

Date: February 18, 2014

To: State and Local Government Committee  
Chairman Terry Blair  
Vice Chairman Marlene Anielski  
Ranking Minority Member Kathleen Clyde

From: Karl H. Kuespert, C.P.M., Director, Purchasing Department, Franklin County, OH

Subject: Support for HB 386

My name is Karl Kuespert and I am the Director of Purchasing for Franklin County and the President of the CCAO Purchasing Directors Association. I come before you today to convey the Franklin County Board of Commissioner's and my fellow Purchasing Directors support for H.B 386.

The Counties need the addition of the two allowable expenses for which a county credit card may be used. The purchasing landscape is changing everyday and the vendors are no longer willing to wait for us to catch up to their way of doing business.

Webinars, which are fairly a new way to attend a training session or online conference, by their very nature require you to use a credit card; without one you cannot participate in the event.

As Mr. Cole stated in his testimony, more vendors are no longer willing to accept a purchase order in order to do business with a county. They are demanding a credit card for ordering especially for all online orders. This is particularly prevalent in the automatic or electronic data processing or record-keeping equipment, software, or services industries, especially since the majority of them do a lot of their business through online ordering.

So as Mr. Cole also stated in his testimony, if the counties allow their employees to order these two allowable expenses they would currently have to use their personal credit card to make the purchase on behalf of the county and to assume the liability until the reimbursement is made to the individual. While the speed of the reimbursement made for webinars or online conferences can be made quickly as the receipt is printed as soon as the order for the webinar is made. However, the payment for any goods or services made

cannot be made until those goods or services have been received by the county which could be several weeks or more before the individual is reimbursed. This could mean that the employee could possibly accrue interest on those charges before reimbursement could be made.

Concerning the protection of county appropriations, the current law provides the necessary requirements for the encumbrance of funds and for the protection of the county in the eventuality of an employee overspending on a credit card estimated limit.

Once the county credit card policy is approved authorizing the use of the credit card, the Board of Commissioners may approve the use of the credit in one of two ways: (a) monthly or multi-month expense where the employee estimates expenses for the next month or several month period; (b) line item appropriation limitation is limited to the specific amount of money appropriated to a specific item for specific uses in the budget or in the county policy.

Any credit card expenditures in excess of the estimated or appropriated amount approved by the commissioners are considered unauthorized. If the estimate or appropriation is exceeded, the Commissioners may do either of the following: (a) authorize the expenditure of the higher amount after the obligation has been incurred provided there is sufficient money in the budget to pay the obligation, or (b) require the officer or employee to reimburse the county for the difference between what was authorized or appropriated and the unauthorized expenditure.

Any county employee who uses a credit card and exceeds the estimates or appropriations provided by law is personally liable for any expenditure beyond the estimated or appropriated amount unless the commissioners approve the higher expenditure after the expenditure has been incurred.

Finally, if a county credit card is used for any purpose not authorized by law, this expenditure is considered "misuse of a credit card" which is a criminal offense.

In closing, I would like to thank the House State and Local Government Committee for allowing me, on behalf of Franklin County, the time to testify in support of H.B. 386 and would encourage your favorable action on the bill. I would be happy at this time to attempt to answer questions from the committee.