

CITY OF SULTAN
WASHINGTON
ORDINANCE 1320-20

AN ORDINANCE OF THE CITY OF SULTAN, WASHINGTON,
ADOPTING A SYSTEM FOR THE ISSUANCE, USE AND
CONTROL OF CREDIT CARDS BY CITY OFFICIALS AND
EMPLOYEES PROVIDING FOR SEVERABILITY; AND
ESTABLISHING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Sultan finds it advantageous for the City to use a credit card for certain official City purchases, and

WHEREAS, the City finds that the use of credit cards is a customary and economical business practice to improve cash management, reduce costs and increase efficiency; and

WHEREAS, the City strives to perform all functions in an efficient and cost-effective manner; and

WHEREAS, RCW 43.09.2855 requires that any City which contracts for the issuance and use of credit cards adopt policies governing the distribution, authorization, credit limits, payment and control of such credit cards;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SULTAN AS FOLLOWS:

Section 1. Chapter 3.74, Credit Card Use is hereby amended to read as follows:

**Chapter 3.74
Credit Card Use**

Sections:

3.74.010 Purpose
3.74.020 Definitions
3.74.020 Credit Card Use

3.74.010 Purpose

The purpose of this chapter shall be to set forth the policy of the City of Sultan for the use of credit cards and procurement cards (P-Card) by elected officials, appointed officers and city employees. This chapter shall be interpreted to provide for the use of credit cards by authorized persons to the fullest extent allowed by RCW 43.09-2855 and RCW 42.24.115.

3.74.020 Definitions:

Credit Card: A charge card issued by a local bank for purchases.

Open Charge Account: An account established with a vendor that will charge authorized expenses directly to the city.

Personal Purchase: Items that are not intended for use by the city or for city purposes.

Procurement Card (P-Card): A charge card issued under the WSCA-NASPO program through the Washington State Department of Enterprise Services.

3.74.020 Credit Card Use

A. The City Administrator and Finance Director shall implement and maintain the following system for the distribution, authorization and control of credit cards issued to or for the benefit of the City and used by City officials and employees.

1. Distribution: Credit cards and/or P-Cards may be distributed to those City officials, and employees, who, in the opinion of the Mayor, or his/her designee, have job responsibilities that would benefit or otherwise be facilitated by use of a credit card or PCard.

2. Authorization and Control: The Mayor or his/her designee shall develop specific administrative guidelines and accounting controls to ensure the proper usage of credit cards and credit card funds. The credit card is to be used when it is in the best interest of City administrative affairs.

3. Credit Limits: The Mayor or his/her designee shall set credit limits on each card issued subject to the approval of the City Council. Individual purchases shall not exceed \$1,000 without the pre-approval of the City Administrator. The credit card limit shall not exceed \$5,000 for any individual credit card account. The P-Card limits shall be established by the Mayor or his/her designee based on the needed use of the card.

4. Credit Card Restrictions: The following will be considered an unauthorized purchase or use of any City purchasing/credit card:

- A. Cash advances
- B. Payment of invoices or statements
- C. Purchases where an open charge account could be utilized
- D. Personal purchases of any kind;

5. Disallowed Charges: Disallowed charges, or charges not properly identified will be paid by the employee before the charge card billing is due. Failure to do so will render the employee personally liable and where the City shall have a prior lien against and a right to withhold any and all funds payable or to become payable to the employee up to the unpaid amount, plus interest and /or fees at the rate charged by the bank that issued the cost. Employee shall not use the credit card or P-Card if any disallowed charges are outstanding or if the card has been revoked.

The act of obtaining a City credit card or P-Card does not indicate pre-approval of expenses or expenditures.

6. Return of Credit Card and/or P-Card: The employee shall return all City credit cards and P-Cards at the request of the Mayor or his/her designee, or upon separation of employment. Final paycheck will be held until all outstanding City property has been returned.

B. The City Administrator and Finance Director are authorized to implement any additional policies or administrative procedures necessary to implement the provisions of this section subject to the approval of the City Council.

Section 2 Severability: This ordinance is severable and if any portion of it shall be declared invalid or unconstitutional, the remaining portion shall remain valid and enforceable.

Section 3 Effective Date: This ordinance shall take effect and be in full force five (5) days after publication as required by law.

REGULARLY adopted this 27th day of February, 2020.



Russell Wiita, Mayor

Attest:



Tami Pevey, City Clerk

Approved as to form:



Hillary Evans Graber, City Attorney

Published: March 2, 2020

Effective: March 7, 2020