

## **HB 312 Summary**

**(As Passed by the General Assembly on 6/27/18)**

**Bill becomes effective 11/2/18**

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- Public Libraries (including schools and other political subdivisions) are required to adopt a Board policy if using credit cards [accounts]. Public Libraries have **3 months** after the bill's effective date to adopt the policy (by 2/2/19). The policy must include:
  - Staff positions that are authorized to use credit cards
  - Types of expenses for which the credit card can be used
  - The procedure for acquiring and managing credit cards
  - The procedure for submitting itemized receipts
  - The procedure for issuing, reissuing and cancelling credit cards
  - Process for reporting lost and stolen credit cards
  - The maximum credit limit or limits for the cards
  - The actions or omissions that qualify as "misuse" of a credit card
- For purposes of the bill, the term credit card account means the following:
  - Bank-issued credit card account
  - Store-issued credit card account
  - Financial institution-issued credit card account
  - Financial depository-issued credit card account
  - Affinity credit card account, or
  - Any other card account allowing the holder to purchase goods or services on credit or otherwise transact with the account, and
  - Any debit or gift card account related to the receipt of grant moneys
- The term expressly excludes (the bill's requirements do NOT apply to):
  - Any procurement card account,
  - Gasoline credit card account,
  - Telephone credit card account, or
  - Any other card account where merchant category codes are in place as a system of control for use of the account.
- Requires the name of the library to appear on the credit cards.
- The bill bans the use of debit cards.
- The bill specifies that anyone knowingly misusing a credit card for expenses beyond those authorized in the Board policy is committing the crime of misuse of a credit card.
- Requires the Fiscal Officer or their Designee to file a report with the Board once a year on any and all credit card rewards received by the Library.

**If a library chooses to use credit card accounts (as defined by the statute), one of the following models would apply:**

### **Compliance Officer Model**

- If Library staff members (other than the Fiscal Officer) carry credit cards, the Board must appoint a Compliance Officer. The Compliance Officer would review the following every 6 months:
  - The number of credit cards issued
  - Number of active credit cards
  - Expiration dates of the cards
  - Credit limits of the cards
- Compliance Officer may use the credit card if authorized by the Fiscal Officer (except if the Director serves as the Compliance Officer).

- If the Compliance Officer uses the card, the Fiscal Officer or their Designee is required to monthly review the credit card statement and sign an attestation that they reviewed the statement.
- A Library Director serving as a Compliance Officer may use a credit card if authorized by the Board policy.
- Compliance Officer may not authorize others to use the credit card. Only exception is if the Library Director is serving as the Compliance Officer – they may authorize others to use the credit card.
- Compliance Officer cannot be the Fiscal Officer.

### **Custody and Control Model**

- This is where the Fiscal Officer has custody of the credit cards and signs them out on an as-needed basis.
- The employee using the card is personally liable to reimburse the library if they do not provide an itemized receipt in accordance with the Board policy.