

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: February 26, 2015**

**SUBJECT:** Amendment of Financial Policy 4-08 “Credit Card Purchases”

**SUBMITTING DEPARTMENT:** Management Services

**PREPARED BY:** Katie Pehl, Finance Manager, for Bill Kauppi, Management Services Director

**AGENDA LOCATION:** Comments/Communications , Consent , Work/Study ,  
New Business , Public Hearing , Second Reading

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**ATTACHMENTS:** a) Resolution No. 1906, and b) Amended Policy No. 4-08

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**SUMMARY BACKGROUND:** On Apr 12, 2001, the Town Council adopted revised Financial Policies (Res No. 1011) setting forth policies, goals and benchmarks to be applied in company with federal, state and local laws and regulations applicable to the Town's financial and fiscal processes. Then, on March 9, 2006, the Council added Policy No. 4-08 “Credit Card Purchases” to update prior policies to provide specific guidelines for use of credit cards for convenience in purchasing certain items and services. In general, each department had a credit card which could be shared among multiple users. And, some departments had vendor specific credit cards that were used.

In recent years, the credit industry has been tightening controls with regard to multiple users of the same credit card. In an effort to avoid fraud, persons whose names are on credit cards are discouraged from allowing other persons to purchase items and services with the same cards. And, there is a desire to avoid the use of multiple vendor-specific credit cards in the same departments. Therefore, it is proposed to revise the current credit card purchasing policy with a comprehensive program of both credit and purchasing card use. Credit cards in the name of department heads will be used sparingly (typically for traveling expenses) and only by persons not named on the cards IF authorization has been given in writing. Otherwise, selected individuals within departments will use purchasing cards that only they may use (under the ultimate direction and responsibility of the department head).

This proposal was discussed at the work-study session held on February 19, 2015. It is now proposed that the Council amend Policy No. 4-08 to be titled “Credit/Purchasing Card Program” and to set forth procedures for use of credit and purchasing cards within Town departments.

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**OPTION ANALYSIS:** Council may adopt Resolution No. 1906 to amend Policy No. 4-08 to adopt the new Credit/Purchasing Card Program, propose changes to the Resolution prior to adoption, or decline to adopt Resolution No. 1906.

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**ACTION OPTION:** Motion to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1906 amending Town Financial Policy No. 4-08 as attached, **OR** Motion not to approve Resolution No. 1906. **VOTE.**

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**RECOMMENDATION:** Staff recommends authorizing signature of Resolution No. 1906 amending Town Financial Policy No. 4-08.

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**FISCAL ANALYSIS:** The amendments to Town Financial Policy No. 4-08 to adopt the proposed Credit/Purchasing Card Program are expected to streamline the process for purchasing numerous items and services without the risks inherent in the current sole use of credit cards.

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**REVIEWED BY:**

Management Services Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

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**COUNCIL ACTION:**

Approved    Denied    Tabled/Deferred    Assigned to \_\_\_\_\_