

**ORDINANCE NO. 2022-07**

**AN ORDINANCE AMENDING VILLAGE OF PECATONICA  
CREDIT CARD POLICY**

WHEREAS, Section 5/8-1-3.1 of the Illinois Municipal Code (65 ILCS 5/8-1-3.1) authorizes the corporate authorities to borrow money from any bank or other financial institution provided such money is repaid in 10 years from the time the money is borrowed; and

WHEREAS, Section 5/8-1-3.1 permits a municipality to execute a promissory note or similar debt instrument evidencing the indebtedness incurred by the borrowing; and

WHEREAS, procuring items by use of a credit card is a form of borrowing which is permitted under the Illinois Municipal Code; and

WHEREAS, the Village of Pecatonica previously adopted Ordinances 2017-16 and 2019-17 which adopted and then amended credit card policies and procedures for its employees and elected and appointed officials; and

WHEREAS, the corporate authorities in furtherance of their fiduciary duties, in furtherance of the continued safekeeping of public funds, have determined it is in the public interest to amend and update its credit card policies and procedures; and

WHEREAS, the Village authorities have amended its written Credit Card Policies and Procedures, a redlined copy of which is attached hereto as **Exhibit "A"** and incorporated herein by reference, and exhibits the changes between the new policy and the previous policy adopted by Ordinance 2019-17; and

WHEREAS, attached hereto as **Exhibit "B"** is the new Credit Card Policies and Procedures which shall remain in full force and effect unless and until duly amended or repealed.

NOW, THEREFORE, BE IT ORDAINED by the Village President and the Board of Trustees of the Village of Pecatonica, Illinois:

Section 1. That the Credit Card Policies and Procedures, as amended, a true and accurate copy of which is attached hereto as Exhibit "B" and is incorporated herein by reference, is hereby approved and adopted and effective

immediately and shall serve as the Credit Card policy of the Village of Pecatonica.

Section 2. This ordinance shall be in full force and effect after its passage, approval and publication in pamphlet form as provided by law.

ADOPTED this \_\_\_\_\_day of April, 2022 by the Board of Trustees of the Village of Pecatonica.

APPROVED this \_\_\_\_\_day of April, 2022 by the Village President of the Village of Pecatonica.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSTAIN/ABSENT: \_\_\_\_\_

APPROVED:

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**WILLIAM SMULL, VILLAGE PRESIDENT**  
Village of Pecatonica, Illinois

ATTEST:

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**GWENN SHIRLEY, VILLAGE CLERK**  
Village of Pecatonica, Illinois

EXHIBIT "A"

ORDINANCE 2022-07



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# CREDIT CARD POLICY AND PROCEDURES MANUAL

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~~SEPTEMBER 2, 2021~~~~NOVEMBER 1, 2021~~FEBRUARY 28, 2022

VILLAGE OF PECATPNICA

# Credit Card Policies and Procedures

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## Credit Card Policies and Procedures

# Village of Pecatonica

## Credit Card Policies and Procedures

Revised: September 02, 2021

### 1.1 INTRODUCTION

#### A. Purpose of the Credit Card Policy:

This policy has been adopted to establish the procedures to be used with the Village of Pecatonica's credit cards. This policy intends to accomplish the following:

1. The purpose of this ~~credit card~~ policy is to facilitate purchases necessary for Village operations and to facilitate ~~other~~ necessary transactions in an efficient manner when use of a credit card is used, would expedite the transaction in an efficient manner. The purpose ~~for using the village's of the use of these credit~~ cards is not to override the procedures set forth in the village's purchasing policy, but to provide an alternative efficient method to purchase necessary goods and services.
2. Establish appropriate internal controls over the credit card process to ensure cards are only used for authorized purposes.
3. Ensure the Village bears no legal liability from inappropriate use of credit cards.
4. Verify payments for purchases are made on a timely basis to minimize finance charges.
5. Allow for Village Board oversight on credit card purchases over \$7,000.00 and changes in card limits.
- ~~5.6. Allow Village purchases using an employee's personal credit card.~~

#### B. Periodic Review of the Purchasing Policy:

This Policy will undergo a review, at least annually, and will be adjusted if necessary. This will help assure that the ~~p~~Policy's objectives ~~are~~ continue to be met, as well as accommodate any change in circumstances, that might warrant a ~~p~~Policy change.

### 2.1 Emergency Credit Card Use Requirements

1. Is defined where the health and safety of the village's residents and/or its employees ~~health and safety~~ are at risk when no alternative payment method is available.
2. In these situations, timely procurement of goods and services may require immediate purchase and payment. The ~~V~~village ~~P~~resident, the ~~V~~village ~~F~~inance ~~L~~iaison ~~c~~hairman, and the ~~V~~village ~~T~~reasurer must sign off on the procurement that will be presented to the board at the next meeting.
3. ~~The Village Clerk may temporarily raise individual card limits to meet individual purchase requirements with verbal approval of the Village President and either the Village Finance Liaison or the Village Treasurer. This can include raising credit limits in this abnormal situation.~~
- 2-4. ~~Personal employee credit card purchases are allowed in emergency situations for vehicle repairs including travel and lodging related to village business.~~

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### 3.1 General Information

1. Village credit cards will be issued to the Village President, Police Chief, Public Works Director, each Village Liaison Trustee, and other selected individuals approved by the Village Board.

## Credit Card Policies and Procedures

2. Village Credit Cards may only be used by the individuals they are issued to.
- 2-3. Village Employee may use personal credit cards for village purposes but in some cases the employee may be liable for State Sales Taxes unless the total cost is approved by the Village President.
- 3-4. Monthly Credit limits to be set and may differ for at the monthly amounts authorized for each cardholder.
- 4-5. With Board approval, the Clerk may temporarily or permanently raise individual card limits to meet individual purchasing requirements.
- 5-6. With Village President's approval, the Clerk may temporarily or permanently lower individual card limits to meet individual purchase requirements.

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### 4.1 Credit Card Usage Policy

1. Credit cards will be used only for business purposes. Personal purchases of any type are not allowed and can result in termination of employment in addition to legal proceedings. The Following Items are not allowed:
  - A. Alcoholic beverages/tobacco products/controlled substances.
  - B. Personal items or loans.
  - C. The cards ~~must~~ cannot be used to access a cash advance (ATM). The current bank credit card agreement does not allow ATM cash advances.
  - D. Any other items deemed inconsistent with the values of the Village.
2. Credit cards can be used in emergency situations in accordance with section 2.1, where the health and safety of the village's residents are in peril.
3. Credit card purchases should be limited to the following items:
  - A. Emergency situations
  - B. Out of town travel expenses
  - C. Vendor purchases without established accounts where the vendor requires a form of payment prior to shipping the commodity or service being ordered.
  - D. Vendor purchases when TeleCheck/Tele Check or similar verification system cannot validate our normal A/P checks for payment.
  - E. Online purchases and for vendors we do not have a vendor account established or require payment prior to shipment. It is the responsibility of the card holder to provide these vendors with our Illinois sales tax exemption certificate and request a properly filled out federal W-9 form.
4. Personal Credit Cards can be used for the following Village purchases:
  - A. Training and associated travel and lodging expenses.
  - E-B. Special part purchases from vendors or merchants that are not village approved. In this case the employee could be responsible for taxes paid unless pre-approved by the Village President.
5. All credit card purchases must be delivered to a valid Village address, no purchases including authorized clothing purchases can be delivered to an employee's home address.

### 5.1 Responsibilities of Card Users:

1. The card holder is responsible for the security of the card. All precautions must be used to maintain confidentiality of all information relating to the card, such as the account number and expiration date.



## Credit Card Policies and Procedures

1. The employee shall provide the vendor or merchant our with Illinois Sales Tax Exemption Certificate, and request a properly filled out Federal W-9 form from all vendors or merchants that are new and not on our current qualified vendor list.
2. The Village is a tax-exempt entity. Each cardholder is responsible for obtaining a credit if sales tax was charged. Each cardholder should keep a copy of the Village's Illinois Sales Tax Exemption Certificate on their phone just in case they are being taxed during purchasing of the commodity or service. The card holder may be responsible for the taxes incurred if this policy is not followed.
3. The employee shall take all necessary precautions to ensure that the transaction is from a real and valid vendor or merchant prior to providing our credit card data.
4. The employee shall properly document the transaction with the credit card transaction support form (Attachment A) and submit the printed receipt or paid invoice provided by the vendor and submit these and any other supporting documentation to the village clerk for reconciliation with the credit card Statement.
5. Card holders must notify the Village Clerk immediately if a card is lost or stolen.
6. The cardholder is responsible for ensuring the credit card purchases are within budget and properly approved.
7. Personal or unauthorized use of credit cards by any employee is subject to the disciplinary policy set forth in the Employee Handbook adopted by the Village Board on October 4, 2018. In the case of an elected official, personal or unauthorized use of credit cards would be subject to censure and/or other penalties provided by law, and in both cases, the individual would be required to reimburse the Village for such personal or unauthorized use plus all related legal costs incurred.
8. Each person with access to a Village credit card, employee or elected or appointed official, is required to complete and sign a card user agreement indicating they accept these terms prior to usage of a Village credit card. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action as stated in the Village's personnel policy. Misuse of village credit cards is considered a misuse of government funds and will be treated as such.

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### 5.6.1 Authorized credit card purchasing transaction methods of acquisition

- A. In person either at the vendor's or merchant's location of business, the employee shall present the credit card for purchase of goods and services not practically procured through the normal purchasing practices and the employee shall obtain a receipt and attach it to the credit card transaction support form (Attachment A) for all purchases and credits and submit the receipt and support form to the village clerk for reconciliation with the credit card statement invoice by the assistant village clerk as indicated under procedures in using credit cards.
- B. Via telephone or mail order, the employee shall provide the vendor or merchant with the credit card number, expiration date, and other pertinent data necessary to complete the transaction. The employee shall take necessary precautions to ensure that the transaction is valid prior to providing permanent credit card data. The employee shall properly document the transaction with with the credit card transaction support form (Attachment A) and submit a the printed receipt sent by the vendor and submit the receipt and the



## Credit Card Policies and Procedures

~~support form, and any other supporting this documentation, to the village clerk for reconciliation by the assistant village clerk with a credit card statement.~~

~~C. Via the Internet, the employee shall provide the vendor or merchant with the credit card number, expiration date, and other pertinent data necessary to complete the transaction. The employee shall take necessary precautions to ensure the transaction is valid prior to providing the permanent credit card data. The employee shall properly document the transaction with the credit card transaction support form (Attachment A) and submit the printed receipt sent by the vendor and submit the receipt and the support form, and any other supporting documentation to the village clerk for reconciliation by the assistant village clerk with a credit card statement. The employee shall properly document the transaction with an online printed receipt.~~

~~D. Travel and lodging related to Village purposes.~~

~~E. Village vehicle auto repairs on out-of-town village trips.~~

### 5.17.1 Credit Card Usage Conforms to Village Purchasing Policy

1. All purchases on Village issued credit cards must conform to the guidelines and restrictions set forth in the Village Purchasing Policy revised by the Village Board on August 20, 2019, as defined below:

~~A. Department Employees assigned credit cards, (Administration, Police Streets, Sewer, and Water), with the department heads approval, monthly up to a current limit of \$500.00,~~

~~A.B. Department Heads, (Street, Water, Sewer, and Police), and employees, with the department heads approval, are authorized monthly up to a current limit of \$1,500.00, for Department Heads and \$500.00 for their employees.~~

~~B.C. Committee Heads/Liaisons are authorized monthly up to a current limit of \$2,500.00.~~

~~C.D. Village Clerk and Assistant Clerk are authorized monthly up to a current limit of \$2,500.00.~~

~~D.E. Village President is authorized monthly up to a current limit of \$7,000.00.~~

~~E.F. All Credit Card purchases over \$7,000.00 are subject to prior Village Board approval, with the sole except of emergency purchases.~~

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### 6.1 Responsibilities of Card Users:

- ~~2. The card user holder is responsible for the security of the card. All precautions must be used to maintain confidentiality of all information relating to the card, such as the account number and expiration date.~~
- ~~3. The Village is a tax exempt entity. Each cardholder is responsible for obtaining a credit if sales tax was charged. Each cardholder should keep a copy of the Village's Tax Exemption certificate on their phone just in case they are being taxed during purchasing of the commodity or service. The card holder may be responsible for the taxes incurred if this policy is not followed.~~
- ~~4. Card holders must notify the Village Clerk immediately if a card is lost or stolen.~~
- ~~5. The cardholder is responsible for ensuring the credit card purchases are within budget and properly approved.~~
- ~~6. Personal or unauthorized use of credit cards by any employee is subject to the discipline policy set forth in the Employee Handbook adopted by the Village Board on October 4, 2019. In the case of an elected official, personal or unauthorized use of credit cards would be subject to censure and/or other penalties provided by law, and in both cases, the individual would be~~

## Credit Card Policies and Procedures

~~required to reimburse the Village for such personal or unauthorized use plus all related legal costs incurred.~~

~~7. Each person with access to a Village credit card, employee or elected or appointed official, is required to complete and sign a card user agreement indicating they accept these terms prior to usage of a Village credit card. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action as stated in the Village's personnel policy. Misuse of village credit cards is considered a misuse of government funds and will be treated as such.~~

### 7.18.1 Procedures in using credit cards:

1. Receipts must be obtained for all purchases, identifying the date and itemized list of all purchases. Each cardholder is responsible for obtaining a lost receipt or one that was not obtained. Each cardholder should take a photo of each receipt as a backup just in case one is lost.
2. Always fill out the Credit Card Transaction Form (~~See attachment A~~) defining the purchase, attach the receipt and delivered it to your department head or committee head/liaison properly filled out. ~~The properly filled out documents, and that individual must be delivered to the~~ Village Clerk's office for further processing and eventual payment. Card uses are subject to review before payment. If card is used for travel expenses, i.e.: meals, lodging and other travel expenses, the guidelines in the Village Travel Reimbursement Policy must be followed and an expense report with receipts attached must be submitted to the Village Clerk and approved by the Treasurer. ~~VehVehicle fuel purchases are limited to Village owned vehicles, or personal vehicles on village business, only.~~
3. Receipts ~~and the~~ ~~must be presented to~~ Credit Card Transaction Form ~~must be sent to the~~ Village Clerk within two (2) days of purchase ~~for further processing.~~
4. Any item purchased with a card and is returned for any reason the credit must be applied to the same card used for purchase, or if the card is no longer valid an In-store credit document can be used instead. Do not accept a refund in cash unless there are no other alternatives.
5. The card user is responsible for following up with the merchant on any erroneous charges, disputed items or returns as soon as possible. Disputed billings can result from failure to receive the goods charged, defective merchandise, incorrect amounts, duplicate charges, or ~~returned~~ credit not processed.
6. If you have a problem with a purchased item from the use of the card, you should first try to reach a resolution with the supplier that provided the item.
7. Cardholders should make every effort to ensure that purchases do not include sales tax. ~~Tax~~ exempt certificates are available through the Village Clerk's office. Sales taxes may be paid for minimal expenditures from one-time vendors who refuse to the accept exemption, but sales tax should not be paid where the purchases are for more substantial expenditures or are repeatedly incurred (select another vendor).
- 7.8 ~~Village Clerk or assigned designee shall access the credit card statement online weekly to determine if there are any outstanding purchases where the paperwork has not yet been turned in to the Village Clerk for further processing. This is to ensure the cards are being properly used.~~

### 8.19.1 Policy violations

Violations of this policy may result in a warning, cancellation of card privileges, or termination, depending upon the severity of the violation. Violations will be dealt with in accordance with the villages personnel policy handbook.

## Credit Card Policies and Procedures

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**Credit Card Policies and Procedures**

**9-110.1 Attachment A**

**CREDIT CARD PURCHASE TRANSACTION SUPPORT FORM**

**Emergency purchases**

Village President: \_\_\_\_\_ Date: \_\_\_\_\_ Formatted: Font: 12 pt

Village Finance Liaison: \_\_\_\_\_ Date: \_\_\_\_\_ For \_\_\_\_\_ Formatted: Font: 12 pt

restaurant and/or food-related purchases \_\_\_\_\_ Formatted: Font: 12 pt

Village Treasurer: \_\_\_\_\_ Date: \_\_\_\_\_ Formatted: Font: 12 pt

**For restaurant and/or food-related purchases** Formatted: Indent: Left: 0.5"

**For all other Village purchases** Formatted: Font: 14 pt

**Employee Personal C/C: Pay Employee:** \_\_\_\_\_

• **Vendor/Restaurant Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_ Formatted: Font: 12 pt

• **Date of Purchase:** \_\_\_\_\_

• **Detailed Description of Purchase\*** \_\_\_\_\_ Formatted: Font: 12 pt

Detailed	Description	of	Purchase*

• **Accounts to be charged:** \_\_\_\_\_ **Total Purchased:** \_\_\_\_\_

General Ledger	Item Description	Dollar Amount	Project Number

**Location of Inventoried Supplies, Controlled or Capital Assets:** \_\_\_\_\_

• **Cardholder Name:** \_\_\_\_\_ Formatted: Font: 12 pt

• ~~By signing this form, I state that this purchase was made for a legitimate Village business related purpose.~~ Formatted: No bullets or numbering

• **Cardholder Signature:** \_\_\_\_\_ Formatted: Font: 12 pt

**Date:** \_\_\_\_\_ Formatted: Font: 12 pt

**Department Head Signature:** \_\_\_\_\_ Formatted: Font: 12 pt

**Date:** \_\_\_\_\_ Formatted: Font: 12 pt

**Dept. Liaison Signature: (over \$1,500)** \_\_\_\_\_ **Date:** \_\_\_\_\_ Formatted: Font: 12 pt

**Village President Signature: (Over \$2,500)** \_\_\_\_\_ **Date:** \_\_\_\_\_ Formatted: Font: 12 pt

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## Credit Card Policies and Procedures

• Board Approved: (Over \$7,000) \_\_\_\_\_ Date: \_\_\_\_\_

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• Attach ~~an item~~the vendor receipt to this form and return it to the Village Clerk (within 2 days).

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• Reasons why there is no supporting documentation:

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Telephone transaction with no brochure or catalog information available.

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Emergency purchase; no receipt available.

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Other Explain: \_\_\_\_\_

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\*\*If related to a meeting, include a description of the purpose of the meeting, the names of those who attended, and in general terms, the nature of the business.

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\*\*By signing this form, I state that this purchase was made for a legitimate Village business related purpose.

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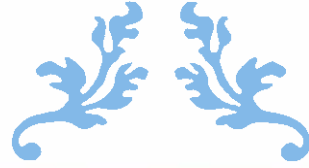
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**EXHIBIT "B"**  
**ORDINANCE 2022-07**





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# CREDIT CARD POLICY AND PROCEDURES MANUAL

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FEBRUARY 28, 2022  
VILLAGE OF PECATPNICA

# Credit Card Policies and Procedures

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## **Credit Card Policies and Procedures**

# Village of Pecatonica

## **Credit Card Policies and Procedures**

Revised: September 02, 2021

### **1.1 INTRODUCTION**

#### **A. Purpose of the Credit Card Policy:**

This policy has been adopted to establish the procedures to be used with the Village of Pecatonica's credit cards. This policy intends to accomplish the following:

1. The purpose of this policy is to facilitate purchases necessary for Village operations and to facilitate necessary transactions in an efficient manner when the credit card is used. The purpose for using the village's credit cards is not to override the procedures set forth in the village's purchasing policy, but to provide an alternative efficient method to purchase necessary goods and services.
2. Establish appropriate internal controls over the credit card process to ensure cards are only used for authorized purposes.
3. Ensure the Village bears no legal liability from inappropriate use of credit cards.
4. Verify payments for purchases are made on a timely basis to minimize finance charges.
5. Allow for Village Board oversight on credit card purchases over \$6,500.00 and changes in card limits.
6. Allow Village purchases using an employee's personal credit card.

#### **B. Periodic Review of the Purchasing Policy:**

This Policy will undergo a review, at least annually, and will be adjusted if necessary. This will help assure that the policy's objectives are continuing to be met, as well as accommodate any change in circumstances, that might warrant a policy change.

### **2.1 Emergency Credit Card Use Requirements**

1. Is defined where the health and safety of the village's residents and/or its employees are at risk, when no alternative payment method is available.
2. In these situations, timely procurement of goods and services may require immediate purchase and payment. The Village President, the Village Finance Liaison, and the Village Treasurer must sign off on the procurement that will be presented to the board at the next meeting.
3. The Village Clerk may temporarily raise individual card limits to meet individual purchase requirements with verbal approval of the Village President and either the Village Finance Liaison or the Village Treasurer.
4. Personal employee credit card purchases are allowed in emergency situations for vehicle repairs including travel and lodging related to village business.

### **3.1 General Information**

1. Village credit cards will be issued to the Village President, Police Chief, Public Works Director, each Village Liaison Trustee, and other selected individuals approved by the Village Board.
2. Village Credit Cards may only be used by the individuals they are issued to.

## **Credit Card Policies and Procedures**

3. Village Employee may use personal credit cards for village purposes but in some cases the employee may be liable for State Sales Taxes unless the total cost is approved by the Village President.
4. Monthly Credit limits are set and may differ for each cardholder.
5. With Board approval, the Clerk may temporarily or permanently raise individual card limits to meet individual purchasing requirements.
6. With Village President's approval, the Clerk may temporarily or permanently lower individual card limits to meet individual purchase requirements.

### **4.1 Credit Card Usage Policy**

1. Credit cards will be used only for business purposes. Personal purchases of any type are not allowed and can result in termination of employment in addition to legal proceedings. The Following Items are not allowed:
  - A. Alcoholic beverages/tobacco products/controlled substances.
  - B. Personal items or loans.
  - C. The cards cannot be used to access a cash advance (ATM). The current bank credit card agreement does not allow ATM cash advances.
  - D. Any other items deemed inconsistent with the values of the Village.
2. Credit cards can be used in emergency situations in accordance with section 2.1.
3. Credit card purchases should be limited to the following items:
  - A. Emergency situations
  - B. Out of town travel expenses
  - C. Vendor purchases without established accounts where the vendor requires a form of payment prior to shipping the commodity or service being ordered.
  - D. Vendor purchases when Tele Check or similar verification system cannot validate our normal A/P checks for payment.
  - E. Online purchases and for vendors we do not have a vendor account established or require payment prior to shipment. It is the responsibility of the card holder to provide these vendors with our Illinois sales tax exemption certificate and request a properly filled out federal W-9 form.
4. Personal Credit Cards can be used for the following Village purchases:
  - A. Training and associated travel and lodging expenses.
  - B. Special part purchases from vendors or merchants that are not village approved. In this case the employee could be responsible for taxes paid unless pre-approved by the Village President.
5. All credit card purchases must be delivered to a valid Village address, no purchases including authorized clothing purchases can be delivered to an employee's home address.

### **5.1 Responsibilities of Card Users:**

1. The card holder is responsible for the security of the card. All precautions must be used to maintain confidentiality of all information relating to the card, such as the account number and expiration date.
2. The employee shall provide the vendor or merchant with Illinois Sales Tax Exemption Certificate and request a properly filled out Federal W-9 form from all vendors or merchants that are new and not on our current qualified vendor list.
3. The Village is a tax-exempt entity. Each cardholder is responsible for obtaining a credit if sales tax was charged. Each cardholder should keep a copy of the Village's Illinois Sales Tax Exemption

## **Credit Card Policies and Procedures**

- Certificate on their phone just in case they are being taxed during purchasing of the commodity or service. The card holder may be responsible for the taxes incurred if this policy is not followed.
4. The employee shall take all necessary precautions to ensure that the transaction is from a real and valid vendor or merchant prior to providing our credit card data.
  5. The employee shall properly document the transaction with the credit card transaction support form (Attachment A) and submit the printed receipt or paid invoice provided by the vendor and submit these and any other supporting documentation to the village clerk for reconciliation with the credit card Statement.
  6. Card holders must notify the Village Clerk immediately if a card is lost or stolen.
  7. The cardholder is responsible for ensuring the credit card purchases are within budget and properly approved.
  8. Personal or unauthorized use of credit cards by any employee is subject to the disciplinary policy set forth in the Employee Handbook adopted by the Village Board on October 4, 2018. In the case of an elected official, personal or unauthorized use of credit cards would be subject to censure and/or other penalties provided by law, and in both cases, the individual would be required to reimburse the Village for such personal or unauthorized use plus all related legal costs incurred.
  9. Each person with access to a Village credit card, employee or elected or appointed official, is required to complete and sign a card user agreement indicating they accept these terms prior to usage of a Village credit card. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action as stated in the Village's personnel policy. Misuse of village credit cards is considered a misuse of government funds and will be treated as such.

### **6.1 Authorized credit card purchasing transaction methods,**

- A. In person either at the vendor's or merchant's location of business.
- B. Via telephone or mail order.
- C. Via the Internet.
- D. Travel and lodging related to Village purposes.
- E. Village vehicle auto repairs on out-of-town village trips.

### **7.1 Credit Card Usage Conforms to Village Purchasing Policy**

1. All purchases on Village issued credit cards must conform to the guidelines and restrictions set forth in the Village Purchasing Policy revised by the Village Board on August 20, 2019, as defined below:
  - A. Department Employees assigned credit cards, (Administration, Police Streets, Sewer, and Water), with the department heads approval, monthly up to a current limit of \$500.00.
  - B. Department Heads, (Street, Water, Sewer, and Police), are authorized monthly up to a current limit of \$1,000.00.
  - C. Committee Heads/Liaisons are authorized monthly up to a current limit of \$2,000.00.
  - D. Village Clerk and Assistant Clerk are authorized monthly up to a current limit of \$2,000.00.
  - E. Village President is authorized monthly up to a current limit of \$6,500.00.
  - F. All Credit Card purchases over \$6,500.00 are subject to prior Village Board approval, with the sole except of emergency purchases.

## **Credit Card Policies and Procedures**

### **8.1 Procedures in using credit cards:**

1. Receipts must be obtained for all purchases, identifying the date and itemized list of all purchases. Each cardholder is responsible for obtaining a lost receipt or one that was not obtained. Each cardholder should take a photo of each receipt as a backup just in case one is lost.
2. Always fill out the Credit Card Transaction Form (Attachment A) defining the purchase, attach the receipt and delivered it to your department head or committee head/liaison properly filled out. The properly filled out documents must be delivered to the Village Clerk's office for further processing and eventual payment. Card uses are subject to review before payment. If card is used for travel expenses, i.e.: meals, lodging and other travel expenses, the guidelines in the Village Travel Reimbursement Policy must be followed and an expense report with receipts attached must be submitted to the Village Clerk and approved by the Treasurer. Vehicle fuel purchases are limited to Village owned vehicles, or personal vehicles on village business.
3. Receipts and the Credit Card Transaction Form must be sent to the Village Clerk within two (2) days of purchase for further processing.
4. Any item purchased with a card and is returned for any reason the credit must be applied to the same card used for purchase, or if the card is no longer valid an in-store credit document can be used instead. Do not accept a refund in cash unless there are no other alternatives.
5. The card user is responsible for following up with the merchant on any erroneous charges, disputed items or returns as soon as possible. Disputed billings can result from failure to receive the goods charged, defective merchandise, incorrect amounts, duplicate charges, or returned credit not processed.
6. If you have a problem with a purchased item from the use of the card, you should first try to reach a resolution with the supplier that provided the item.
7. Cardholders should make every effort to ensure that purchases do not include sales tax. Tax exempt certificates are available through the Village Clerk's office. Sales taxes may be paid for minimal expenditures from one-time vendors who refuse to the accept exemption, but sales tax should not be paid where the purchases are for more substantial expenditures or are repeatedly incurred (select another vendor).
8. Village Clerk or assigned designee shall access the credit card statement online weekly to determine if there are any outstanding purchases where the paperwork has not yet been turned in to the Village Clerk for further processing. This is to ensure the cards are being properly used.

### **9.1 Policy violations**

Violations of this policy may result in a warning, cancellation of card privileges, or termination, depending upon the severity of the violation. Violations will be dealt with in accordance with the villages personnel policy handbook.



## Credit Card Policies and Procedures

### 10.1 Attachment A

#### VILLAGE ISSUED CREDIT CARD PURCHASE TRANSACTION SUPPORT FORM

**For Purchases over Budgeted Classification Level**

Village President: \_\_\_\_\_ Date: \_\_\_\_\_

Village Finance Liaison: \_\_\_\_\_ Date: \_\_\_\_\_

Village Treasurer: \_\_\_\_\_ Date: \_\_\_\_\_

**For Employee Travel Expenses: Employee:** \_\_\_\_\_

**For restaurant and/or food-related purchases**

**For all other Village purchases**     **Emergency Purchase**

• Vendor/Restaurant Name: \_\_\_\_\_ Date: \_\_\_\_\_

• Detailed Description of Purchase\* \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

• **Accounts to be charged:** \_\_\_\_\_ **Total Purchased:** \_\_\_\_\_

General Ledger Acct.	Item Description	Dollar Amount	Project Number

**Location of Inventoried Supplies, Controlled or Capital Assets:** \_\_\_\_\_

**Cardholder Signature: \*\*** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Dept. Head Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Dept. Liaison Signature: (over \$1,000)** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Village President Signature: (Over \$2,000)** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Board Approved: (Over \$6,500)** \_\_\_\_\_ **Date:** \_\_\_\_\_

• ***Attach the vendor receipt to this form and return it to the Village Clerk (within 2 days).***

• **Reasons why there is no supporting documentation:**

Telephone transaction with no brochure or catalog information available.

Other Explain: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**\*If related to a meeting, include a description of the purpose of the meeting, the names of those who attended, and in general terms, the nature of the business.**

**\*\*By signing this form, I state that this purchase was made for a legitimate Village business related purpose.**

Village of Pecatonica  
**Credit Card Policy**

**Card User Agreement for Authorized Use of Credit Card**

I, \_\_\_\_\_, have read and so understand the Village of Pecatonica's Credit Card Policy and Purchasing Policy.

I further agree to abide by the terms and conditions in those policies and understand that my use of the card is subject to revocation if I fail to act in accordance with those policies.

I also understand that if I engage in fraudulent misuse of the Village's Credit Card Policy and/or the Village's Purchasing Policy, I will be held responsible for repayment of these funds and it may result in employment termination or censure and other legal actions.

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_