divisions must bring the Purchase Requisition to the Finance Department and request the purchase to be placed on a CITY CARD.
- 4 - Designated Personnel in the Finance Department shall verify the accuracy and balances available on the Purchase Requisition. If OK, then the designated personnel shall order the item or service on the CARD under their control.

**NOTE:** The Finance Department shall attempt to have the Vendor place the CITY on account to accept a Regular Purchase Order, for either the immediate purchase or future potential purchases.

## POLICY 6.0 CREDIT CARD – RECEIPT DOCUMENTATION AND PAYMENT:

### RECEIPTS:

- 1 - Each person issued a CARD is directly responsible for the use of the CARD, and for obtaining a thorough listing of documentation for all expenses listed on the Card so as to create and to preserve an appropriate audit trail.
- 2 - Receipts or Invoices must be assigned a Purchase Order Number, Signed and turned over to the Finance Department in a timely manner for proper audit, crediting and timely payment of the items listed on the CARD statement.



## City of Napoleon, Ohio – Credit Card Policy

- 3 - To avoid Finance Fees or Late Charges, items listed on the statement shall be assumed correct for payment by the Finance Department, unless disputed in a timely manner by the CARD holder.

### **POLICY 7.0 CREDIT CARD – PROHIBITIONS AND DISCIPLINARY ACTIONS:**

#### **PROHIBITIONS (UNALLOWABLE USES):**

- 1 - There shall be NO Cash Withdrawals permitted for Any Reason on the CARD.
- 2 - There shall be NO Personal items of any type or kind charged to the CARD, including, but not limited to, entertainment, alcoholic beverages, personal services, cash advances, or for expenses or other tangible items or services Not CITY related.
- 3 - There shall be NO Payment for Non-City Employee meals, expenses or other tangible items.

Exception: The Appointing Authority may pre-authorize certain meals or other expenses for Non-City Employees as they may deem necessary to conduct proper CITY related business. (Example: Meals brought in for Negotiations and Budget Reviews; expenses for CITY related Economic Development meetings, etc.)

**NOTE: Any expenses for a Non-City Employee must be carefully documented including who received the benefit, and for what purpose it was given. This documentation must be included in the receipts for the expense as turned in by the CARD holder. Any expenses determined to NOT be proper, will be immediately Reimbursed to the CITY by the CARD holder.**

#### **DISCIPLINARY ACTIONS FOR MISUSE OF THE CARD:**

- 1 - Any misuse of the CARD, such as disregard for the policies and procedures of the CITY governing its use, including the policies and procedures for encumbrances, travel and training and purchases, shall mean an immediate revoking of the CARD Issued at the Sole Discretion of the CITY Finance Director.
- 2 - Any Personal use of the CARD, or utilization for other than a **Proper Public Expenditure/Purpose**, or any other violation of CITY Policies and Procedures on CARD use, may result in Disciplinary Actions against the Employee issued the CARD as listed in the CITY Personnel Code and Employee Manual.
- 3 - Any expenses deemed Not Proper, and not immediately Reimbursed by the CARD Holder, may be Withheld from the Employee's next Regular Pay.

### **POLICY 8.0 CREDIT CARD POLICY – EMPLOYEE ACKNOWLEDGEMENT:**

Each person issued a CARD shall sign an Employee Acknowledgment Form stating that he/she has read the POLICY, understands it, and agrees to abide by it.

# City of Napoleon, Ohio – Credit Card Policy

See “APPENDIX B” for the Employee Acknowledgment Form.

## POLICY 9.0 SIGNATURES (APPOINTING AUTHORITY):

_____ Joel L. Mazur, City Manager	<u>/S/</u> _____ Joel L. Mazur, City Manager
--------------------------------------	--

_____ Gregory J. Heath, Finance Director	<u>/S/</u> _____ Gregory J. Heath, Finance Director
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## APPROVED AS TO FORM

_____ Billy D. Harmon, Law Director	<u>/S/</u> _____ Billy D. Harmon, Law Director
--	--



# City of Napoleon, Ohio – Credit Card Policy

## APPENDIX A

Attachment to Credit Card Policy

Job Titles and Individuals Approved with Card Limits

<u>Job Title</u>	<u>Employee Authorized (Last Updated 05/15/2017)</u>	<u>Card Limit</u>	<u>Individual Transaction Limit</u>
City Manager	Joel L. Mazur	\$2,000	\$2,000
Administrative Assistant to the City Manager	Amanda B. Griffith	\$5,000	\$5,000
Law Director	Billy D. Harmon	\$2,000	\$2,000
Finance Director (Card 1)	Gregory J. Heath	\$2,000	\$2,000
Finance Director (Card 2)	Gregory J. Heath	\$10,000	\$10,000
Assistant Finance Director	Christine R. Peddicord	\$5,000	\$5,000
Administrative Assistant to the City Manager	Roxanne Dietrich	\$5,000	\$5,000
Municipal Court, Clerk of Courts	Melissa K. Cotter	\$2,000	\$2,000
Municipal Court Judge	Amy C. Rosebrook	\$5,000	\$5,000

# City of Napoleon, Ohio – Credit Card Policy

## APPENDIX B

### Attachment to Credit Card Policy CARD Hold Signed Acknowledgment of Policy

I, \_\_\_\_\_ do hereby  
*Employee Name* *Job Title (Description)*

Acknowledgment that I have read the CREDIT CARD POLICY, and I understand it, and agree to  
abide by its conditions.

### SIGNED BY

\_\_\_\_\_  
Employee Name (Signature)



# Dave Yost • Auditor of State

**Auditor of State Bulletin 2016-004**  
*Supersedes Bulletin 2016-003*

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**DATE ISSUED:** September 13, 2016

**TO:** All AOS Financial Audit Staff  
All Public Offices, Agencies, Boards, and Commissions  
Colleges and Universities  
Independent Public Accountants

**FROM:** Dave Yost, Auditor of State

**SUBJECT:** Credit Card Cash Withdrawals and Credit Card Controls  
in General

## Introduction

This is an amended advisory directed to public offices<sup>1</sup> and public officials<sup>2</sup> subject to the general laws of Ohio, including the provisions of Ohio Revised Code Sections (R.C.) 301.27, R.C. 505.28, R.C. 505.29, R.C. 505.64, R.C.1515.093, R.C. 3313.291 and R.C. 302.01, and subject to Section 12 U.S.C. 4007(2)(b). This amended advisory is provided to afford guidance to covered entities throughout the State and to Auditor of State audit staff and independent auditors who engage in audits of public entities. This advisory supersedes Bulletin 2016-003.

## Policy Considerations

Cash is the monetary medium of choice for drug dealers and criminals for a reason: controls are difficult and tracing transactions is nearly impossible. For this reason, public transactions in cash are strongly disfavored.

With the widespread use of credit cards and similar electronic instruments, the Auditor of State has noted public entities using them for cash withdrawals. Very few reasons exist for a public entity to use cash, and the Auditor of State will view such transactions with a rebuttable presumption that cash withdrawals are not for a public purpose.

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<sup>1</sup> R.C. 117.01(D)

<sup>2</sup> R.C. 2921.01

This bulletin is designed to outline how a public entity should approach designing controls for the use of credit cards for cash withdrawals in those extraordinary situations where it is absolutely necessary.

Many public entities, but not all, are authorized to use credit cards under Ohio law, and legal requirements vary between entities. (For purposes of this discussion, "credit card" includes credit card, debit card, procurement card, payment card, fleet card or similar device.)

Ohio law does NOT explicitly authorize a public entity to use a credit card to withdraw cash from a financial transaction device or automated teller machine (hereinafter, ATM), or to obtain cash (back) in a credit card transaction. The first question to be answered is whether cash withdrawals are "necessarily implied" from other powers that are explicitly granted to the public entity. See *State ex rel. A. Bentley & Sons Co. v. Pierce*, 96 Ohio St. 44, 47, 117 N.E. 6, 7 (1917); *City of Youngstown v. Craver*, 127 Ohio St. 195, 201, 187 N.E. 715, 717 (1933).

If the governing body of the public entity determines that cash withdrawals are necessarily implied from its other powers, that determination should be memorialized by specific legislative action (or where applicable, administrative action). The action should explicitly authorize the cash withdrawals and reference the entities credit card policy -- see "Credit Card Policy" below for further detail.

AOS will presume that a cash withdrawal which has not been properly authorized was not made for a proper public purpose. Such presumption is rebuttable on the basis of a factual analysis.

**NOTE: Any unauthorized cash withdrawal transaction may result in a non-compliance citation and/or finding for recovery, including joint and several liabilities, against the person or persons responsible for such misuse.<sup>3</sup> Further, each such act may constitute a violation of Section 2913.21 of the Ohio Revised Code, "Misuse of a Credit Card".**

#### Discussion

When a public entity authorizes issuance of a credit card,<sup>4</sup> use of the card is for the efficient acquisition of goods or services solely for the benefit of the operation of the public entity. A governing framework of policies and procedures providing adequate tracking and control must be adopted and consistently utilized. Ohio Administrative Code (OAC) Section 117-2-01 provides that:

##### 117-2-01 Internal controls.

(A) All public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding the achievement of objectives for their respective public offices in certain categories.

<sup>3</sup> R. C. 117.28

<sup>4</sup> The credit cards referenced here fall under the Electronic Funds Transfer Act, 15 U.S.C. § 1601, et seq.

(B) "Internal control" means a process affected (sic) by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (1) Reliability of financial reporting;
- (2) Effectiveness and efficiency of operations;
- (3) Compliance with applicable laws and regulations; and
- (4) Safeguarding of assets against unauthorized acquisition, use or disposition.

Absent proper authorization, there will be a presumption of non-compliance with OAC 117-2-01(A) and (B).

#### Credit Card Policy

Cash withdrawals are a tiny subset of all credit card activity, and require specific controls. These specific controls are in addition to the controls which should govern credit card use generally.

If an entity has authority to secure and to use a credit card, the governing body must create and adopt a credit card use policy to strengthen and to maintain internal controls over credit card transactions. The absence of an appropriate policy and of thorough monitoring of this activity increases the risk of unauthorized and/or otherwise improper expenditures that do not further the public purpose of the entity and are likely to result in audit findings or other sanctions.

This policy should include, at a minimum, the following provisions:

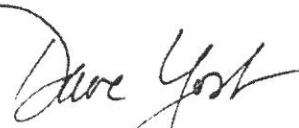
- Designation of the person or persons who are empowered to authorize and approve credit card transactions;
- The names and job titles of officers or employees who are authorized to use cards;
- Limits on the total dollar amount each authorized card user may incur as part of any individual transaction;
- A clear indication that the credit card may be used only for official business and for the benefit of the public entity;
- The disciplinary action or range of disciplinary actions which may be taken in the instances in which the credit card is utilized for other than a proper public expenditure/purpose or in violation of the entity's policies and procedures;
- If cash withdrawals are to be permitted, a comprehensive indication of the circumstances under which they are to be permitted and limits as to amounts of such withdrawals;
- A thorough listing of the documents which are to be created or secured, and maintained so as to create and to preserve an appropriate audit trail, and
- A statement signed by each potential card user acknowledging that he/she has read the credit card policy, understands it, and agrees to abide by it.

Further, the entity should consider inclusion in its policy of a definition of expenditures that are strictly prohibited (e.g. entertainment, alcoholic beverages, personal services, cash advances, etc.).

Conclusion

The use of credit cards maintained by public entities, although permitted in many instances under Ohio law, is particularly subject to potential abuse. The likelihood of such incidences is exacerbated when the transactions involve cash withdrawals. All public entities, therefore, should exercise the utmost care and diligence in authorizing and permitting credit card usage, particularly when cash withdrawals are involved. In addition, all public entities should develop, maintain, and strictly apply appropriate authorization and tracking controls incident to credit card usage, again with particular emphasis on cash withdrawals.

If you have any questions regarding this Bulletin please contact the AOS Center for Audit Excellence at (800) 282-0370 or the Legal Division at (800) 282-0370 or (614) 466-2929.

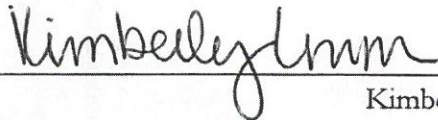
A handwritten signature in black ink, appearing to read "Dave Yost", with a stylized flourish extending from the end.

**Dave Yost**  
**Auditor of State**



STATE OF OHIO  
COUNTY OF HENRY

Kimberly Imm, being first duly sworn, states that she is the Assistant Publisher of The Bryan Publishing Company, owner of The Northwest Signal, a daily newspaper, published and of general circulation in the county of Henry aforesaid, and that the annexed notice was published in one issue in said paper, on the 22nd day of May 2017.



Kimberly Imm

Subscribed and sworn to before me this  
22nd day of May, 2017



Beverly Griteman  
Notary Public,  
State of Ohio  
My Commission Expires  
February 13, 2021

Printer's Fee: \$166.5

Notary Fee: \$1.50

**Summary of Ordinance No.(s) 014-17; 032-17 and  
Resolution No. 031-17**

(PURSUANT TO ARTICLE II, SECTION 2.15 OF THE CITY CHARTER, CHAPTER 121 OF THE CODE OF ORDINANCES AND COUNCIL RULE 6.2.4.1, AS WELL AS APPLICABLE PROVISIONS OF ORC CHAPTER 731)

**NOTICE**

A copy of the complete text of the above named Ordinance(s) and Resolution(s) are on file in the office of the City Finance Director and may be viewed or obtained during business hours of 7:30 AM to 4:00 PM, Monday through Friday, at the office of the Finance Director, the location being 255 West Riverview Avenue, Napoleon, Ohio. A copy of all or part of the above named Ordinances and Resolutions, or any item mentioned in this notice, may be obtained from the City Finance Director upon the payment of a reasonable fee therefore.

**Ordinance 014-17**

**AN ORDINANCE AMENDING ORDINANCE NO. 120-00, PASSED OCTOBER 16, 2000; REMOVING THE DEPARTMENT OF ENGINEERING AS THE HOUSING OFFICER FOR THE CITY OF NAPOLEON, OHIO AND ESTABLISHING AND AUTHORIZING THE DEPARTMENT OF MANAGEMENT TO PERFORM THE DUTIES OF HOUSING OFFICER FOR THE CITY OF NAPOLEON, OHIO; AND DECLARING AN EMERGENCY**

In this legislation, the City of Napoleon authorized removing the Department of Engineering as the Housing Officer for the City of Napoleon, Ohio and authorizing the Department of Management to perform those duties.

**Ordinance 032-17**

**AN ORDINANCE AMENDING THE CURRENT CREDIT CARD POLICY IN AND FOR THE CITY OF NAPOLEON, OHIO, AS WAS PERIODICALLY AMENDED; AND DECLARING AN EMERGENCY**

In this legislation, the City of Napoleon amended the current credit card policy in and for the City of Napoleon, Ohio.

**Resolution 031-17**

**A RESOLUTION AUTHORIZING TRAVIS B. SHEAFFER AS DELEGATE TO REPRESENT THE CITY OF NAPOLEON, OHIO AS A MEMBER OF THE BOARD OF DIRECTORS OF THE OHIO MUNICIPAL ELECTRIC ASSOCIATION (OMEA); AND DECLARING AN EMERGENCY**

In this legislation, the City of Napoleon appointed Travis Sheaffer to represent the City as a member of the OMEA Board of Directors, also appointing Jason Maassel as the alternate.

All of the above summaries are approved as to form and correctness by Billy D. Harmon, City Law Director