

ORDINANCE 1646

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CORPORATE CREDIT CARDS FOR USE BY CERTAIN EMPLOYEES OF THE TOWN OF MUNSTER

WHEREAS, The Town of Munster is a municipal corporation that was incorporated under the laws of the State of Indiana on July 1, 1907; and

WHEREAS, The Town of Munster has permitted the use of a corporate credit card by certain employees since 1989; and

WHEREAS, It is necessary from time to time to revise the list of employees authorized to use the Town's corporate credit card; now, therefore, be it

ORDAINED, By the Town Council of the Town of Munster, Indiana, as follows:

1. The Town authorizes American Express to issue corporate credit cards for use by David F. Shafer, Dustin C. Anderson, and Stephen F. Scheckel, its Clerk-Treasurer, Town Manager, and Chief of Police, respectively, hereinafter as to each a "Responsible Person."
2. The Town Manager shall administer use of the credit cards.
3. The credit cards may be used for travel expenses directly related to Town business and for other proper Town business purposes, including, but not limited to, local or Internet purchases of food, beverages, materials, supplies, or services.
4. The Town agrees to pay the charges of said credit cards within twenty days of receipt of each statement from American Express, and, if necessary to avoid the payment of late fees, in advance of the Town's approval, pursuant to IC 36-5-4-12.
5. The Responsible Person shall document all uses of the credit cards to the Clerk-Treasurer. The credit cards shall be used in accordance with this Ordinance, with Chapter 7 of the *Accounting and Uniform Compliance Manual for Cities and Town*, (commonly known as the *Accounting Manual*) and with IC 5-11-10 *et seq.* The pertinent portions of the current versions of Chapter 7 of the *Accounting and Uniform Compliance Manual for Cities and Town* and IC 5-11-10 are attached to and made part of this Ordinance as Exhibit A and Exhibit B, respectively.

6. Before a claim payment is made, or, if not practicable, within thirty days after a claim payment is made, the Responsible Person shall make the Town whole for any disallowed credit card purchases on the credit card in his name. "Make the Town whole" means the Responsible Person will use his personal funds to make payments directly to American Express for any disallowed credit card purchases including late charges or interest which apply thereto, thereby preserving the appropriations of the Town. "Disallowed credit card purchases" means credit card purchases of a personal nature (such as, but not limited to, spousal travel expenses, or travel expenses in excess of amounts allowed under the Town's *Employee Manual*), entertainment expenses, or other expenses not documented in accordance with the *Accounting Manual* or IC 5-11-10 *et seq.*
7. The Town authorizes payment of annual fees, if any, to American Express, for the use of the credit cards.
8. Each Responsible Person shall be responsible for any uses of the credit card by subordinates of the Responsible Person.

ORDAINED AND ADOPTED By the Town Council of the Town of Munster on this the 13TH day of OCTOBER, 2014, by a vote of 4 in favor and 0 opposed.

**TOWN COUNCIL OF THE TOWN OF
MUNSTER, LAKE COUNTY, INDIANA**



John P. Reed, President

ATTEST:



David F. Shafer, Clerk-Treasurer

EXHIBIT A
ORDINANCE 1646

**Excerpts from Chapter 7 of the Accounting and Uniform Compliance Manual
for Cities and Town**

Credit Cards

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

EXHIBIT B
ORDINANCE 1646

Excerpts from Indiana Code 5-11-10 and Indiana Code 36-5-4

IC 5-11-10-1.6

Requirements for issuance of warrant or check by fiscal officer

Sec. 1.6. (a) As used in this section, "governmental entity" refers to any of the following:

- (1) A municipality (as defined in IC 36-1-2-11).
- (5) A municipally owned utility that is subject to IC 8-1.5-3 or IC 8-1.5-4.

(b) As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim.

(d) The fiscal officer of a governmental entity shall issue checks or warrants for claims by the governmental entity that meets all of the requirements of this section. The fiscal officer does not incur personal liability for disbursements:

- (1) processed in accordance with this section; and
- (2) for which funds are appropriated and available.

(e) The certification provided for in subsection (c)(4) must be on a form prescribed by the state board of accounts.

IC 5-11-10-2

Approval and allowance of claims; claim forms; publication of claims and allowances

Sec. 2. (a) Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer.

(b) The state board of accounts shall prescribe a form which will permit claims from two (2) or more claimants to be listed on a single document and, when such list is signed by members of the governing body showing the claims and amounts allowed each claimant and the total claimed and allowed as listed on such document, it shall not be necessary for the members to sign each claim.

(d) The form prescribed under this section shall be prepared by or filed with the disbursing

officer of the political subdivision, together with:

- (1) the supporting claims if payment is made under section 1 of this chapter; or
- (2) the supporting invoices or bills if payment is made under section 1.6 of this chapter.

All such documents shall be carefully preserved by the disbursing officer as a part of the official records of the office.

(e) Where under any law it is provided that each claim be allowed over the signatures of members of a governing body, or a claim docket or accounts payable voucher register be prepared listing claims to be considered for allowance, the form and procedure prescribed in this section shall be in lieu of the provisions of the other law.

(f) Notwithstanding this section, the publication required by IC 36-2-6-3(b) must state each claim for which a separate warrant or check is to be issued by the disbursing officer except for claims for the following:

- (1) Salaries fixed in a definite amount by ordinance or statute.
- (2) Per diem of jurors.
- (3) Salaries of officers of a court.

IC 36-5-4-12

Preapproved payments of claims

Sec. 12. (a) The legislative body of a town may adopt an ordinance allowing money to be disbursed under this section for lawful town purposes.

(b) Notwithstanding IC 5-11-10, with the prior written approval of the board having jurisdiction over allowance of the claim, a town fiscal officer may make claim payments in advance of a board allowance for the following types of expenses if the town legislative body has adopted an ordinance under subsection (a):

- (1) Property or services purchased or leased from:
 - (A) the United States government; or
 - (B) an agency or a political subdivision of the United States government.
- (2) License fees or permit fees.
- (3) Insurance premiums.
- (4) Utility payments or utility connection charges.
- (5) Federal grant programs if:
 - (A) advance funding is not prohibited; and
 - (B) the contracting party provides sufficient security for the amount advanced.
- (6) Grants of state funds authorized by statute.
- (7) Maintenance agreements or service agreements.
- (8) Lease agreements or rental agreements.
- (9) Principal and interest payments on bonds.
- (10) Payroll.
- (11) State, federal, or county taxes.
- (12) Expenses that must be paid because of emergency circumstances.
- (13) Expenses described in an ordinance.

(c) Each payment of expenses under this section must be supported by a fully itemized invoice or bill and certification by the fiscal officer.

(d) The town legislative body or the board having jurisdiction over the allowance of the claim shall review and allow the claim at the body's or board's next regular or special meeting following the preapproved payment of the expense.