

Russell County Credit Card Purchases Policy and Procedure

SECTION 1. INTRODUCTION AND DEFINITIONS

In order to provide for convenience in making certain previously approved purchases of tangible personal property or services and under the authority granted in *Act 2013-211*, the Russell County Commission hereby establishes this credit card purchase policy and procedure to be utilized for any non-travel credit card purchases made with funds maintained by the county commission. The use of credit cards for travel shall be governed by *Ala. Code § 36-7-1 et seq.*

The policy applies, not only to purchases made for county commission offices and departments, but for any credit card purchases to be paid with any funds maintained by the county commission, including but not limited to, purchases for the sheriff's, the tax official's, the probate office and any other county-funded entity or program. Credit cards may be used by county officials for the purchase of items to be paid from discretionary funds not maintained by the county commission.

This policy does not supersede the county's other purchasing requirements, including, but not limited to, proper use of the county's purchase order and is intended only to provide a methodology for more efficient purchasing through the use of credit cards as provided herein.

Pursuant to *Act 2013-211*, the use of credit cards is only available for purchases which have been previously approved and authorized by the county commission pursuant to a budget appropriation, a competitive bid award or other specific approval granted by the county governing body.

For the purposes of this policy and procedure, the term "chief administrative officer" means the county administrator or other person employed by the county commission pursuant to *Ala. Code § 11-3-18*.

SECTION II. SELECTION OF CREDIT CARDS FOR COUNTY PURCHASES

The Russell County Commission is responsible for selecting any and all credit card providers for use by the county, including purchases for the offices of county officials whose funding is provided by the county commission. The county commission will enter into any and all agreements required to authorize the county to use said credit card or cards and no credit card use is allowed except as authorized herein.

In selecting providers, the commission will take into consideration each of the following:

- (1) Whether the credit card issuer requires an annual fee for utilizing the card.
- (2) Whether the credit card issuer offers rewards or rebates based upon purchases made utilizing the account.
- (3) Whether interest rates, service charges, finance charges or late fees will be assessed in the event a bill from the issuer is paid late or the balance is not paid in full each month and if so, what those rates, charges or fees will be.
- (4) Whether penalties or fees will be assessed against the county in the event it decides to terminate the credit card.
- (5) Any other consideration deemed relevant by the county commission.

In the event a credit card selected by the county commission offers any rewards or rebates based upon usage of the card, any such rewards or rebates earned will be deposited into the general fund for use as appropriated in the county general fund budget by the county commission.

SECTION III. DUTIES OF THE COUNTY CHIEF ADMINISTRATIVE OFFICER

The chief administrative officer is responsible for managing and overseeing any and all credit cards issued to the county and pursuant to *Act 2013-211*, has sole access to all credit card numbers, access codes and/or security codes. With prior approval of the county commission, the chief administrative officer may designate a member of his or her staff to assist with the administration of credit card policy within the county under his or her direct supervision, provided that the chief administrative officer retains sole access to all credit card numbers, access codes and/or security codes and makes all credit card purchases.

SECTION IV. USE OF CREDIT CARD FOR COUNTY PURCHASE

The chief administrative officer will determine whether a purchase should be made by credit card upon receipt and review of a properly submitted county purchase order. In making that decision, he or she will verify that purchase of the item has been previously approved or authorized by the county commission as set out in Section 1 and, where applicable, that either:

- (1) The item is being purchased from the successful bidder selected by the county commission pursuant the competitive bid law.
- (2) The item is being purchased from a cooperative purchasing program approved by the Alabama Department of Examiners of Public Accounts under conditions that meet the requirements of *Ala. Code § 47-16-51 (a) (16)*.

- (3) The item is being purchased from a vendor that has been awarded a current and valid Government Services Administration contract under conditions set out in Ala. Code § 41-16-51 (a) (16).
- (4) The item being purchased is on the Alabama County Joint Bid Program's then-current bid list of available items.

In the event the department submitting the county purchase order has determined that the item can only be purchased by credit card, that information should be included on the purchase order submitted to the chief administrative officer.

The use of a credit card for making any authorized purchase in no way eliminates the requirement to comply with all county purchasing procedures currently in place or adopted by the county commission at a future time.

The use of credit cards for payment of construction projects which fall under Alabama's Public Works law is prohibited. However, the purchase of any construction materials or services governed by the competitive bid law may be allowed with prior approval of the county commission and budgeted is subject to the provisions of this policy and procedure.

SECTION V. LIMITATIONS ON THE USE OF CREDIT CARDS

The use of any credit card is limited as set out below and the chief administrative officer will monitor use of all credit cards to ensure that the county is at all times in compliance with these limitations:

- (1) The amount of any individual purchase made with a county credit card is limited to \$ 25,000 . 1.
- (2) The total amount that may be purchases with a credit card per month is \$ 50,000 and the chief administrative officer will closely monitor all purchases to ensure that this amount is not exceeded in any given month. 2.
- (3) The chief executive officer may place lower limits on the amount of any individual purchase or suspend credit card purchases when he or she deems necessary to ensure the monthly amount set in subsection (2) will not be exceeded or if necessary to ensure the monthly amount due on the credit card account can be paid in full as required under *Act 2013-211* and this policy and procedure.

1 The law requires that the county set a limit on the amount of each individual purchase but does allow the county to set the limit.

2 The law requires that the county consider its debt limit in setting the monthly amount and states that the limit shall not be greater than one-fourth of one percent (.25%) of the general budget fund of the county. This amount must be set with these factors in mind.

SECTION VI. PAYMENT AND RECORD KEEPING

The chief administrative officer is responsible for ensuring that any balance due on a credit card approved for use by the county commission is paid in full each month. Additionally, payment shall be made in time to ensure there are no service charges, late fees or penalties assessed against the county for late payment.

Prior to each payment, the chief administrative officer will ensure each bill is carefully reviewed to make sure that all charges are accurately reflected on the bill and that no unauthorized charges appear on the bill. In the event there are errors, the chief administrative official will take all appropriate action to have the bill corrected prior to payment.

The chief administrative officer is responsible for ensuring that accurate records of all purchases made with a credit card are kept at all times. These records will include at a minimum:

- (1) Copies of all purchase orders for items purchased by credit card,
- (2) All credit card receipts,
- (3) Copies of all credit card bills and
- (4) Copies of all cancelled checks or other evidence showing that the credit card account has been paid in full each month.

The county commission chair will review all credit card records maintained by the chief administrative officer on at least a quarterly basis. Additionally, all such records may be reviewed by any member of the county commission.
