

ORIGINAL

RESOLUTION 2009 - 102

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF SUNNYSIDE, WASHINGTON, ESTABLISHING
PURCHASE CARD POLICIES**

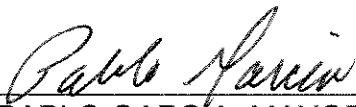
WHEREAS, the City Council finds and determines that it is beneficial for the City of Sunnyside to have written and adopted purchase card policies;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYSIDE, WASHINGTON, as follows:

Section 1. That the "Employee Purchase Card Agreement" and attached "Credit Card User Agreement," a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference, is hereby approved; and the City Manager is hereby authorized to execute and administer this agreement for and on behalf of the City of Sunnyside.

Section 2. This Resolution shall be effective upon passage, approval and signatures hereon as required by law.

PASSED this 28th day of December, 2009.



PABLO GARCIA, MAYOR


ATTEST:



DEBORAH ESTRADA, CITY CLERK

APPROVED AS TO FORM:

MENKE JACKSON BEYER EHLIS & HARPER, LLP
ATTORNEYS AT LAW





City of Sunnyside
CREDIT CARD USER AGREEMENT

PURPOSE

To establish the policies and procedures regarding the use of Purchasing Cards to procure goods or services for business related purposes.

STATUTORY AUTHORITY

These procedures are supplemental to the municipal purchasing statutes as outlined by the following:

RCW 43.09.2855 Local governments – Use of credit cards.
RCW 9A.56.280 Credit Cards – Definitions
WAC 236-48-250 Use of Credit Cards
WAC 236-48-251 Distribution
WAC 236-48-252 Credits Limits
WAC 236-48-253 Payments
Purchasing Procedures – City of Sunnyside
Travel Expenses Reimbursements Procedures – City of Sunnyside

GENERAL

All forms mentioned in this document, unless otherwise specified, are available from the Purchasing Card Administrator (Finance Director) and on-line in the Public Drive's Forms folder.

All amounts included in this document, unless otherwise specified, include freight but not applicable sales tax.

DEFINITIONS

As used in this document, unless the context requires otherwise:

APPROVING DIRECTOR: The department head or designee who designates Cardholders and recommends purchasing card transaction and monthly limits within the department.

CARDHOLDER: The employee who is issued the Purchasing Card. The Cardholder will sign an Agreement for the Purchasing Card (Exhibit "A") and will be financially responsible for all charges made on the Purchasing Card account. The Cardholder is responsible for the proper use and safety of the credit card after it is issued.

CARDHOLDER MONTHLY SPENDING LIMIT: This limit is the maximum dollar amount authorized for a Cardholder's account within a billing cycle. It is replenished twice a month upon proper completion and review of reconciliations.

CARDHOLDER PER-TRANSACTION LIMIT: This limit restricts the amount of any single purchase made by a Cardholder. It can be comprised of single or multiple items purchased at one time from a single vendor. This limit is optional per City Manager.

CITY: Means the City of Sunnyside, a city of the State of Washington.

DISPUTE: A disagreement between the Cardholder and the Purchasing Card Vendor or merchant regarding items appearing on the Cardholder's monthly statement.

MERCHANT CATEGORY CODE (MCC): A standard code used by Visa to categorize each merchant according to the type of business the merchant is engaged in and the type of goods and services provided.

PURCHASING CARD: A credit card account established on behalf of a Cardholder. The Purchasing Card may be used when making purchases on behalf of the City.

PURCHASING CARD PROGRAM ADMINISTRATOR: The Finance Director (or a designee) in Finance will be the Purchasing Card Program Administrator (Administrator). The Administrator will work with the Purchasing Card Vendor to establish the program requirements, provide the primary contact for the City and monitor employee compliance. The Administrator will be responsible for arranging training and assistance to Cardholders and Approving Directors/Managers.

PURCHASING CARD VENDOR: The company which provides the Purchasing Cards, establishes the accounts and provides billing services.

PROCEDURES

- 1.0 Eligibility: Designated regular City employees are eligible to receive a Purchasing Card if authorized by their Approving Director.
- 2.0 Establishment of Card Limits: Each card issued will have limits established by the Approving Director/Manager. These limits will be based on the Cardholder's purchasing responsibilities as determined by the Approving Director/Manager. These limits will also require the approval of the City Manager and Finance Director.
- 3.0 Employee Responsibility: Employees who are issued a Purchasing Card are accountable and responsible for the card in their name.
 - 3.1 Purchasing cards are to be used for City business only and not personal use. An Agreement between the employee and the City must be completed before the Purchasing Card will be issued.
 - 3.2 Purchasing cards will not be used for personal expenses, cash advances, tuition, and/or other reimbursable personal expenses such as gas for personal vehicle while traveling on City business and personal cellular phone bills. The purchasing card may not be used as a substitute for contracts. All purchasing card purchases must comply with the purchasing and advance

- travel policies and procedures.
- 3.3. The use of the Purchasing Card does not relieve the Cardholder from complying with other City and departmental policies and procedures. The Purchasing Card is not intended to replace effective procurement planning which can result in quantity discounts, reduced number of trips and more efficient use of City resources.
 - 3.4. The only person entitled to use the Purchasing Card is the person whose name appears on the face of the card. Purchasing Cards should be treated with extreme care in the same manner as your own personal credit card. The Cardholder shall report a lost or stolen card immediately to the Purchasing Card Administrator.
 - 3.5. If, for any reason, disallowed charges are not repaid by the Cardholder before the statement is due, the City shall retain a prior lien against and a right to withhold any and all funds payable to the employee up to the amount of the disallowed charges and applicable finance/penalty charges.
 - 3.6. The Cardholder must retain all receipts and reconcile their on-line Purchasing Card statement within the timelines set by the Purchasing Card Program Administrator. The Cardholder is financially responsible for unauthorized purchases and purchases not supported by receipts. The statement must be reconciled, approved by appropriate supervisor, and submitted to the Purchasing Card Administrator along with all receipts and a complete description of each product/service that was purchased if the information is not already provided on the receipt.
 - 3.7. Finance charges incurred due to cardholder's failure in submitting completed and approved reconciliation in a timely manner will be cardholder's personal obligation.
 - 3.8. Dispute resolution for any merchandise returns and billing errors are the Cardholder's responsibility. All verifiable charges must be paid upon invoicing.
 - 3.8.1. In the event the cardholder does not recognize a charge that has been posted to the billing statement, or the charge is disputed with the supplier and cannot be resolved, the cardholder should contact the financial institution's customer service center or follow the electronic dispute process. The cardholder will be responsible for documenting the dispute according to the financial institution's instructions within sixty (60) days of the first statement on which it appears. Cardholders may forfeit certain protections by failing to notify the financial institution of the error within sixty (60) days of the statement. Subsequently, the disputed items will be noted on the following month's statement for reconciliation purposes. The disputed item will be reflected in the outstanding balance, but will not

- 3.9. If the Cardholder will be absent from the City for an extended period of time (i.e. vacation), the Cardholder is responsible for assigning and training an individual within their department/division to handle the account reconciliation responsibilities and meet established deadlines.
- 3.9.1. The Purchasing Program Administrator shall maintain a current list of Purchasing Cardholders.
- 3.10. Modification of card limit and/or revocation. Approving Director, City Manager and/or Purchasing Card Program Administrator may restrict purchasing privileges temporarily or permanently at any time including but not limited to the following circumstances:
- 3.10.1. If the card is used in a manner which is inconsistent with the City policy;
- 3.10.2. The employee changes responsibility, scope of assignment, or transfers to another department;
- 3.10.3. The employee resigns or is otherwise separated from City employment;
- 3.10.4. If the monthly Purchasing Card statement is not properly reconciled or received by the Purchasing Program Administrator according to the established schedule;
- 3.10.5. If finance charges are incurred as a result of an employee's negligence;
- 3.10.6. If the card is lost or stolen as a result of cardholder's negligence.
- 3.11. The only time a Purchasing Card number should be entered in a web browser to purchase items is when the card number is encrypted. This can only be verified when transacting business on a secured server. Secured servers use Secured Socket Layering (SSL). By using an SSL-enabled browser such as Netscape's Navigator or Microsoft's Internet Explorer, end-to-end encrypted transactions can be conducted without fear of security loss. At the bottom line (status bar) of the browser, the padlock should be "locked". If the padlock is not "locked", the transaction information is not secure.

Alternate choices would be to print the order form and fax the information to the vendor, or call the vendor's toll-free sales line.

Exhibit A
Copy of Employee Purchase Card Agreement

As an employee, I understand that the City of Sunnyside has authorized my use of a Purchasing Card for approved business related expenses. In accepting this card, I agree to the following terms and conditions:

- The card may be used only for payment of authorized expenses on behalf of the City of Sunnyside.
- The card may not be used to obtain cash advances or other expenses that are not allowed as established by City or department purchasing policies and procedures.
- The card may not be used for personal purchases of any type. I understand if I use the card for personal purchases, such use will result in disciplinary action up to and including termination of my employment with the City of Sunnyside.
- The card may not be utilized as a substitute for professional service agreements, public works contracts, and/or human services contracts.
- I understand that when using the Purchasing Card for travel and meal expenses that I am governed by the City of Sunnyside's travel policies.
- I understand that my Purchasing Card limits are set forth on the Purchasing Card Application and can be revised by the Department Director.
- Whenever a purchase is made, I will retain all receipts, packing slips and shipping documents.
- I understand that it is my responsibility to reconcile, or arrange for the reconciliation, of my Purchasing Card bi-monthly statement. It is my responsibility to have the statement approved and/or signed by my supervisor. The Purchasing Card Administrator in the Finance Department must receive the reconciliation, appropriate approvals, and all receipts by the established due dates.
- I understand that I will surrender the Purchasing Card to the Purchasing Card Administrator or the City may revoke the Purchasing Card if, (1) the Purchasing Card is used in a manner which is inconsistent with any City or Department policies and procedures and/or the requirements of this Agreement, (2) I transfer to another department, resign, or otherwise terminate City employment, (3) if the monthly reconciled Purchasing Card statement and receipts are not received by the Purchasing Card Administrator by the established due dates, and (4) if finance charges are incurred as a result of my negligence.
- I understand that if my card is lost or stolen I must report it immediately to the Purchasing Card Administrator.
- I will be held personally and financially responsible for unauthorized purchases and/or for purchases not supported by detailed receipts. I authorize such transactions to be deducted from my paycheck.

I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS AS WELL AS THE REFERENCED POLICIES AND PROCEDURES AND CERTIFY THAT I WILL BE IN COMPLIANCE WITH REQUIRED POLICIES AND PROCEDURES.

Dated this _____ day of _____, 2006

Purchasing Card Number: _____

Signed: _____
Employee

Department Director



City of Sunnyside
EMPLOYEE PURCHASE CARD AGREEMENT
(December 2009)

As an employee, I understand that the City of Sunnyside has authorized my use of a Purchasing Card for approved business related expenses. In accepting this card, I agree to the following terms and conditions:

- The card may be used only for payment of authorized expenses on behalf of the City of Sunnyside.
- The card may not be used to obtain cash advances or other expenses that are not allowed as established by City or department purchasing policies and procedures.
- The card may not be used for personal purchases of any type. I understand if I use the card for personal purchases, such use will result in disciplinary action up to and including termination of my employment with the City of Sunnyside.
- The card may not be utilized as a substitute for professional service agreements, public works contracts, and/or human services contracts.
- I understand that when using the Purchasing Card for travel and meal expenses that I am governed by the City of Sunnyside's travel policies.
- I understand that my Purchasing Card limits are set forth on the Purchasing Card Application and can be revised by the Department Director.
- Whenever a purchase is made, I will retain all receipts, packing slips and shipping documents.
- I understand that it is my responsibility to reconcile, or arrange for the reconciliation, of my Purchasing Card bi-monthly statement. It is my responsibility to have the statement approved and/or signed by my supervisor. The Purchasing Card Administrator in the Finance Department must receive the reconciliation, appropriate approvals, and all receipts by the established due dates.
- I understand that I will surrender the Purchasing Card to the Purchasing Card Administrator or the City may revoke the Purchasing Card if, (1) the Purchasing Card is used in a manner which is inconsistent with any City or Department policies and procedures and/or the requirements of this Agreement, (2) I transfer to another department, resign, or otherwise terminate City employment, (3) if the monthly reconciled Purchasing Card statement and receipts are not received by the Purchasing Card Administrator by the established due dates, and (4) if finance charges are incurred as a result of my negligence.
- I understand that if my card is lost or stolen I must report it immediately to the Purchasing Card Administrator.
- I will be held personally and financially responsible for unauthorized purchases and/or for purchases not supported by detailed receipts. I have read and understand the above conditions as well as the referenced policies and procedures and certify that I will be in compliance with required policies and procedures.

Dated this _____ day of _____, 20_____

Purchase Card Number: _____

Signed: _____
Employee

Department Director