

CREDIT-CARD DANGERS:

Local governments
at risk of theft



Ex-superintendent charged

Fuller sentenced, for

MOUNT STERLING OFFICIALS CHARGED WITH THEFT IN OFFICE

Former Perrysburg Schools' employee gets 10 years for theft

State audit accuses Macksburg fiscal officer of stealing

FORMER FAIR SECRETARY FACES THEFT CHARGE



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SPECIAL REPORT

A message from the Auditor



Credit cards make life incredibly convenient. With them, you always have cash in your pocket, even when you don't. And it's hard to find a business today that doesn't accept plastic: farmer's markets, food trucks – you can even use a credit card to put air in your tires in some places.

The ubiquitous nature of credit cards, however, does come with risks, particularly for governments that don't have policies in place to govern usage or have not created a system of checks and balances to ensure the person spending the money isn't the same person reconciling the account.

During my tenure as Auditor of State, we have seen too many instances where credit cards are used illegally. Sometimes the amount of money misused is staggering – such as the recent case in Mount Sterling (Madison County) where more than \$724,000 was stolen from the village, including \$331,000 in fraudulent credit-card purchases over several years.

We have been discussing the need for legislative reforms with members of the General Assembly for a number of years, hoping to have the controls now required of county governments to be expanded to all public entities in our great state.

An initiative to better understand the risk involving credit card usage in our local governments leads us to a renewed effort to encourage the General Assembly to establish uniform standards for credit card usage that will protect tax dollars.

We surveyed the governmental entities and schools in Ohio recently and found that 90 percent have credit card policies in place. With the amount of tax money at risk in our communities, nothing short of 100 percent is acceptable. We also found some communities are using debit cards for transactions – a high-risk approach to paying bills because there is little recourse if money is spent illegally. We also found communities with credit limits in excess of \$100,000.

My office conducted the survey to make an assessment of the current risk associated with credit cards and created this report to inform state policy makers and everyday Ohioans of the findings. We are hopeful that reforms will follow.

A handwritten signature in blue ink that reads "Dave Yost".

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CREDIT CARD USE

Introduction/Overview

Credit-card theft by local-government employees is a perennial problem: the Auditor of State has investigated at least 35 cases¹ involving credit card misspending and theft of \$1.2 million since 2011. And a new survey suggests that many cities, county agencies, village, townships, school districts and other local governments across Ohio are vulnerable to credit card abuse.

“While many local governments avoid debit cards altogether and have strict controls on credit-card use, there are some that are flirting with danger by using debit cards.”

Auditor of State **Dave Yost**

Responses from 1,646 local governments to an anonymous survey conducted by Auditor Dave Yost’s office contain red flags that many entities may be flirting with financial danger by failing to take basic steps to ensure that government credit and debit cards aren’t misused. Though some local governments exercise tight fiscal controls, others do not.

“Many of our local governments lack the necessary controls to protect themselves and taxpayers from credit card ripoffs,” Auditor Yost said. “The survey should ring alarm bells for local officials and state legislative leaders, alerting them to a significant problem.”

The abuse is not entity-specific: Recently, poor oversight allowed public employees to misspend \$724,239 from the Village of Mt. Sterling in Madison County, of which about \$331,000 involved credit cards; \$479,800 from the Perrysburg Exempted Village School District in Wood County, of which almost \$92,000 involved credit cards; and \$10,523 of credit-card misspending at the STAR Community Justice Center in Scioto County.

According to the survey:

- Many local governments reported that they have large numbers of credit cards – some with 20 or more, while others allow 15 or more employees to use the cards. The more cards and the more employees authorized to use them, the bigger the challenge of managing the cards and preventing illegitimate use.
- While the majority of local governments responding to the survey

reported modest credit limits ranging up to \$10,000, some reported limits ranging from \$100,000 to more than \$5 million. Extreme limits create the potential for taxpayers to be saddled with enormous debt. The use of high credit limits deserves more scrutiny and at the very least demands stringent oversight and internal controls.

- Some local governments reported that they do not have credit-card policies or offer guidance to employees about what is and isn’t a legitimate government expenditure.
- The use of debit cards, a practice limited to a small percentage of the survey respondents, is fraught with peril because once cash is withdrawn from a government account, it leaves no paper trail.

“While many local governments avoid debit cards altogether and have strict controls on credit-card use,” Auditor Yost said, “some are flirting with danger by using debit cards. Many more put their tax dollars at risk by failing to establish policies to ensure that credit cards are used for legitimate government purposes and not for the personal enrichment of government employees, who have misused them to buy big-screen televisions, cars and visits to strip clubs.”

With one exception, the Ohio Revised Code offers little direction to local governments about how to use credit cards to safeguard taxpayers’ substantial investment in their villages, school districts, cities and other government entities.

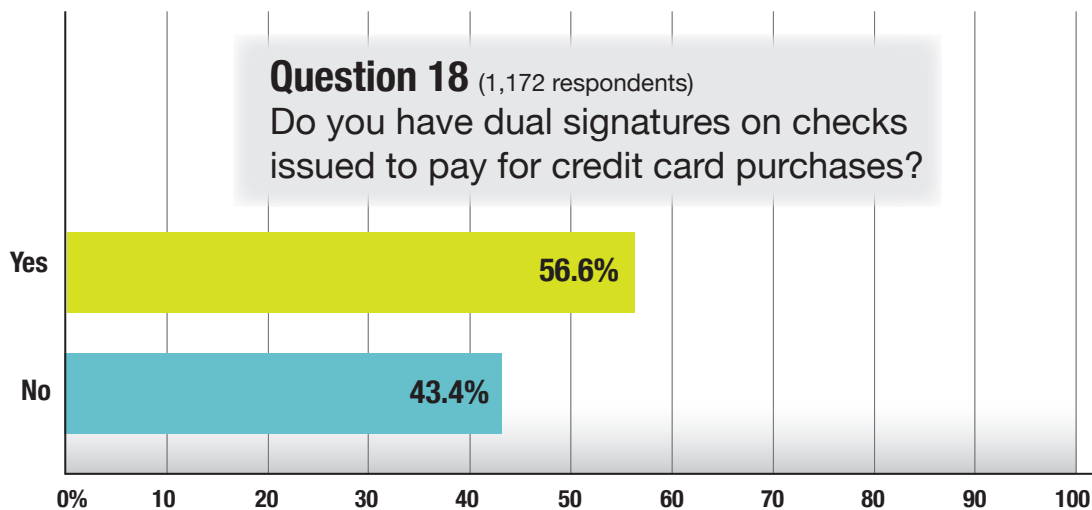
This report examines the vulnerabilities faced by local governments and offers examples of how poor control of credit cards can lead to sometimes devastating losses to local governments and to the taxpayers who support them.

These vulnerabilities and the real-life examples of how local governments have been victimized by unscrupulous employees strongly argue for attention from state lawmakers. Auditor Yost has been working with lawmakers and local government officials to strengthen local-government defenses against attacks from an enemy within.

¹ This total is based on figures listed in audit summaries of findings for recovery. Because it is not a requirement that summaries note when the theft of funds involves credit cards, this total may not be comprehensive.



CREDIT CARD USE Policies



Checks and balances

Any enterprise collecting or spending money needs internal controls to prevent theft and fraud. At its most basic, this means designing the system so that the same person does not control the inflow and outflow of money and that more than one set of eyes is watching transactions.

Yet only 56.6 percent of the 1,172 survey respondents who answered the question said the entities for which they work require dual signatures on checks issued to pay for credit card purchases. While dual signatures are not required in state law for all entities, 6 in 10 do require it on credit card purchases.

“Local governments need to evaluate whether they’re protecting tax dollars well enough,” Auditor Yost said. “Based on these results, in many cases the answer is ‘no.’”

According to the survey, 95 percent of townships say they require dual signatures. Among libraries, 92 percent followed this practice. Slightly more than 60 percent of governments that classified themselves as “other” reported using dual signatures, followed by villages at 54.3 percent, cities at 46.9 percent, and counties/county agencies at almost 44.8 percent. This basic check and balance was used least by school districts/educational service centers, where slightly more than 10.4 percent required dual signatures.

In some entities, the “finance department” consists of one person who handles the bills coming in and the payments going out. Often

this structure is in place for the sake of efficiency. However, this arrangement does not provide the controls necessary to safeguard the public’s money.

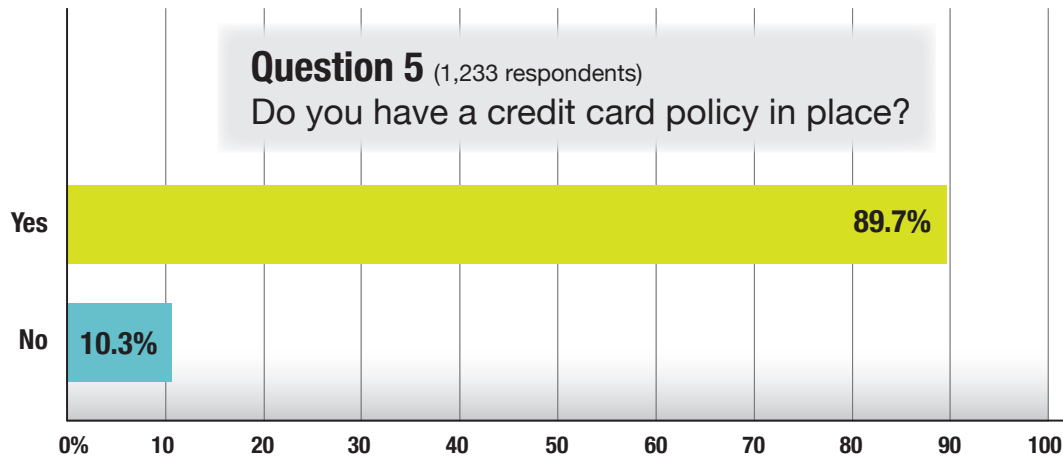
The case of Richland County’s Franklin Township illustrates this point dramatically. Using the township’s two debit cards and five of its eight credit cards from 2011 to 2013, fiscal officer Cynthia Carroll spent \$37,359. Some of the expenditures lacked required documentation and some were not related to township operations. Auditors found charges for “retail stores, restaurants, gasoline, grocery stores, hotels, amusement parks, PayPal transactions, cellular phones and various other charges.”

What made the abuse possible was the lack of policies and procedures to monitor credit card use. As the audit noted, “Carroll was responsible for monitoring the credit card usage, preparing disbursements for credit card account balances and maintaining support for expenditures.”

In other words, she had total power over using and accounting for debit and credit cards. With no one looking over her shoulder, it was a situation ripe for exploitation.



CREDIT CARD USE Policies



Formal credit card policies

A strong, clear, well-communicated policy is necessary to properly manage government credit cards, and proper management is a key defense against abuse. The lack of a policy could result in use, management and oversight of credit cards that is ad hoc, inconsistent and ambiguous. These conditions make it more likely that credit-cards will be misused, whether accidentally or intentionally.

Nearly 90 percent of 1,233 survey respondents said they have credit card policies in place. But an alarming 10.3 percent said they have no policies in place governing the use of government credit cards. These included 13 cities, six county agencies, 48 townships, 32 villages, eight libraries, four school districts or educational service centers, and 16 entities that described themselves as “other.”

The Village of Barnesville learned the value of having a credit-card policy the hard way. In 2013, state auditors noted that the village was not maintaining supporting documentation for all credit-card transactions, that there was no evidence that village officials were reviewing monthly credit-card statements and that the village had no guidelines on allowable expenses. Auditors advised the village to immediately institute a credit-card policy with strong internal controls.

The village did not follow this advice. More than a year later, based on evidence that the village fiscal officer had used village credit cards for personal expenses, the village contacted the Auditor of State and a special audit followed. It found that the fiscal officer had used the village credit card

125 times for personal expenses totaling \$11,646. These included payments for vehicle fuel, cell-phone service, electricity bills, hotel lodging, clothing and car repair, and other retail shopping. As the audit report noted, if the village had adopted a credit-card policy and internal controls in 2013, much of the illegal spending could have been detected earlier or prevented.

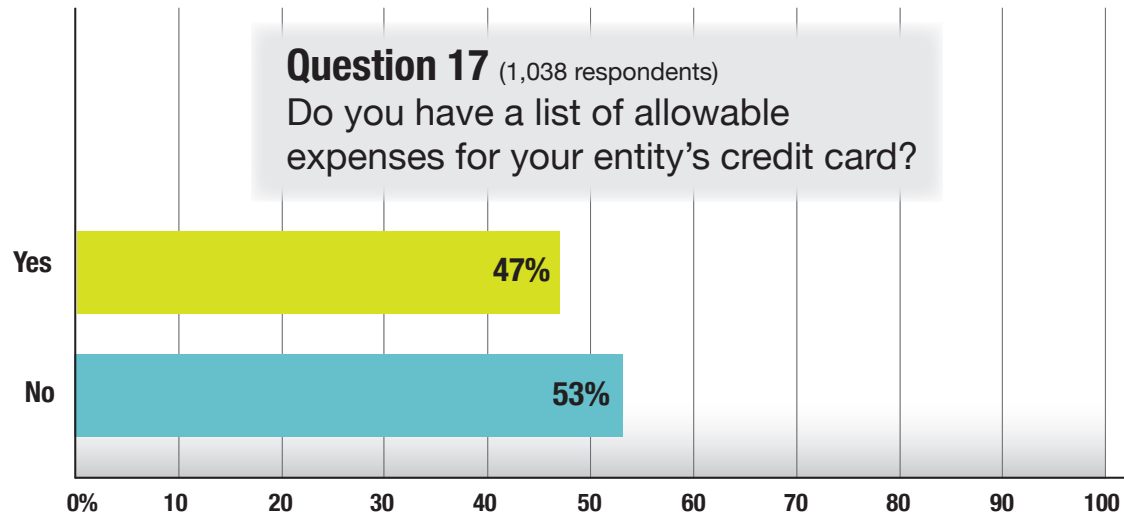
A strong credit card policy should address issues such as these:

- How the credit cards may be used, with examples of legitimate and illegitimate purchases
- Who can use the cards
- The number of cards the government entity will use
- How often cards will be reissued
- Credit limits for the cards
- A regular review process in which the fiscal officer and governing body review these policies

“Any entity without a clear, widely distributed credit card policy should know its credit cards are not being managed, and that could lead to results that are even harder to manage,” Auditor Yost said.



CREDIT CARD USE Policies



Defining what is legitimate credit card use

A critical feature in managing government credit-card use is giving employees clear guidelines on allowable expenses. Government credit cards are to be used for legitimate public purposes, but understanding what constitutes a “legitimate public purpose” might not be clear to all employees.

Some allowable expenditures are spelled out for counties in Ohio Revised Code 301.27, but there is no uniform standard for other government entities. If allowable expenditures are spelled out in law, the government entity should make sure that employees are familiar with the law. If allowable expenditures are not spelled out, government entities should adopt a formal credit-card policy that details acceptable spending and ensure that employees are familiar with the policy.

A list of allowable expenses is an effective way to curb misspending and is a basis for disciplining employees if they do misspend.

Yet almost 53 percent of 1,038 responding to the question said they do not have a list of allowable expenses. This helps to explain how illegitimate use of a credit card frequently results in findings for recovery against government employees.

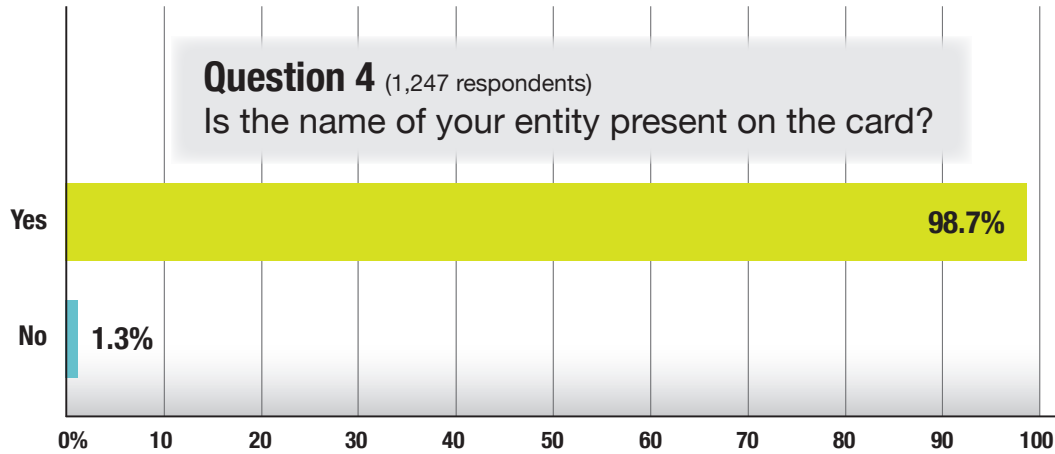
One of the more egregious recent examples of

misuse of a government credit card was at STAR Community Justice Center, a 250-bed community based correction facility in Scioto County. State auditors identified \$10,523 in improper charges by executives and employees of the facility between 2011 and 2015, much of it spent on and during conferences, training seminars and other meetings in cities such as Orlando, Las Vegas and Reno. In some cases they skipped large portions of these events to pursue separate leisure activities. A STAR credit card was used to buy beer and pay a tip, which are prohibited expenditures. A STAR credit card also was used to pay \$170 in expenses at a Columbus strip club.

“There is no foolproof way to prevent abuse, but steps can be taken to make it more difficult, to more quickly discover it when it happens and to prepare the basis for discipline when discipline becomes necessary,” Auditor Yost said.



CREDIT CARD USE Policies



Whose name is on the card?

It should be obvious that every government credit and debit card should bear the name of the government entity to which it belongs because it makes clear whose money is being spent. Based on survey responses, this is understood as 98.7 percent of those responding said their entity's name appears on the credit cards.

But the remainder of those responding – 16 government entities – said the government's name does not appear on card. These included one city, one township, three county agencies, one village, two libraries, two school districts/educational service centers and six government entities that listed themselves as "other."

Putting government cards solely in the name of an employee masks whose money is being spent and reduces the chances that anyone involved in a transaction will have reason to question it or report it to law enforcement

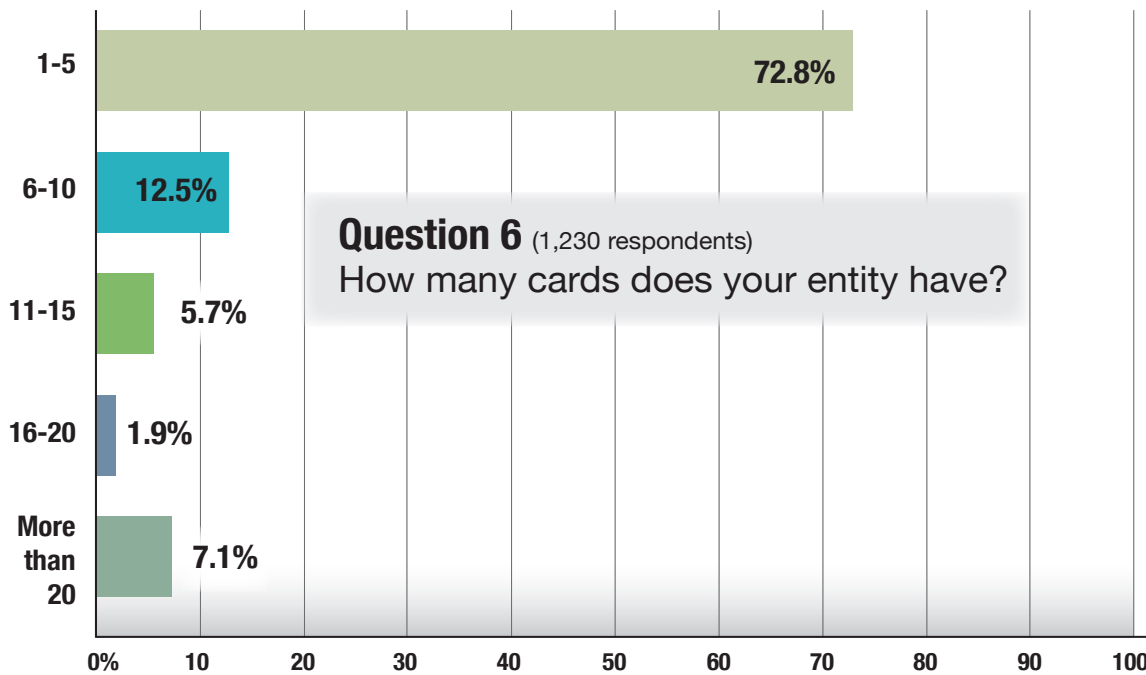
or to the Auditor of State's fraud reporting system, <http://ohioauditor.gov/fraud.html>.

It would also help avoid confusion when the cardholder uses a card if the name of the individual's employer is on the card.

By itself, requiring that the government's name appear on the credit or debit card will not stop misuse, but should be regarded as one element in a package of measures that can make it less attractive and more difficult for unscrupulous employees to steal from taxpayers.



CREDIT CARD USE Policies



How many credit cards do we need?

The higher the number of credit cards and people with access to them, the more complicated and potentially costly it becomes to manage them. A government should not increase the number of cards and users without also having in place the resources to monitor them.

Asked how many credit cards they have, almost 73 percent of those responding to the question reported having between one and five cards. Some 12.5 percent reported having six to 10 cards, while just under 6 percent reported having 11 to 15 cards. Almost 2 percent reported having 16 to 20 cards, and 88 entities – or just over 7 percent -- reported having 20 or more credit cards.

“Local officials need to make sure they have the resources to monitor and manage the use of credit cards,” Auditor Yost said. “This survey makes it abundantly clear that there is a lot of plastic being used in our state with taxpayers on the hook for the debt.”

An example of how dangerous it can be for a public office to manage numerous credit cards can be found in the special audit of the Perrysburg Exempted Village School District. The school district initially reported having 21 credit cards. Upon review, our auditors discovered 53 credit cards had been used over the audit period, with almost \$92,000 in illegal purchases made by an accounts-receivable clerk.

Officials not only failed to keep track of how many credit cards were issued in the school district’s name,

11-15 cards:

- » 10 cities
- » 8 county agencies
- » 8 townships
- » 4 villages
- » 8 libraries
- » 23 school districts and ESCs
- » 9 other entities

16-20 cards:

- » 7 cities
- » 2 county agencies
- » 2 villages
- » 10 school districts or ESCs
- » 2 other entities

20 or more:

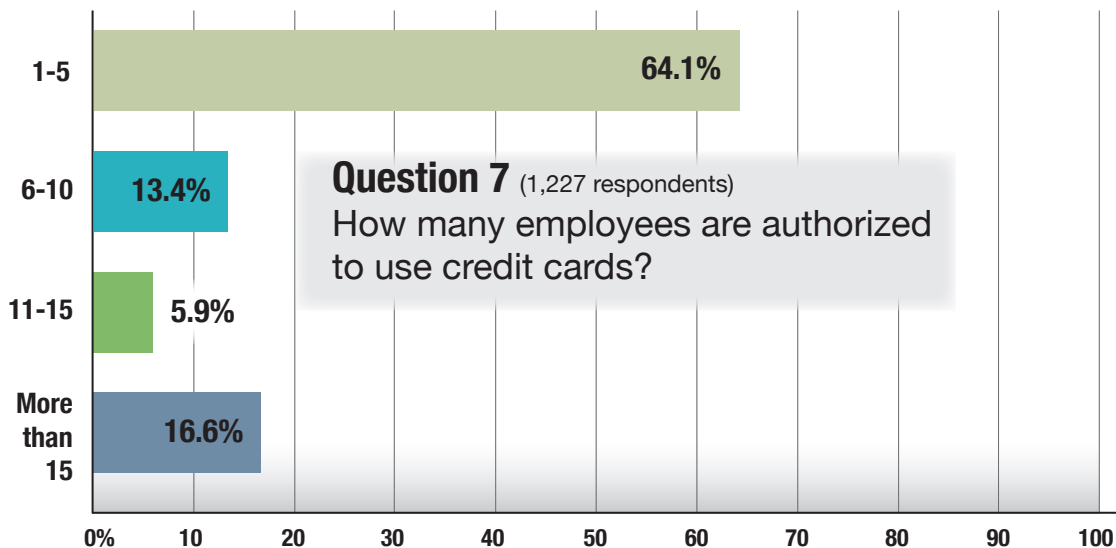
- » 24 cities
- » 11 county agencies
- » 3 townships
- » 1 village
- » 28 school districts or ESCs
- » 21 other entities

they had virtually no internal controls that would have prevented or alerted them to the illegal expenditures by the clerk.

The question for local government officials to consider is whether they have a strong rationale for using multiple credit cards. If they do not, then they might be exposing their budgets unnecessarily to the possibility of theft. Even if they do have a sound reason for using multiple cards, governments should have a credit-card policy that is backed up by robust enforcement.



CREDIT CARD USE Policies



Access to credit cards

Just as multiple credit cards increase the challenge of managing them, so do multiple users. Asked how many employees are authorized to use credit cards, more than 16 percent of respondents reported that more than 15 employees had approved access to the cards. A little more than 64 percent of the 1,227 respondents reported one to five. About 13.5 percent reported that six to 10 employees were authorized, while almost 6 percent said 11 to 15 employees could use government credit cards.

Those reporting having more than 15 authorized employees included 95 school districts/educational service centers, 40 cities, 22 county agencies, seven townships, 10 villages, four libraries and 26 jurisdictions that identified themselves as “other.”

“Government credit cards are a necessity,” Auditor Yost said. “The question local officials should be asking is who should have access to them, and what controls are in place to ensure the cards are not being misused. It is important for local governments to recognize how difficult it can be to oversee proper use of credit cards as the number increases, even with strong controls.”

Among other things, these controls should ensure that authorized employees have clear guidelines on what is and isn’t legitimate use of a credit card and that all purchases are fully documented. Without these basic elements, the potential for abuse grows. Fiscal officers never should approve credit card payments without reviewing the relevant billing statements. The existence of clear guidelines makes

it easier for fiscal officers to question purchases or to demand repayment if they find credit cards were used for illegitimate purchases.

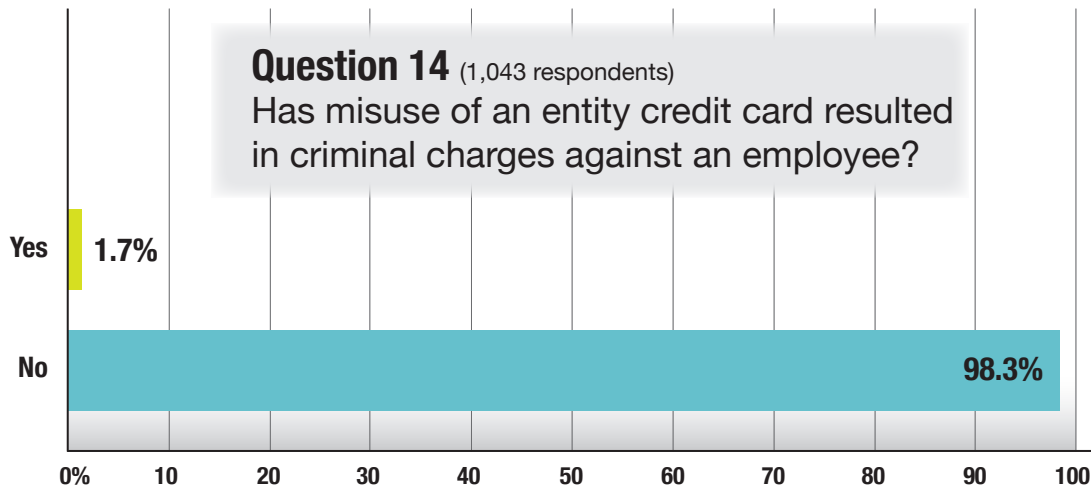
A simple, effective control is knowing who has a government credit card. Requiring employees to sign out credit cards is one way to ensure that card use is being monitored. But nearly half of survey respondents – 46 percent – reported that they do not have a sign-out system for credit cards.

“This is a basic control,” Auditor Yost said. “It’s effective, it’s not onerous, and it’s free.”

Nearly 81 percent of school districts/educational service centers that responded reported having a requirement that cards be signed out. For cities, the rate was 63.5 percent; libraries 58.3 percent, county agencies, almost 56 percent; villages 52.5 percent; governments classifying themselves as “other,” 42.9 percent. The rate for townships was 29.8 percent, but in some cases the fiscal officer is the only employee with a credit card.



CREDIT CARD USE Policies



Crime and punishment

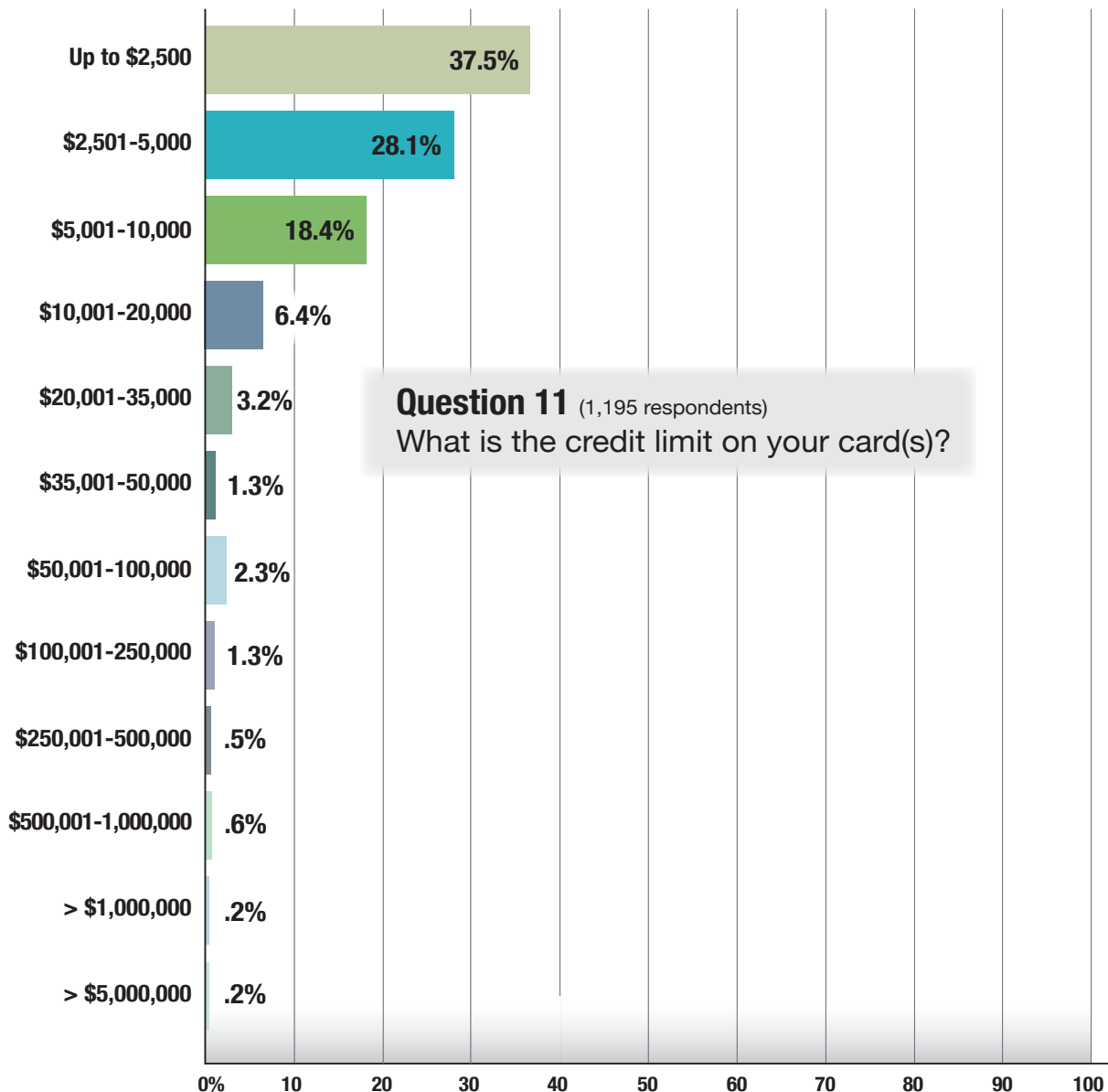
As noted earlier in this report, since 2011, the Auditor of State has investigated at least 35 instances in which local-government credit cards and debit cards have been misused. These cases resulted in findings for recovery against the employees who misused credit cards or against the fiscal officers who are legally responsible for credit-card use by employees. In some cases, these findings also resulted in criminal charges against government employees.

The survey asked respondents if misuse of a government credit card has ever resulted in criminal charges against an employee and whether misuse had ever led to the discharge of an employee. Eighteen respondents said an employee had been charged criminally, and 26 reported that an employee had been discharged.

In many of the cases of credit-card abuse uncovered by the Auditor of State, there is virtually always some weakness in credit-card policy, procedure and oversight that provided the opportunity for a dishonest government employee to take advantage. A locked door is not foolproof against a break-in, but an unlocked door is an open invitation.



CREDIT CARD USE Policies



High credit limits

Among the most surprising finds in the survey involved credit limits. While the vast majority of respondents – 84 percent – reported fairly conventional credit limits ranging up to \$10,000, 27 reported credit limits ranging from \$50,000 to \$100,000, 15 reported limits between \$100,000 and \$250,000, and six ranged from \$250,000 to \$500,000.

Seven government entities reported credit limits of between \$500,000 and \$1 million, a county agency and a township reported limits in excess of \$1 million, and two school districts reported a limit of \$5 million or more.

Credit cards with high spending limits create the potential for taxpayers to be left on the hook for

enormous debt. While some larger government entities might need such high credit limits, strong oversight and internal controls are necessary. State lawmakers also might want to examine the rationale for such high limits and consider whether statutory safeguards are necessary.

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CREDIT CARD USE

Living the good life in Mt. Sterling

At 46, Joseph A. Johnson was living the good life. He had the money to engage his passion for cars, pickup trucks and motorcycles, buying, selling and trading about 50 vehicles in the space of four years beginning in 2012.

He also had the wherewithal to buy plenty of vehicle accessories such as an Outback camper, two trailers totaling nearly \$20,000 and a \$2,450 overhead automotive lift, as well as numerous auto parts totaling more than \$24,000. He also provided his girlfriend with a Chevy Cruze worth nearly \$15,000, a washer-dryer and television for her apartment, as well as other home furnishings.

In all, over about four years, Johnson spent \$724,000 enhancing his personal lifestyle – at the expense of the taxpayers of the Village of Mt. Sterling, a hamlet of just a little over 1,700 people, where he was village administrator. Johnson paid for much of his affluent lifestyle with the village's credit cards, payroll system and checking account.

Johnson's thefts became apparent in February 2016, shortly after he, Mayor Charles Neff and village fiscal officer Victoria L. Sheets resigned. Village officials quickly discovered that a number of village assets were missing, including computers, cell phones and digital tablets. In addition, the hard drive of former Mayor Neff's computer had been erased. Officials also were puzzled by a village check Johnson had written for the purchase of a \$9,599 mower. No one could find the mower.

At this point, village officials contacted the Madison County Sheriff and the county prosecutor. In turn, they enlisted the aid of the Public Integrity Assurance Team of the Auditor of State's office. The subsequent investigation laid bare the scope of Johnson's thefts.

With the village credit card alone, Johnson spent more than \$331,000 at 191 businesses between December 2012 and October 2015. Ultimately, Johnson was indicted on 30 felony counts. In a plea deal, on March 6 he was sentenced to 10 years in prison after pleading guilty to seven felonies.



His sentence also included making restitution of more than \$724,000 and paying more than \$43,000 for the cost of financial audits.

While the scale of Johnson's theft is unusual, credit-card misuse by government employees is not. Since 2011, investigators of the Ohio Auditor of State have found at least 35 villages, townships, county agencies, school districts, public authorities, charter schools, educational service centers, agricultural societies and libraries where employees have taken advantage of poor financial controls and lack of oversight to use government credit cards to make purchases that either were impermissible or that were undocumented. The cost to taxpayers exceeds \$1.2 million.

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CREDIT CARD USE

Debit Card Dangers

One of the biggest financial dangers to local-government is the use of debit cards. While debit cards often are used much like credit cards, and therefore leave a paper trail, they also offer the possibility of withdrawing cash directly from a government bank account. Cash doesn't generate a monthly statement detailing where it was spent. This makes cash an attractive medium for theft: Thieves don't like leaving paper trails linking them to their crimes. If a dishonest government employee withdraws cash, there may be no way to determine what it was used for.

The inherent danger is obvious, and the survey results suggest that the majority of local government officials understand this.

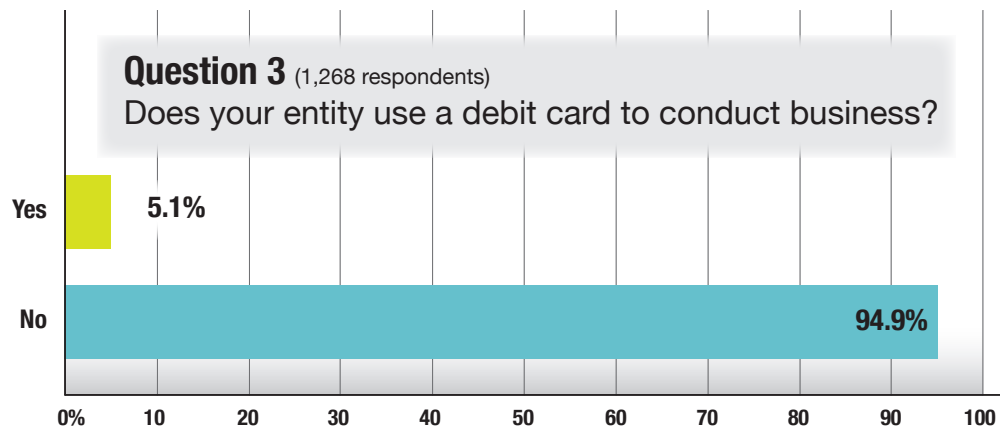
As part of this same survey, asked if local governments use debit cards, 1,268 respondents answered the question and 378 did not. Of those who answered, almost 95 percent said that they do not use debit cards, but slightly more than 5 percent acknowledged that they do use them.

Those reporting that they use debit cards included:

- Four cities
- Nine townships
- Seven county agencies
- 13 villages
- Five libraries
- 15 school districts/educational service centers
- 12 other local-government entities

"Other than for paying bills online, it is unwise to use debit cards for purchases," Auditor Yost said. "Anyone using debit cards for transactions forfeits some basic protections, leaving them open to unnecessary risks." Since 2011, the Auditor of State has investigated nine cases of misuse of debit cards. In some cases, the money was spent for illegitimate personal enrichment by a government employee. In other cases, there was no documentation of how the money was spent, making it impossible to confirm that it was used for a valid public purpose.

In such cases, the Auditor of State issues a "finding for recovery" of the money, meaning that the person who



spent the money must pay it back, or, the person who supervises the spending of public money must pay it back. In June of 2016, the office issued Bulletin 2016-003 to help guide local officials in making cash withdrawals.

An example of both kinds of debit-card abuse occurred in the Village of Macksburg in Washington County, where findings for recovery were issued against Kimberlee Gardine, village fiscal officer. Auditors found that between 2013 and 2015, Gardine used the village debit card to pay for a camera, internet service and insurance totaling \$1,980. She also made 10 debit-card withdrawals totaling \$1,905 but provided no documentation to show how the money was spent. As a result, a finding for recovery totaling \$3,885 was issued against her.

Auditor Yost's legislative team has been working with state lawmakers to craft protections for local governments. Among the provisions is one that would ban the use of debit cards, except for use with online banking and bill pay and in certain law-enforcement activities.

As the survey suggests, the risks of debit cards are widely understood. A ban would close the door on this risk and would affect only a relative handful of local governments that use them.



CREDIT CARD USE

The Psychology of Fraud

Understanding fraud is a key to investigating it and preventing it. In 1973, crime expert and sociologist David Cressey identified the three elements that typically are present in those who steal from their employer: pressure, rationalization and opportunity. These three elements have come to be known as the Fraud Triangle.

Pressure means that a person feels financial pressure, perhaps as a result of a financial loss, an expensive medical problem in the family, mounting bills or a gambling or drug addiction. Typically, it is a problem that the person does not feel free to share and wants to solve in secrecy.

Rationalization refers to the effort the fraudster makes to excuse the theft. The person might feel that it is necessary for the well-being of a family member, or that dissatisfaction with one's working conditions or pay justifies the theft, or that he or she isn't stealing the money, but merely is borrowing it and will pay it back.

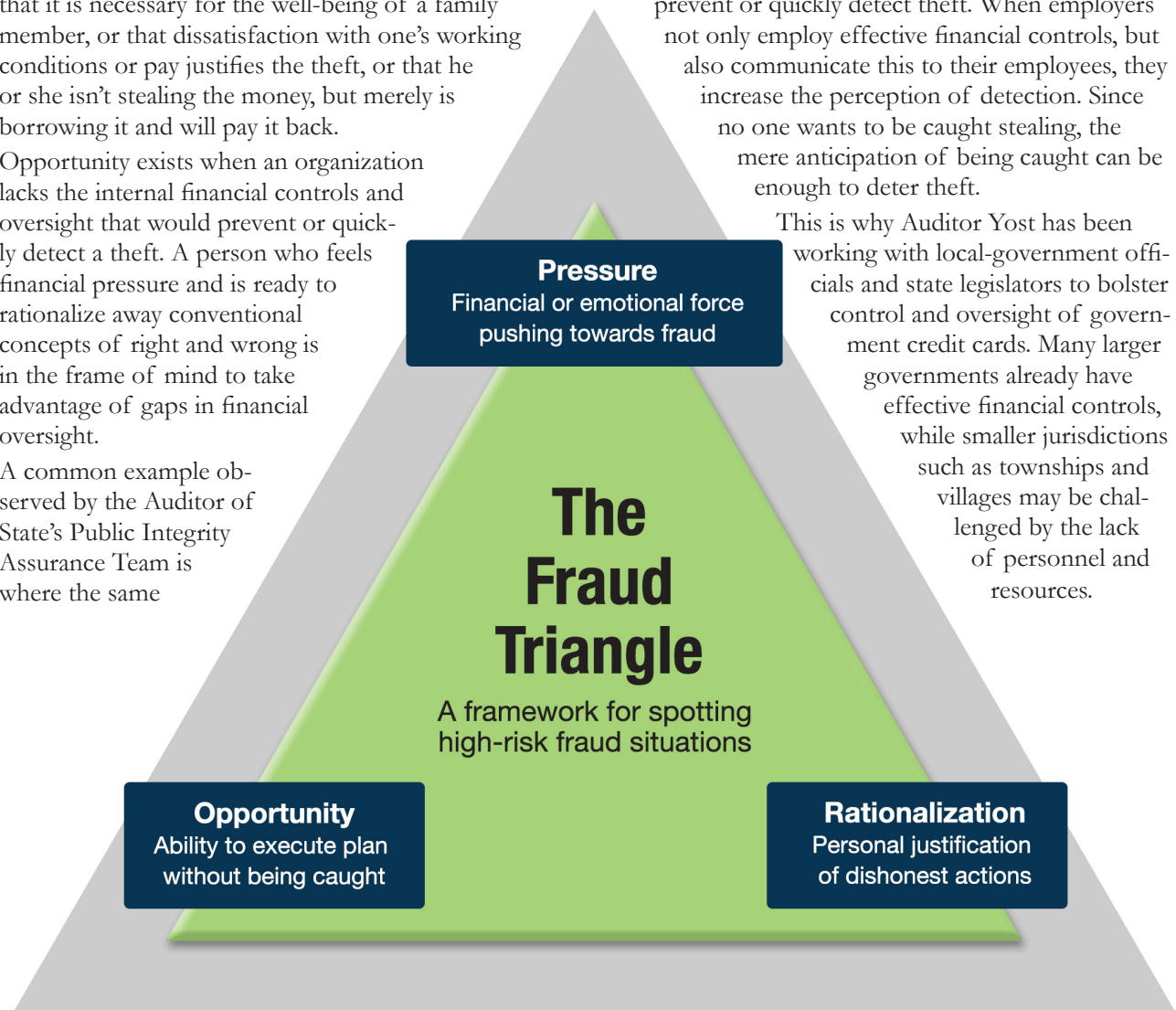
Opportunity exists when an organization lacks the internal financial controls and oversight that would prevent or quickly detect a theft. A person who feels financial pressure and is ready to rationalize away conventional concepts of right and wrong is in the frame of mind to take advantage of gaps in financial oversight.

A common example observed by the Auditor of State's Public Integrity Assurance Team is where the same

person has access to or permission to use a credit card and is responsible for approving transactions. These actions should be segregated, or divided, among different people to provide checks and balances. Otherwise, it is possible to steal without anyone knowing about it until it's too late.

Government leaders can reduce their risk of loss by establishing effective financial controls to prevent or quickly detect theft. When employers not only employ effective financial controls, but also communicate this to their employees, they increase the perception of detection. Since no one wants to be caught stealing, the mere anticipation of being caught can be enough to deter theft.

This is why Auditor Yost has been working with local-government officials and state legislators to bolster control and oversight of government credit cards. Many larger governments already have effective financial controls, while smaller jurisdictions such as townships and villages may be challenged by the lack of personnel and resources.





CREDIT CARD USE

Findings For Recovery

The office has issued Findings For Recovery (FFRs) in at least 35 instances since 2011 regarding credit or debit card use. Click [here](#) for an interactive map of these FFRs. Click [here](#) for a PDF with links to press releases and audits.

* - denotes an entity with multiple audits:

Entity	County	Credit/Debit	Amount
Catawba Island Township	Ottawa	credit	\$164
Cincinnati College Prep	Hamilton	credit	\$422,781
Cleveland Heights-University Heights LSD	Cuyahoga	credit	\$1,409
Coshocton County Regional Airport Authority	Coschocton	credit	\$1,450
Elite Academy of the Arts*	Cuyahoga	credit	\$20,733
Educational Service Center of Central Ohio*	Franklin	credit	\$105,916
Falls Township	Muskingum	credit	\$3,716
First Time Learners Academy	Franklin	debit	\$1,727
Franklin Township	Richland	debit/credit	\$37,359
General Chappie James Leadership Academy*	Montgomery	credit	\$5,919
Jackson County	Jackson	credit	\$41,092
Kinsman Free Public Library	Trumbull	credit	\$22,830
Lawrence County Educational Service Center	Lawrence	credit	\$154
(LEAD) Academy*	Trumbull	debit/checks	\$1,799
Leadership Acad. of Mathematics & Science of Columbus	Franklin	debit/cash	\$9,308
(LEARN) Academy*	Trumbull	debit/checks	\$16,663
Muskingum County Convention Facilities Authority	Muskingum	credit	\$2,963
New Day Academy Boarding and Day School	Cuyahoga	debit	\$619
Oxford Visitors and Convention Bureau	Butler	credit	\$7,331
Perrysburg Exempted School District	Wood	credit	\$91,588
Ross-Chillicothe Convention and Visitors Bureau	Ross	credit	\$6,515
Scioto County	Scioto	credit	\$33,846
St. Clair Township*	Butler	credit	\$1,285
STAR Community Justice Center	Scioto	credit	\$10,523
Village of Barnesville	Belmont	credit	\$11,675
Village of Blanchester	Clinton	credit	\$3,411
Village of Macksburg	Washington	debit	\$3,885
Village of Martinsville	Clinton	credit	\$11,141
Village of Mt. Sterling	Madison	credit	\$331,271
Village of Shreve	Wayne	credit	\$662
Village of Smithfield	Jefferson	debit	\$1,997
Village of Utica	Knox, Licking	credit	\$16,618
Warrensville Heights City School District*	Cuyahoga	credit	\$11,495
Watkins Academy	Montgomery	debit	\$541
Wyandot County Agricultural Society	Wyandot	credit	\$2,786
TOTAL			\$1,243,172

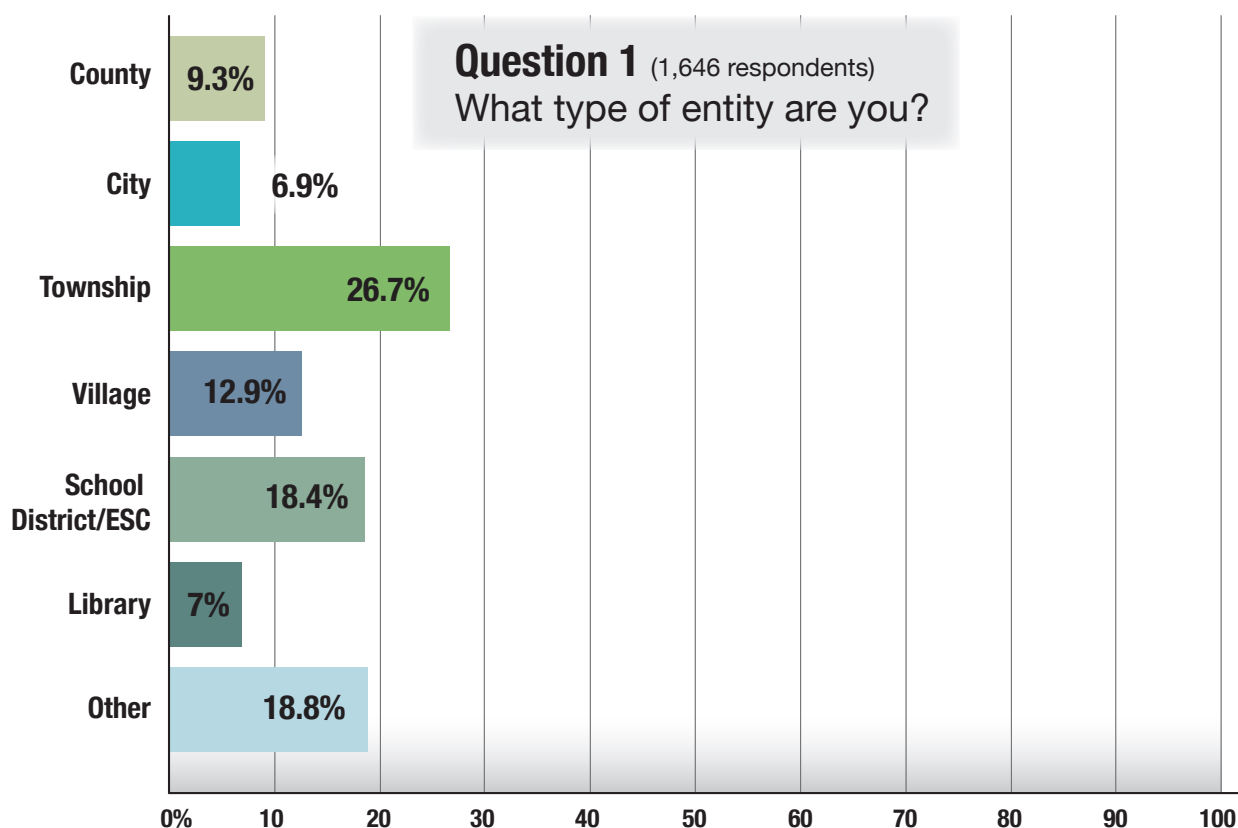


CREDIT CARD USE

How this survey was conducted

Twenty questions about local governments' use of credit and debit cards were composed by members of the Auditor of State's staff and incorporated into a SurveyMonkey.com email survey sent to 5,594 local governments, including county agencies, school districts, cities, townships, villages, libraries and others.

The survey generated 1,646 responses, for a response rate of 29.4 percent, though not all respondents answered every question. The survey does not identify the respondents.



Asked if their government entity used credit cards, 1,252 respondents (76 percent of those answering the question) said yes, while 386 said no.

Asked if their government entity used debit cards, 1,203 (almost 95 percent of those who answered the question) said no, while 65 (just over 5 percent) said yes.

Responses came from 440 Ohio townships; 303 school districts and educational service centers; 212 villages; 115 libraries; 114 cities; 153 counties and county agencies; and 309 entities that classified themselves as "other."

The survey was conducted over several weeks in April, concluding on April 28.



CREDIT CARD USE

Conclusion

Proposal from the Auditor of State's office:

1. All government entities using credit cards would be required to enact a credit-card policy that details allowable uses, number of cards, who can use them, credit limits and reissue periods.
2. Entities that currently have strict control over credit cards would continue, with the additional requirement of enacting a credit-card policy.
3. Policies would be reviewed regularly by a compliance officer.
4. Appointment of a compliance officer other than the treasurer would be required.
5. Debit card use would be banned except for law enforcement.
6. The Auditor of State would be authorized to establish a procedure for the disclosure and audit of credit-card rewards accrued by local government entities.

This survey suggests that some local governments in Ohio may be vulnerable to misuse of government credit cards because they have not implemented basic policies that can prevent abuses.

Such fundamental safeguards are not mandated by Ohio law for most local governments. An exception is counties, which are governed by Ohio Revised Code 301.27. This statute outlines 10 approved work-related expense categories that can be charged to a county credit card, such as transportation, vehicle repair, internet and phone services, and work-related travel and food expenses. The measure also mandates a number of internal controls and clearly designates who is liable in the event a credit card is misused. But Ohio law offers far less guidance on credit-card use by other forms of local government.

A statute that attempted to list all acceptable expenses for all local governments would encounter two problems. First, not all governments buy the same equipment, supplies and services. Second, government needs evolve over time. For example, internet service and computer information technology hardly existed 30 years ago, but are indispensable to government today. New technologies and services are bound to arise in the future, and it is likely that some governments will use credit cards to pay for them.

In addition, many local governments take advantage of credit-card reward programs. While these are beneficial, they also require proper management.

The Auditor of State's legislative team has been focusing on internal controls to set up checks and balances in the way local governments use credit cards so that their use is monitored by more than

one person. As currently constructed, the measure would have little impact on local governments that already have robust checks and balances in place, but would be a boon to jurisdictions where such protections are lacking. The Auditor of State has proposed two-tiered legislation. Government entities that already use a custody-control model that strictly monitors access to and use of credit cards would be able to continue operating as they are, with the additional requirement of enacting a credit-card policy, if they don't already have one.

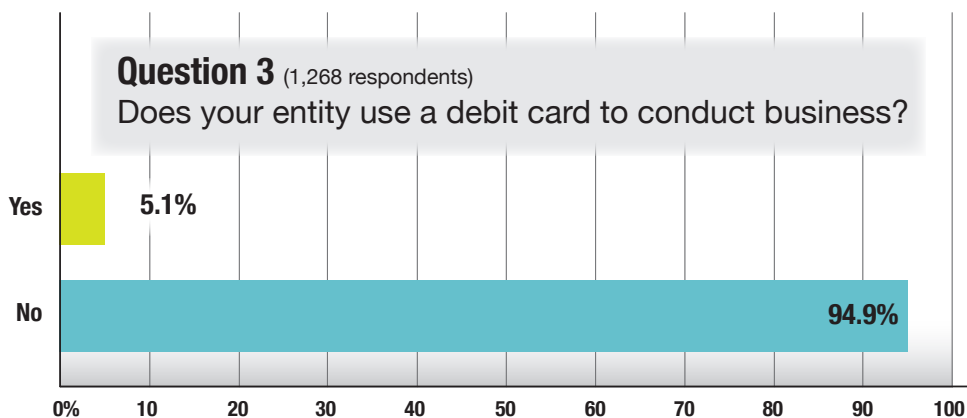
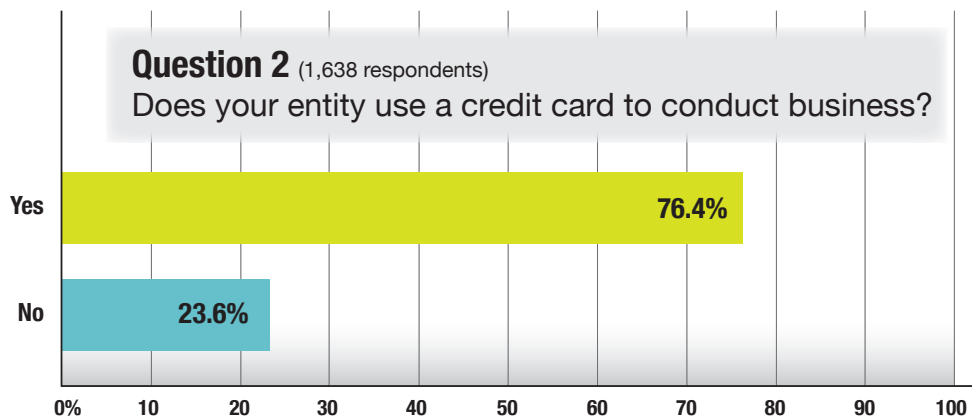
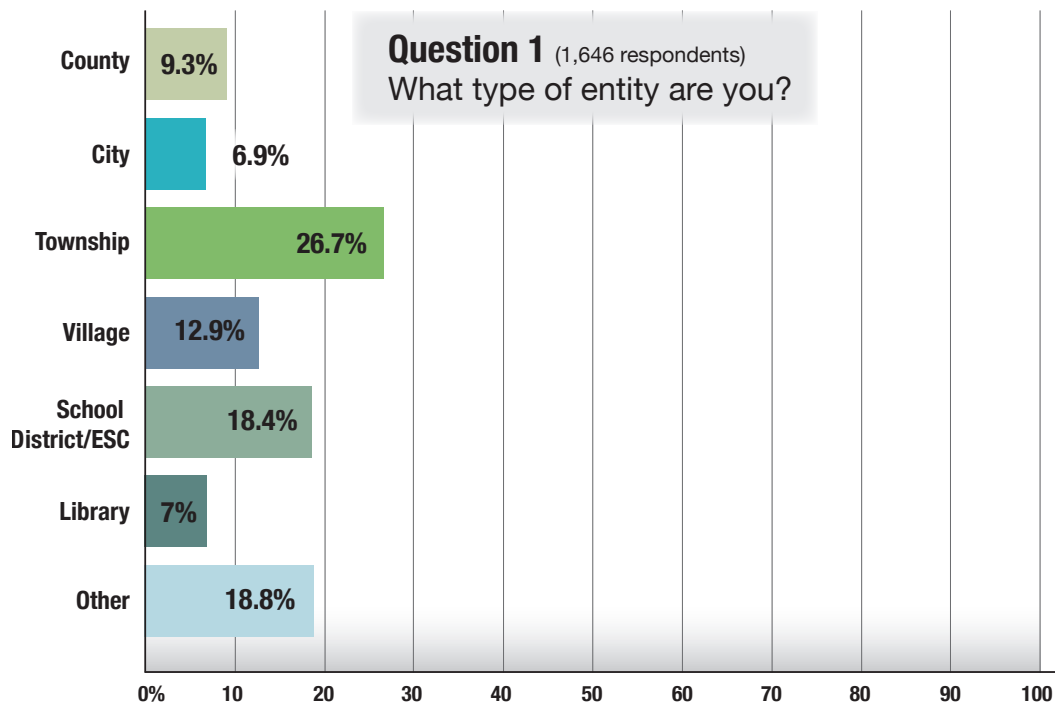
Local governments without strong controls on credit-card use would be required to enact a credit-card policy detailing who can use them, specifying allowable uses, the number of cards, the reissue period for the cards and the credit limits. The measure also would require a regular review of credit-card use and policy by a compliance officer other than the treasurer.

The proposal also would ban the use of debit cards, except for online banking functions, such as bill pay and certain law-enforcement activities.

When properly managed, credit-cards are a convenient way for local governments to conduct business. But without proper controls, credit cards can open local government and taxpayers to expensive risks. The Auditor of State believes that more can be done to help local governments minimize these risks and safeguard taxpayers' investment.

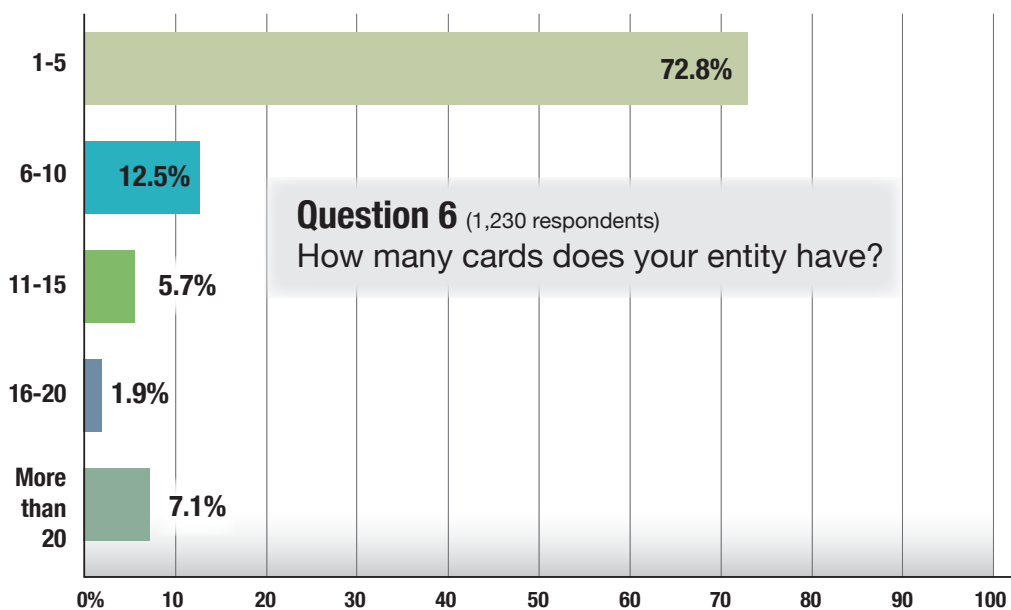
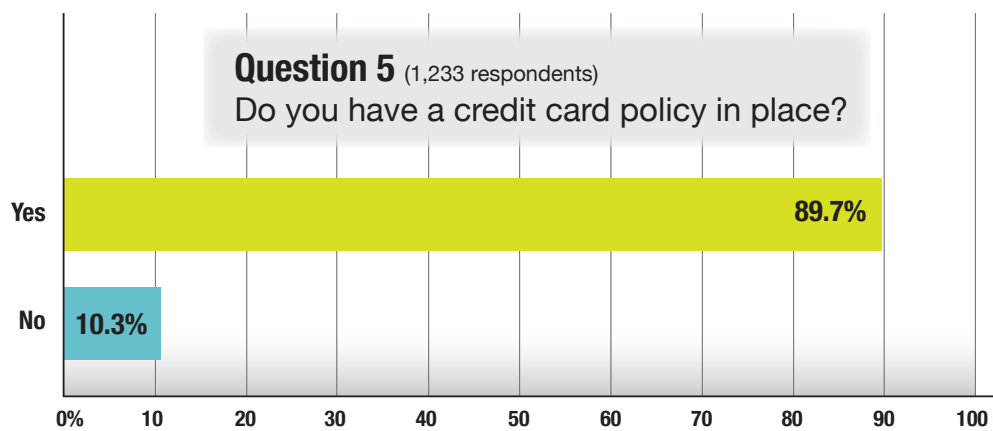
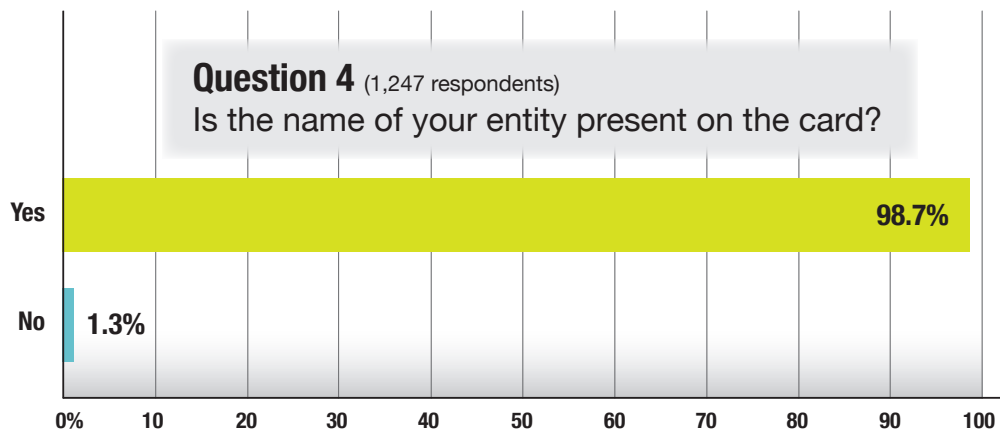
CREDIT CARD USE

Survey questions/results



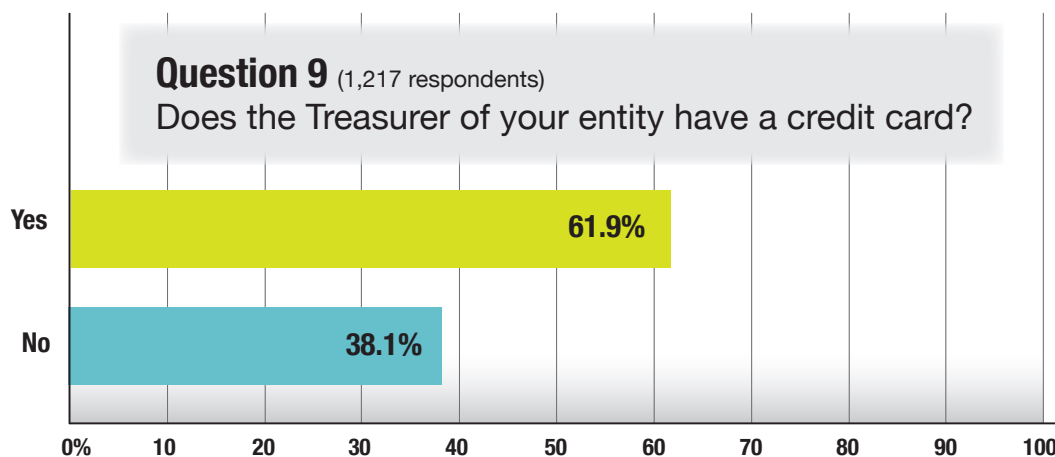
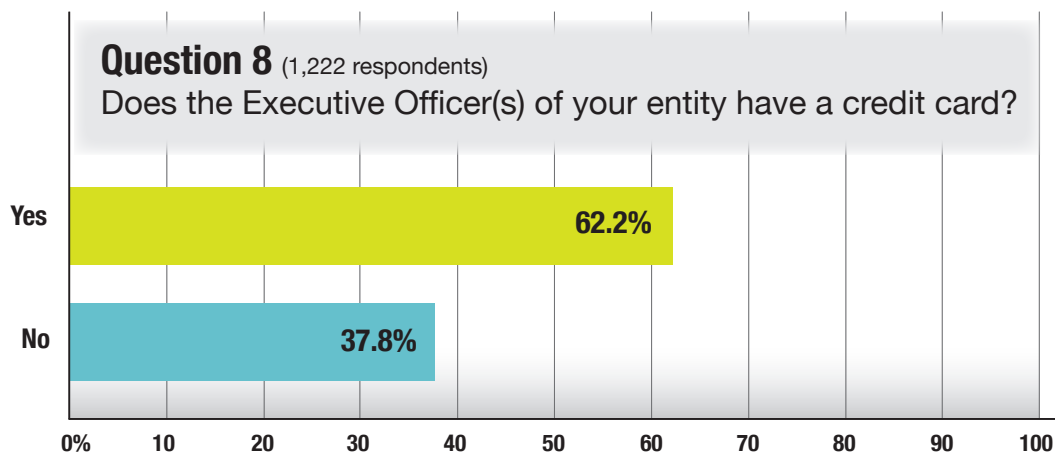
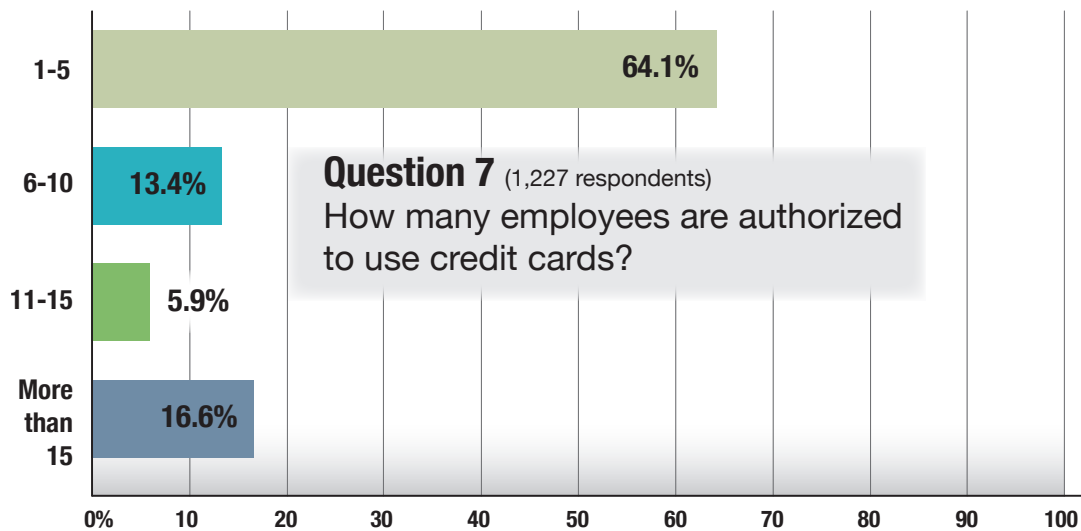
CREDIT CARD USE

Survey questions/results



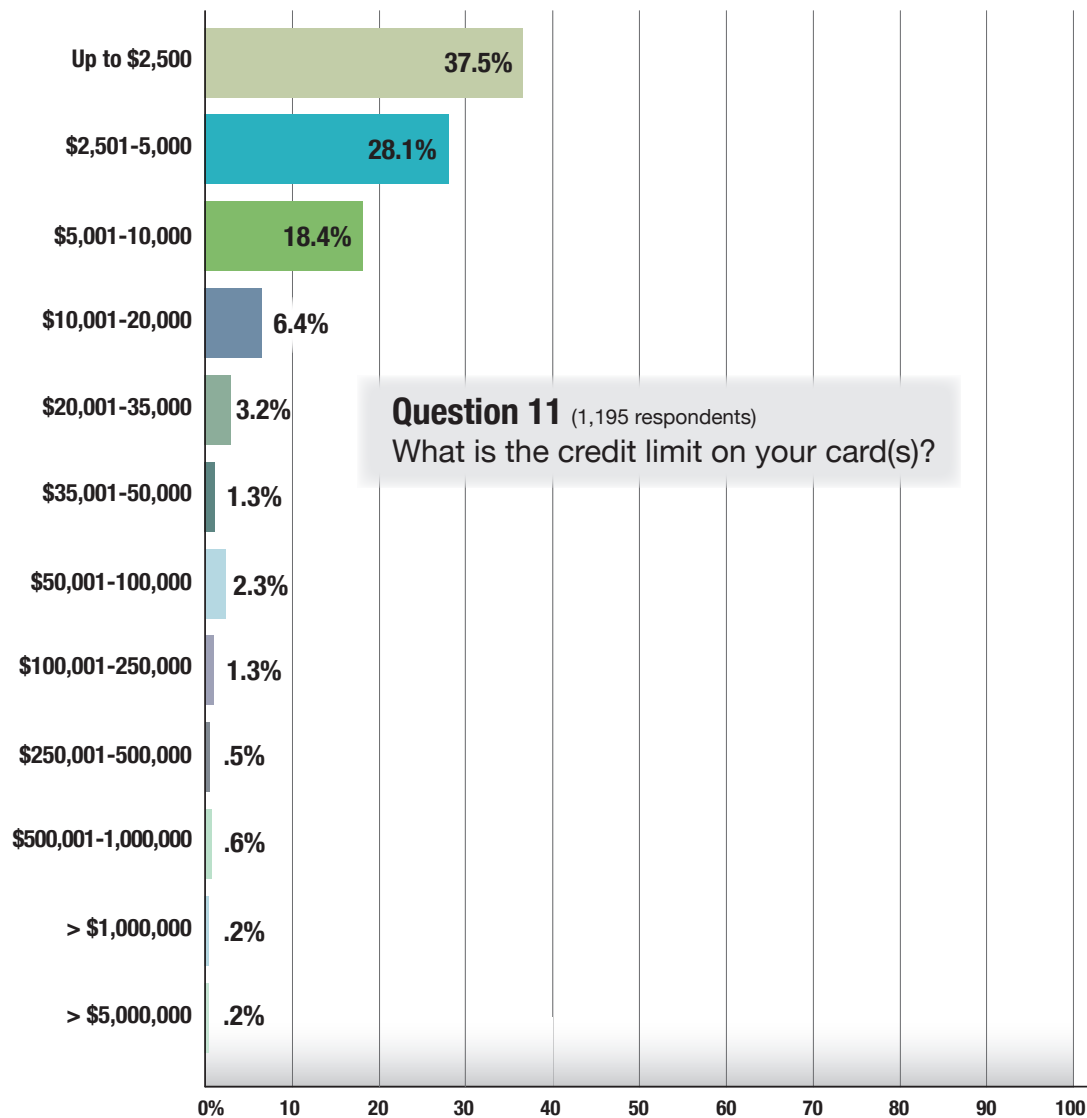
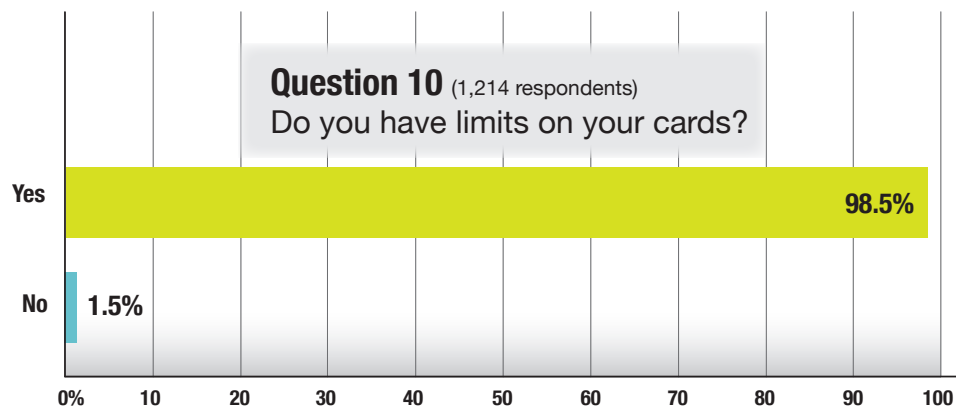
CREDIT CARD USE

Survey questions/results



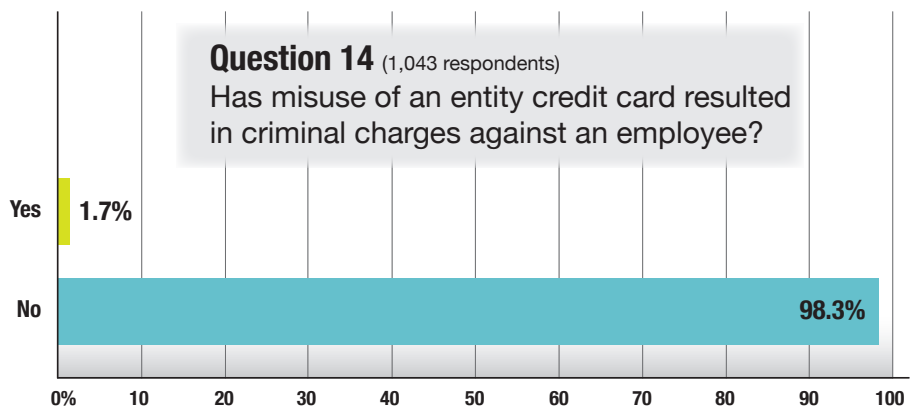
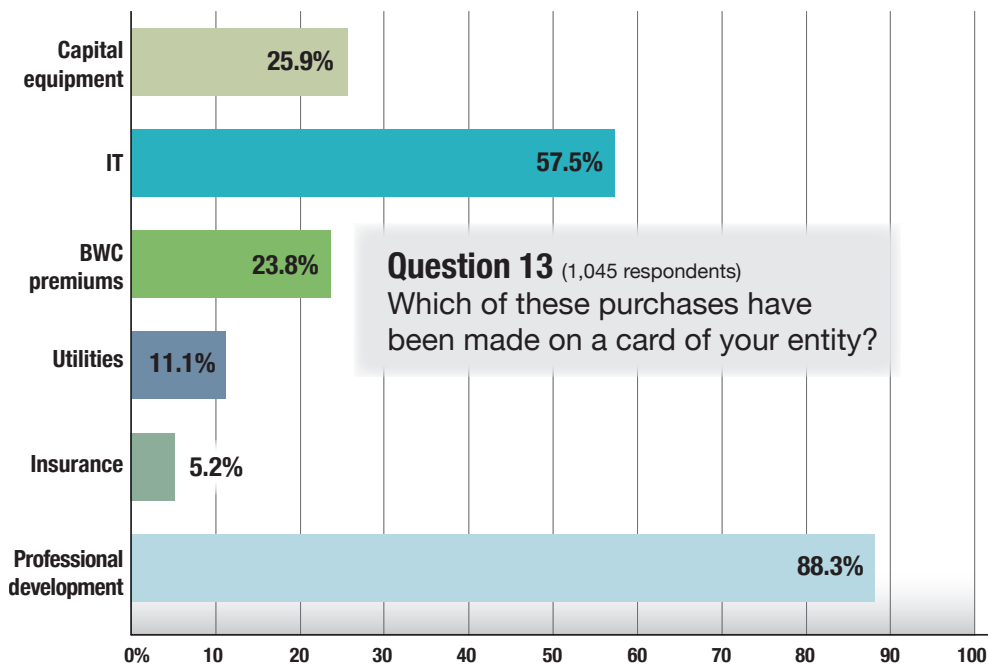
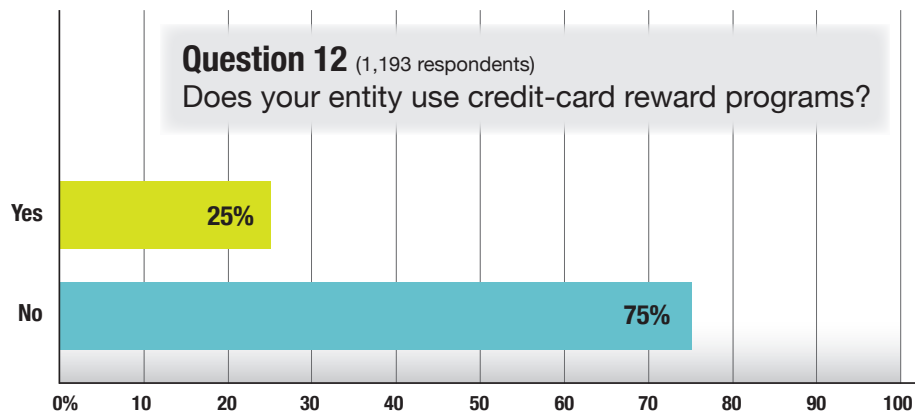
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Survey questions/results



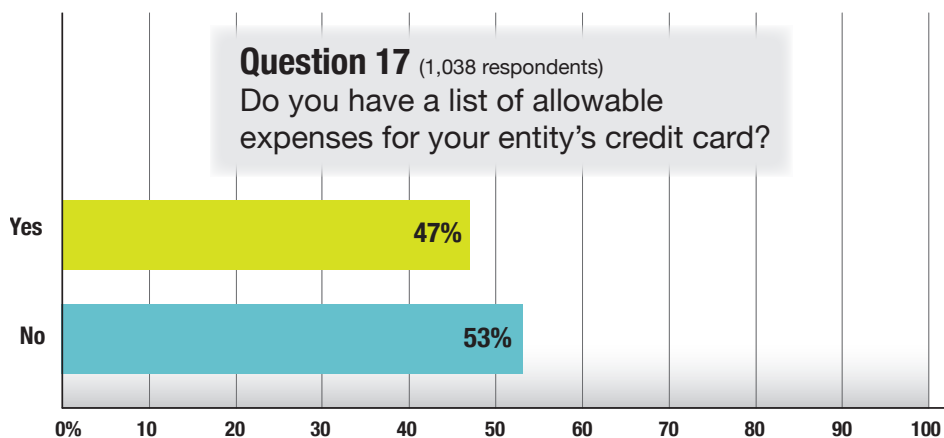
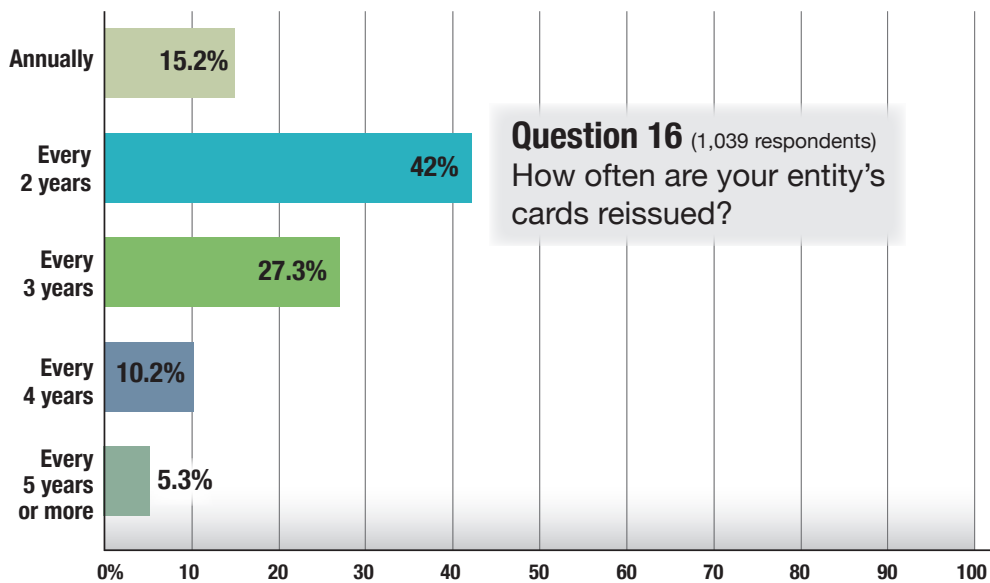
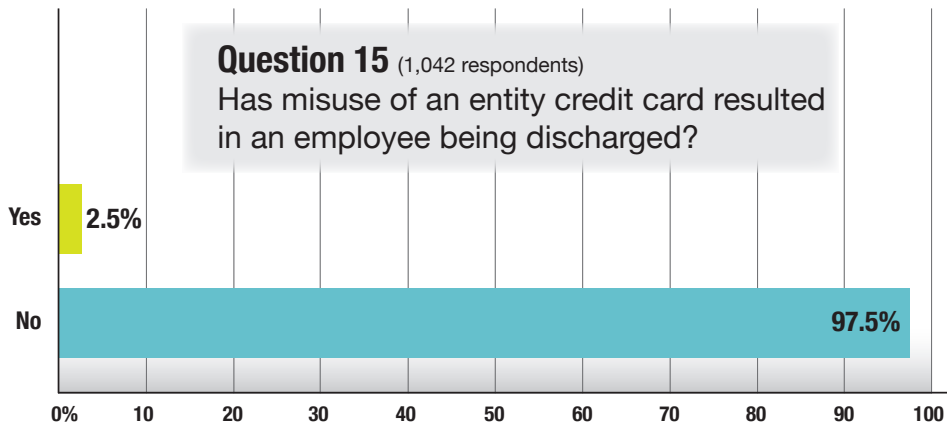
CREDIT CARD USE

Survey questions/results



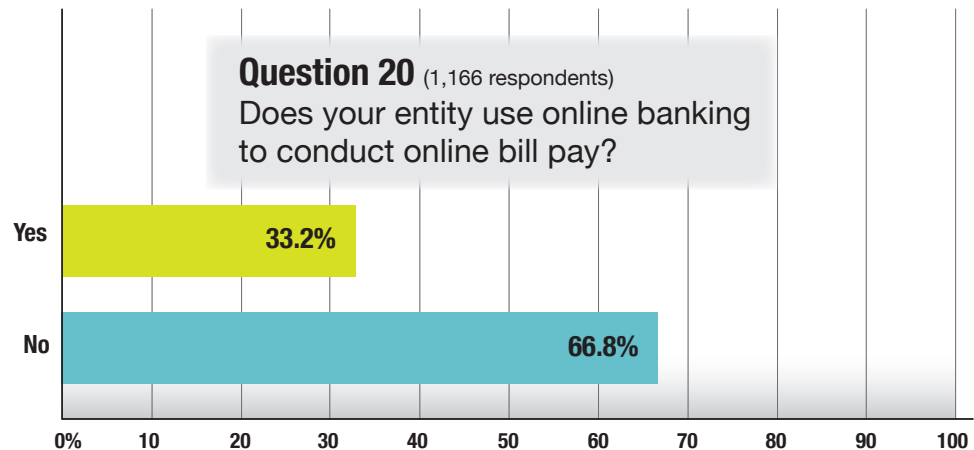
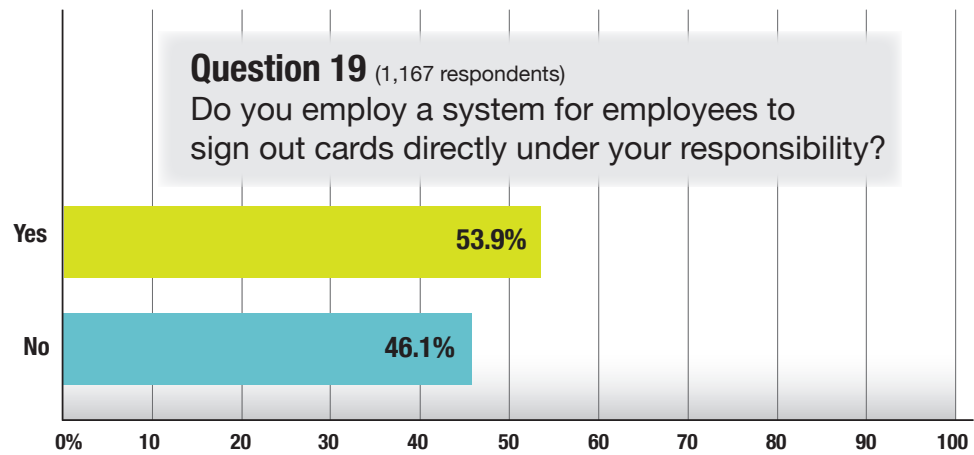
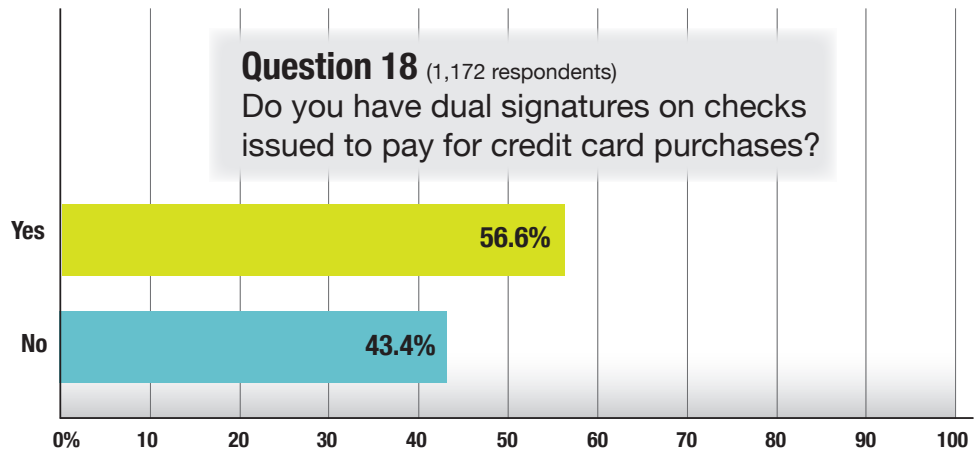
CREDIT CARD USE

Survey questions/results



CREDIT CARD USE

Survey questions/results



CREDIT CARD USE

Survey results by entity type

Counties and county agencies

153 respondents total

Q2: Does your entity use a credit card to conduct business?

Yes: 75.3% (113)

No: 24.7% (37)

Q3: Does your entity use a debit card to conduct business?

Yes: 6.1% (7)

No: 93.9% (107)

Q4: Is the name of your entity present on the card?

Yes: 92.3% (107)

No: 2.7% (3)

Q5: Do you have a credit card policy in place?

Yes: 94.5% (104)

No: 5.5% (6)

Q6: How many cards does your entity have?

1-5: 74.3% (81)

6-10: 6.4% (7)

11-15: 7.3% (8)

16-20: 1.8% (2)

More than 20: 10.1% (11)

Q7: How many employees are authorized to use credit cards?

1-5: 56.5% (61)

6-10: 12% (13)

11-15: 11.1% (12)

More than 15: 20.4% (22)

Q8: Does the Executive Officer(s) of your entity have a credit card?

Yes: 54.7% (58)

No: 45.3% (48)

Q9: Does the Treasurer have a credit card?

Yes: 31.7% (33)

No: 68.3% (71)

Q10: Do you have limits on your credit cards?

Yes: 98.1% (101)

No: 1.9% (2)

Q11: What is the credit limit on your card(s)?

Up to \$2,500: 32.7% (33)

\$2,501-5,000: 30.7% (31)

\$5,001-\$10,000: 22.8% (23)

\$10,001-20,000: 8.9% (9)

\$20,001-35,000: 3% (3)

\$35,001-50,000: 1% (1)

\$50,001-100,000: 0

\$100,001-250,000: 0

\$250,001-500,000: 0

\$500,001-1,000,000: 0

> \$1,000,000: 1% (1)

> \$5,000,000: 0

Q12: Does your entity use credit cards to take advantage of credit-card reward programs?

Yes: 13% (13)

No: 87% (87)

Q13: Which of these purchases have been made on a card of your entity?

Capital equipment: 17% (15)

IT/Technology: 50% (44)

Bureau of Workers Compensation premiums: 5.7% (5)

Utilities: 6.8% (6)

Insurance: 2.3% (2)

Professional development/conference registration: 87.5% (77)

Q14: Has misuse of an entity credit card resulted in criminal charges against an employee?

Yes: 0

No: 100% (88)

Q15: Has misuse of an entity credit card resulted in an employee being discharged?

Yes: 0

No: 100% (87)

Q16: How often are your entity's cards reissued?

Annually: 21.8% (19)

Every 2 years: 40.2% (35)

Every 3 years: 23% (20)

Every 4 years: 10.4% (9)

Every 5 years or more: 4.6% (4)

Q17: Do you have a list of allowable expenses for your entity's credit card?

Yes: 68.6% (59)

No: 31.4% (27)

Q18: Do you have dual signatures on checks issued to pay for credit card purchases?

Yes: 44.8% (43)

No: 55.2% (53)

Q19: Do you employ a system for employees to sign out cards directly under your responsibility?

Yes: 55.8% (53)

No: 44.2% (42)

Q20: Does your entity use online banking to conduct online bill pay?

Yes: 14.7% (14)

No: 85.3% (81)

Survey results by entity type

Cities

114 respondents total

Q2: Does your entity use a credit card to conduct business?

Yes: 93.9% (107)

No: 6.1% (7)

Q3: Does your entity use a debit card to conduct business?

Yes: 3.7% (4)

No: 96.3% (103)

Q4: Is the name of your entity present on the card?

Yes: 99% (104)

No: 1% (1)

Q5: Do you have a credit card policy in place?

Yes: 87.4% (90)

No: 12.6% (13)

Q6: How many cards does your entity have?

1-5: 41.7% (43)

6-10: 18.5% (19)

11-15: 9.7% (10)

16-20: 6.8% (7)

More than 20: 23.3% (24)

Q7: How many employees are authorized to use credit cards?

1-5: 25.3% (26)

6-10: 22.3% (23)

11-15: 13.6% (14)

More than 15: 38.8% (40)

Q8: Does the Executive Officer(s) of your entity have a credit card?

Yes: 64.1% (66)

No: 35.9% (37)

Q9: Does the Treasurer have a credit card?

Yes: 57.3% (59)

No: 42.7% (44)

Q10: Do you have limits on your credit cards?

Yes: 99% (102)

No: 1% (1)

Q11: What is the credit limit on your card(s)?

Up to \$2,500: 31.7% (32)

\$2,501-5,000: 29.7% (30)

\$5,001-\$10,000: 16.8% (17)

\$10,001-20,000: 4% (4)

\$20,001-35,000: 4.9% (5)

\$35,001-50,000: 3% (3)

\$50,001-100,000: 1% (1)

\$100,001-250,000: 3% (3)

\$250,001-500,000: 2% (2)

\$500,001-1,000,000: 4% (4)

> \$1,000,000: 0

> \$5,000,000: 0

Q12: Does your entity use credit cards to take advantage of credit-card reward programs?

Yes: 37.6% (38)

No: 62.4% (63)

Q13: Which of these purchases have been made on a card of your entity?

Capital equipment: 26.5% (26)

IT/Technology: 72.4% (71)

Bureau of Workers Compensation premiums: 38.8% (38)

Utilities: 23.5% (23)

Insurance: 10.2% (10)

Professional development/conference registration: 92.9% (91)

Q14: Has misuse of an entity credit card resulted in criminal charges against an employee?

Yes: 2% (2)

No: 98% (95)

Q15: Has misuse of an entity credit card resulted in an employee being discharged?

Yes: 2% (2)

No: 98% (95)

Q16: How often are your entity's cards reissued?

Annually: 9.4% (9)

Every 2 years: 36.5% (35)

Every 3 years: 30.2% (29)

Every 4 years: 15.6% (15)

Every 5 years or more: 8.3% (8)

Q17: Do you have a list of allowable expenses for your entity's credit card?

Yes: 52.1% (50)

No: 47.9% (46)

Q18: Do you have dual signatures on checks issued to pay for credit card purchases?

Yes: 46.9% (45)

No: 53.1% (51)

Q19: Do you employ a system for employees to sign out cards directly under your responsibility?

Yes: 63.5% (61)

No: 36.5% (35)

Q20: Does your entity use online banking to conduct online bill pay?

Yes: 49% (47)

No: 51% (49)

CREDIT CARD USE

Survey results by entity type

Townships

440 respondents total

Q2: Does your entity use a credit card to conduct business?

Yes: 62.9% (276)

No: 37.1% (163)

Q3: Does your entity use a debit card to conduct business?

Yes: 3.2% (9)

No: 96.8% (272)

Q4: Is the name of your entity present on the card?

Yes: 99.6% (276)

No: .4% (1)

Q5: Do you have a credit card policy in place?

Yes: 82.3% (223)

No: 17.7% (48)

Q6: How many cards does your entity have?

1-5: 84.4% (228)

6-10: 11.5% (31)

11-15: 3% (8)

16-20: 0

More than 20: 1.1% (3)

Q7: How many employees are authorized to use credit cards?

1-5: 84.4% (228)

6-10: 11.1% (30)

11-15: 1.9% (5)

More than 15: 2.6% (7)

Q8: Does the Executive Officer(s) of your entity have a credit card?

Yes: 60% (162)

No: 40% (108)

Q9: Does the Treasurer have a credit card?

Yes: 74.4% (200)

No: 25.6% (69)

Q10: Do you have limits on your credit cards?

Yes: 98.5% (265)

No: 1.5% (4)

Q11: What is the credit limit on your card(s)?

Up to \$2,500: 57.5% (154)

\$2,501-5,000: 28% (75)

\$5,001-\$10,000: 10.5% (28)

\$10,001-20,000: 1.9% (5)

\$20,001-35,000: 1.1% (3)

\$35,001-50,000: 0

\$50,001-100,000: .7% (2)

\$100,001-250,000: 0

\$250,001-500,000: 0

\$500,001-1,000,000: 0

> \$1,000,000: .4% (1)

> \$5,000,000: 0

Q12: Does your entity use credit cards to take advantage of credit-card reward programs?

Yes: 11.6% (31)

No: 88.4% (237)

Q13: Which of these purchases have been made on a card of your entity?

Capital equipment: 19.2% (39)

IT/Technology: 44.8% (91)

Bureau of Workers Compensation premiums: 12.3% (25)

Utilities: 8.9% (18)

Insurance: .5% (1)

Professional development/conference registration:
82.3% (167)

Q14: Has misuse of an entity credit card resulted in criminal charges against an employee?

Yes: .5% (1)

No: 99.5% (202)

Q15: Has misuse of an entity credit card resulted in an employee being discharged?

Yes: .5% (1)

No: 99.5% (202)

Q16: How often are your entity's cards reissued?

Annually: 14.3% (29)

Every 2 years: 38.4% (78)

Every 3 years: 28.1% (57)

Every 4 years: 12.8% (26)

Every 5 years or more: 6.4% (13)

Q17: Do you have a list of allowable expenses for your entity's credit card?

Yes: 30.5% (62)

No: 69.5% (141)

Q18: Do you have dual signatures on checks issued to pay for credit card purchases?

Yes: 94.7% (251)

No: 5.3% (14)

Q19: Do you employ a system for employees to sign out cards directly under your responsibility?

Yes: 29.8% (79)

No: 70.2% (186)

Q20: Does your entity use online banking to conduct online bill pay?

Yes: 32.1% (85)

No: 67.9% (180)

Survey results by entity type

Villages

212 respondents total

Q2: Does your entity use a credit card to conduct business?

Yes: 69.5% (146)

No: 30.5% (64)

Q3: Does your entity use a debit card to conduct business?

Yes: 8.6% (13)

No: 91.4% (138)

Q4: Is the name of your entity present on the card?

Yes: 99.3% (147)

No: .7% (1)

Q5: Do you have a credit card policy in place?

Yes: 78.1% (114)

No: 21.9% (32)

Q6: How many cards does your entity have?

1-5: 85.6% (125)

6-10: 9.6% (14)

11-15: 2.7% (4)

16-20: 1.4% (2)

More than 20: .7% (1)

Q7: How many employees are authorized to use credit cards?

1-5: 79.3% (115)

6-10: 10.3% (15)

11-15: 3.5% (5)

More than 15: 6.9% (10)

Q8: Does the Executive Officer(s) of your entity have a credit card?

Yes: 52.4% (76)

No: 47.6% (69)

Q9: Does the Treasurer have a credit card?

Yes: 63.9% (92)

No: 36.1% (52)

Q10: Do you have limits on your credit cards?

Yes: 97.2% (139)

No: 2.8% (4)

Q11: What is the credit limit on your card(s)?

Up to \$2,500: 41% (57)

\$2,501-5,000: 32.4% (45)

\$5,001-\$10,000: 15.1% (21)

\$10,001-20,000: 5% (7)

\$20,001-35,000: 3.6% (5)

\$35,001-50,000: .7% (1)

\$50,001-100,000: 1.4% (2)

\$100,001-250,000: .7% (1)

\$250,001-500,000: 0

\$500,001-1,000,000: 0

> \$1,000,000: 0

> \$5,000,000: 0

Q12: Does your entity use credit cards to take advantage of credit-card reward programs?

Yes: 20.9% (29)

No: 79.1% (110)

Q13: Which of these purchases have been made on a card of your entity?

Capital equipment: 25.4% (30)

IT/Technology: 43.2% (51)

Bureau of Workers Compensation premiums: 11% (13)

Utilities: 8.5% (10)

Insurance: 3.4% (4)

Professional development/conference registration: 79.7% (94)

Q14: Has misuse of an entity credit card resulted in criminal charges against an employee?

Yes: 3.4% (4)

No: 96.6% (114)

Q15: Has misuse of an entity credit card resulted in an employee being discharged?

Yes: 4.2% (5)

No: 95.8% (113)

Q16: How often are your entity's cards reissued?

Annually: 17.9% (21)

Every 2 years: 39.3% (46)

Every 3 years: 23.1% (27)

Every 4 years: 13.7% (16)

Every 5 years or more: 6% (7)

Q17: Do you have a list of allowable expenses for your entity's credit card?

Yes: 32.5% (38)

No: 67.5% (79)

Q18: Do you have dual signatures on checks issued to pay for credit card purchases?

Yes: 54.4% (75)

No: 45.6% (63)

Q19: Do you employ a system for employees to sign out cards directly under your responsibility?

Yes: 52.5% (72)

No: 47.5% (65)

Q20: Does your entity use online banking to conduct online bill pay?

Yes: 40.9% (56)

No: 59.1% (81)

CREDIT CARD USE

Survey results by entity type

School Districts

302 respondents total

Q2: Does your entity use a credit card to conduct business?

Yes: 92.4% (279)

No: 7.6% (23)

Q3: Does your entity use a debit card to conduct business?

Yes: 5.4% (15)

No: 94.6% (263)

Q4: Is the name of your entity present on the card?

Yes: 99.3% (274)

No: .7% (2)

Q5: Do you have a credit card policy in place?

Yes: 98.5% (271)

No: 1.5% (4)

Q6: How many cards does your entity have?

1-5: 58.8% (161)

6-10: 19% (52)

11-15: 8.4% (23)

16-20: 3.7% (10)

More than 20: 10.2% (28)

Q7: How many employees are authorized to use credit cards?

1-5: 45.3% (124)

6-10: 14.2% (39)

11-15: 5.8% (16)

More than 15: 34.7% (95)

Q8: Does the Executive Officer(s) of your entity have a credit card?

Yes: 65% (178)

No: 35% (96)

Q9: Does the Treasurer have a credit card?

Yes: 75.9% (208)

No: 24.1% (66)

Q10: Do you have limits on your credit cards?

Yes: 99.6% (273)

No: .4% (1)

Q11: What is the credit limit on your card(s)?

Up to \$2,500: 21.1% (57)

\$2,501-5,000: 25.2% (68)

\$5,001-\$10,000: 24.4% (66)

\$10,001-20,000: 9.3% (25)

\$20,001-35,000: 3.7% (10)

\$35,001-50,000: 2.6% (7)

\$50,001-100,000: 7% (19)

\$100,001-250,000: 3.7% (10)

\$250,001-500,000: 1.1% (3)

\$500,001-1,000,000: 1.1% (3)

> \$1,000,000: 0

> \$5,000,000: .7% (2)

Q12: Does your entity use credit cards to take advantage of credit-card reward programs?

Yes: 44.8% (121)

No: 55.2% (149)

Q13: Which of these purchases have been made on a card of your entity?

Capital equipment: 31.9% (83)

IT/Technology: 61.5% (160)

Bureau of Workers Compensation premiums: 53.9% (140)

Utilities: 11.5% (30)

Insurance: 10% (26)

Professional development/conference registration: 96.9% (252)

Q14: Has misuse of an entity credit card resulted in criminal charges against an employee?

Yes: 1.1% (3)

No: 98.9% (257)

Q15: Has misuse of an entity credit card resulted in an employee being discharged?

Yes: 1.9% (5)

No: 98.1% (255)

Q16: How often are your entity's cards reissued?

Annually: 17.3% (45)

Every 2 years: 43.9% (114)

Every 3 years: 26.9% (70)

Every 4 years: 6.5% (17)

Every 5 years or more: 5.4% (14)

Q17: Do you have a list of allowable expenses for your entity's credit card?

Yes: 52.7% (137)

No: 47.3% (123)

Q18: Do you have dual signatures on checks issued to pay for credit card purchases?

Yes: 10.5% (28)

No: 89.5% (240)

Q19: Do you employ a system for employees to sign out cards directly under your responsibility?

Yes: 80.6% (216)

No: 19.4% (52)

Q20: Does your entity use online banking to conduct online bill pay?

Yes: 31.7% (85)

No: 68.3% (183)

CREDIT CARD USE

Survey results by entity type

Libraries

115 respondents total

Q2: Does your entity use a credit card to conduct business?

Yes: 98.3% (113)

No: 1.7% (2)

Q3: Does your entity use a debit card to conduct business?

Yes: 4.4% (5)

No: 95.6% (108)

Q4: Is the name of your entity present on the card?

Yes: 98.2% (111)

No: 1.8% (2)

Q5: Do you have a credit card policy in place?

Yes: 92.8% (103)

No: 7.2% (8)

Q6: How many cards does your entity have?

1-5: 79.3% (88)

6-10: 13.5% (15)

11-15: 7.2% (8)

16-20: 0

More than 20: 0

Q7: How many employees are authorized to use credit cards?

1-5: 67.3% (74)

6-10: 21.8% (24)

11-15: 7.3% (8)

More than 15: 3.6% (4)

Q8: Does the Executive Officer(s) of your entity have a credit card?

Yes: 82.7% (91)

No: 17.3% (19)

Q9: Does the Treasurer have a credit card?

Yes: 65.5% (72)

No: 34.5% (38)

Q10: Do you have limits on your credit cards?

Yes: 97.3% (106)

No: 2.7% (3)

Q11: What is the credit limit on your card(s)?

Up to \$2,500: 36.7% (40)

\$2,501-5,000: 25.7% (28)

\$5,001-\$10,000: 22% (24)

\$10,001-20,000: 8.3% (9)

\$20,001-35,000: 3.7% (4)

\$35,001-50,000: 1.8% (2)

\$50,001-100,000: 1.8% (2)

\$100,001-250,000: 0

\$250,001-500,000: 0

\$500,001-1,000,000: 0

> \$1,000,000: 0

> \$5,000,000: 0

Q12: Does your entity use credit cards to take advantage of credit-card reward programs?

Yes: 22% (24)

No: 78% (85)

Q13: Which of these purchases have been made on a card of your entity?

Capital equipment: 24% (23)

IT/Technology: 72.9% (70)

Bureau of Workers Compensation premiums: 11.5% (11)

Utilities: 3.1% (3)

Insurance: 2.1% (2)

Professional development/conference registration: 86.5% (83)

Q14: Has misuse of an entity credit card resulted in criminal charges against an employee?

Yes: 0

No: 100% (96)

Q15: Has misuse of an entity credit card resulted in an employee being discharged?

Yes: 1% (1)

No: 99% (95)

Q16: How often are your entity's cards reissued?

Annually: 8.3% (8)

Every 2 years: 47.9% (46)

Every 3 years: 34.4% (33)

Every 4 years: 6.3% (6)

Every 5 years or more: 3.1% (3)

Q17: Do you have a list of allowable expenses for your entity's credit card?

Yes: 38.5% (37)

No: 61.5% (59)

Q18: Do you have dual signatures on checks issued to pay for credit card purchases?

Yes: 91.7% (99)

No: 8.3% (9)

Q19: Do you employ a system for employees to sign out cards directly under your responsibility?

Yes: 58.3% (63)

No: 41.7% (45)

Q20: Does your entity use online banking to conduct online bill pay?

Yes: 40.2% (43)

No: 59.8% (64)

CREDIT CARD USE

Survey results by entity type

Others

309 respondents total

Q2: Does your entity use a credit card to conduct business?

Yes: 70.8% (218)

No: 29.2% (90)

Q3: Does your entity use a debit card to conduct business?

Yes: 5.4% (12)

No: 94.6% (212)

Q4: Is the name of your entity present on the card?

Yes: 97.3% (212)

No: 2.7% (6)

Q5: Do you have a credit card policy in place?

Yes: 92.6% (201)

No: 7.4% (16)

Q6: How many cards does your entity have?

1-5: 77.9% (169)

6-10: 7.4% (16)

11-15: 4.2% (9)

16-20: .9% (2)

More than 20: 9.7% (21)

Q7: How many employees are authorized to use credit cards?

1-5: 72.8% (158)

6-10: 9.7% (21)

11-15: 5.5% (12)

More than 15: 12% (26)

Q8: Does the Executive Officer(s) of your entity have a credit card?

Yes: 60.3% (129)

No: 39.7% (85)

Q9: Does the Treasurer have a credit card?

Yes: 41.8% (89)

No: 58.2% (124)

Q10: Do you have limits on your credit cards?

Yes: 98.6% (210)

No: 1.4% (3)

Q11: What is the credit limit on your card(s)?

Up to \$2,500: 36.7% (76)

\$2,501-5,000: 28.5% (59)

\$5,001-\$10,000: 19.8% (41)

\$10,001-20,000: 8.7% (18)

\$20,001-35,000: 3.9% (8)

\$35,001-50,000: 1% (2)

\$50,001-100,000: .5% (1)

\$100,001-250,000: .5% (1)

\$250,001-500,000: .5% (1)

\$500,001-1,000,000: 0

> \$1,000,000: 0

> \$5,000,000: 0

Q12: Does your entity use credit cards to take advantage of credit-card reward programs?

Yes: 20.4% (42)

No: 79.6% (164)

Q13: Which of these purchases have been made on a card of your entity?

Capital equipment: 30.2% (55)

IT/Technology: 62.6% (114)

Bureau of Workers Compensation premiums: 9.3% (17)

Utilities: 14.3% (26)

Insurance: 5% (9)

Professional development/conference registration: 87.4% (159)

Q14: Has misuse of an entity credit card resulted in criminal charges against an employee?

Yes: 4.4% (8)

No: 95.6% (173)

Q15: Has misuse of an entity credit card resulted in an employee being discharged?

Yes: 6.6% (12)

No: 93.4% (169)

Q16: How often are your entity's cards reissued?

Annually: 15% (27)

Every 2 years: 45.6% (82)

Every 3 years: 26.7% (48)

Every 4 years: 9.4% (17)

Every 5 years or more: 3.3% (6)

Q17: Do you have a list of allowable expenses for your entity's credit card?

Yes: 58.3% (105)

No: 41.7% (75)

Q18: Do you have dual signatures on checks issued to pay for credit card purchases?

Yes: 60.7% (122)

No: 39.3% (79)

Q19: Do you employ a system for employees to sign out cards directly under your responsibility?

Yes: 42.9% (85)

No: 57.1% (113)

Q20: Does your entity use online banking to conduct online bill pay?

Yes: 28.8% (57)

No: 71.2% (141)



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