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# CHISAGO COUNTY COUNTY ISSUED CREDIT CARD POLICY

(This policy does not pertain to local “charge” accounts)

**I. PURPOSE**

The purpose of this policy is to provide user information to those employees and county officers, including elected officials, who have been approved by Chisago County Board of Commissioners to do business for Chisago 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 Chisago County business.

This policy is intended to ensure that county issued credit cards are used in accordance with Chisago County policies, state and federal laws; to ensure internal controls for authorized credit; to ensure that County bears no legal liability from inappropriate or unauthorized use; to provide a convenient credit method; minimize the number of credit cards issued by the County; and to empower employees and elected officials to increase productivity, flexibility, and efficiency.

**II. AUTHORITY TO ESTABLISH – Minnesota Statute §375.171 Credit Cards.**

A county board may authorize the use of a credit card by any county officer otherwise authorized to make a purchase on behalf of the county. If a county officer or employee makes a purchase by credit card that is not approved by the county board, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules or county policy applicable to county purchases.

**III. SCOPE**

It is the policy of Chisago County to allow the use of a credit card by departments and commissioners for certain expenses as outlined below. Department Heads are responsible for all cards issued to their department and the use of those cards by their employees. Personal use is strictly prohibited and shall be subject to discipline. Each department or commissioner requesting to obtain a credit card shall complete a credit card user agreement form. This form shall then be kept on record in the Auditor’s office. (See Exhibit B Credit Card User Agreement).

**IV. AUTHORIZATION**

Board approval is necessary to obtain approval for a County credit card.

1. A card issued shall be used ONLY by the approved credit card user.

2. The County Board of Department Head may, at any time and without notice to the employee, cancel credit card use authorization for any of their employees.
3. The County Auditor shall review credit card use randomly.
4. If it is determined that the credit card used is not in the best interest of Chisago County, the Board of Commissioners may discontinue credit card privileges.
5. When applying for a credit card, the County Auditor shall complete and sign the application for credit, after request is approved.

**V. CONTROLS**

The County Board of Commissioners has sole authority to approve or deny each County issues credit card request.

1. County issued credit card account limits shall be as follows:

<u>Cardholder:</u>	<u>Account Limit:</u>
Board of Commissioners/Administration	\$1,500.00
Department Head	\$1,000.00
Employee	\$500.00

2. Any request for a deviation from the established accounts limits shall be submitted in writing by the Department Head outlining a specific reason(s) why the established limit is insufficient.
3. A request for a County issued credit card must be made by the Department Head (for employees) or Administrator (for commissioners) and submitted to the County Auditor's Office. (See Exhibit A – Request for Credit Card). The County Auditor shall forward completed applications to the County board of Commissioners for consideration.
4. All existing purchasing policies apply to purchases made on a credit card.
5. All receipts must be obtained by the persons using the card and presented to their Department head for reconciliation of the billing.
6. It shall be the responsibility of the Department Head to cancel a lost card immediately and to notify the Auditor's and Administrator's office of the same. The County Auditor shall maintain an inventory of County issued credit cards which shall be physically audited annually.
7. The original credit card user agreement shall be kept in the Auditor's office. The credit card vendor shall not be given access to personal credit records.

8. Department heads must annually submit to the Auditor a list of authorized cardholders in their department including for what type of use each cardholder is authorized.
9. The County may process a background credit check on the applicant's personal credit history as needed. The credit card vendor shall not be provided personal credit records, social security numbers or other personal information.
10. County issued credit card shall have the County's name, employee/elected official's name and the expiration date. Upon issuance of the County provided credit card, the approved user shall personally sign an acknowledgement of receipt for their County issued credit card.

**VI. ELIGIBLE USES OF THE CREDIT CARD**

The credit card may be used to:

1. Guarantee lodging rooms for authorized conferences and/or meeting attendance.
2. Guarantee registration fees for authorized conferences and/or meeting attendance.
3. Purchase airfare, transportation services, parking.
4. Purchase supplies and or materials when purchase of the items by credit card is more time and cost efficient than if purchased by a county warrant.
5. Purchase gasoline only when using a county vehicle. Gasoline credit cards are used only when there is not access to County facilities and only to purchase self-service gasoline or minor maintenance items such as oil and wiper blades.

**VII. INELIGIBLE USES OF THE CREDIT CARD**

The credit card may NOT be used for:

1. Personal purchases.
2. Meal expenses.
3. Alcoholic beverages.
4. Gratuities.
5. Gasoline for any personal vehicle.
6. Back ordered items.

7. Cash advances.

Any allowable expenses charged on a card shall be the responsibility of the employee making the purchase and the department head. Any cardholder making an authorized purchase shall be personally liable for the amount of the purchase and any fees or penalties associated with the purchase. It is the Department Head's responsibility to ensure that only reimbursable expenses are charged on a card. Splitting a single purchase into multiple transactions to avoid the transaction dollar limit is a violation to the Credit Card User Agreement. Multiple transactions from the same vendor can be legitimate if purchases are separate items.

**VIII. MONTHLY RECONCILIATION**

Each Department Head shall be sent a monthly billing statement identifying purchases listed for their respective department.

1. It is the personal responsibility of each Department Head to submit the proper receipts along with the billing from the credit card company to the Auditor's office in a timely manner (within 5 working days of receipt of bill) for the purpose of paying the bill and to avoid service charges.
2. Each Department Head shall reconcile the monthly statement (Exhibit C – Charge Card Compliance Form). All original receipts and the credit card company's billing must be attached. Receipts handed in must contain: date, name of establishment, itemized detail of items purchased. Cardholders are responsible to obtain a duplicate receipt from the vendor for any lost receipt.
3. Charges with lost receipts or where no duplicate receipt is available will be immediately reimbursed to the County by the cardholder.
4. It is the responsibility of the cardholder to resolve any disputes with a vendor.
5. No fees or interest charged by a card company because of late payments due to untimely submission of record to the Auditor's office shall be paid from county funds. The Department Head shall be personally responsible for those fees if they appear on the billing for their department.
6. Any over-limit fee shall be the responsibility of the cardholder.

When a Department Head is interested in obtaining a credit card for use within his/her department, the attached Exhibit A should be completed and returned to the Auditor's office. Request shall be then forwarded to Administrator's office to receive approval from County Board. Once approved, the Department head shall be notified. The original request shall be maintained on file in the Auditor's office.

**IX. LOST OF STOLEN CARDS**

Should any cardholder lose or have their County issued credit card stolen, it is their responsibility to immediately notify, within 24 hours, the credit card issuer and the County Auditor's Office. Contact information of the credit card issuer will be provided to the cardholder upon request.

**X. CANCELLATION**

The Chisago County Board of Commissioners reserves the right to cancel any individual cardholder at any time. The County Auditor (or as delegated to Deputy Auditors) is authorized to cancel individual cardholders due to resignation or termination of employment from Chisago County.

**XI. TERMINATED CARDHOLDERS**

A credit card held by a terminating employee must be turned into the Auditor's Office **prior to termination**. If the card is not retrievable, the responsible department must notify the Auditor's Office immediately.

**XII. VIOLATIONS OF POLICY**

Violations of this policy may result in the revocation of the authority to use a county issued credit card and/or discipline, up to and including, termination.

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**C E R T I F I C A T I O N**

State of Minnesota    )  
                                  ) ss.  
County of Chisago    )

I hereby certify that the foregoing is a true and correct copy of a policy presented to and adopted by the Board of Commissioners of Chisago County at a duly authorized meeting thereof on the 16<sup>th</sup> day of December, 2009.

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DeAnna M. Lilienthal  
Clerk, County Board

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