

	PROCUREMENT CARD	Approval Date 10/22/2012
	DIVISION AND POLICY NUMBER PURCHASING - 1045	Revision Date 08/08/2017

PURPOSE:

The Procurement Card (P-Card) Program is designed to streamline the purchasing and payment process for small dollar transactions (less than \$5,000), subject to exceptions as noted at the end of the policy, including spending federal funds which is less than \$5,000.

The goal of the program is to:

1. Meet fiduciary responsibility of spending public funds.
2. Assure appropriate internal controls designed to lower the risk of fraud, waste and abuse.
3. Reduce the cost of processing small dollar purchases.
4. Receive faster delivery of required merchandise.
5. Simplify the payment process.

This Policy and Procedure includes:

1. Procedure for record keeping.
2. Reconciling of monthly statements.
3. Customer service information.
4. Limitations and restrictions on card usage.

It is the responsibility of all P-Card Holders and all Approvers of P-Card transactions to familiarize themselves with and follow this Policy. Any questions regarding this Policy, should be directed to the P-Card Administrator in the Finance Department at 720-523-6292.

ELECTED OFFICIALS/DEPARTMENTS AFFECTED: All

POLICY:

It is Adams County Government Policy to provide P-Cards to employees who regularly purchase small dollar items (less than \$5,000) as required during the course and scope of their work. These cards are to be used for Adams County business purposes only. Any P-Card Holder found to be using the P-Card for personal use is subject to revocation of P-Card privileges, and disciplinary action which, depending on the severity of the offense, may include the termination of employment.

Failure to comply with the procedures outlined in this document may result in the revocation of P-Card privileges, even on a first offense.

PROCEDURE:

1. The following personnel classifications are qualified to request a P-Card:
 - 1.1. Full-Time
 - 1.2. Permanent Part-Time
 - 1.3. Project/Contract Designated
 - 1.4. Elected Officials
 - 1.5. Other approved individuals acting on behalf of the County (must be approved by the Finance Director and Department Director/Elected Official).

2. The following personnel classifications are **not** qualified to request a P-Card:
 - 2.1. Seasonal Employees (except Seasonal Fair Assistants, must be approved per 1.5)
 - 2.2. Temporary Employees.

3. **The Elected Official, Department Director, Manager or Supervisor is responsible for:**
 - 3.1. Attending mandatory Supervisory P-Card training with management responsibilities.
 - 3.2. Requesting a Procurement Card for an employee by completing a Procurement Card Application Form (Appendix B).
 - 3.3. Approving the monthly P-Card Expense Report of each P-Card Holder's account. The Elected Official, Department Director, Manager or Supervisor should approve transactions in the P-Card System and review purchases and account coding online. The coding needs to be completed by the due date.
 - 3.4. Having an authorized signature to approve Expense Reports. When the Elected Official, Department Director, Manager or Supervisor cannot approve a purchase due to the result of a prohibited transaction, the Approver must note such on the report and notify the P-Card Administrator immediately. The County Manager's P-Card Expense Report will be reviewed and approved by the County Attorney, and the County Attorney's P-Card Expense Report will be reviewed and approved by the County Manager. Elected Officials may approve their own Expense Reports.
 - 3.5. The Finance Director will provide a primary review and submit a monthly exceptions report for all P-Card Holders, which includes Elected Officials, to the County Manager.
 - 3.6. Transactions are subject to Colorado Open Records Act (CORA) and may be forwarded to the Ethics Officer.
 - 3.7. Making sure the monthly P-Card Expense Report and all the receipts, with proper documentation, are sent to the P-Card Administrator within six (6) business days after the email from the Finance Department stating when P-Card Reports are due.
 - 3.8. Securing an employee's P-Card upon notification of resignation along with any receipts and having the P-Card Holder code any transactions in P-Card System before leaving employment.
 - 3.9. Setting up a Delegate during their absence. The approving delegate cannot approve their own expense report.

4. P-Card Holder is responsible for:

- 4.1. Attending mandatory P-Card training before receiving P-Card. Training for Elected Officials while not mandated is highly recommended. Annual review of this Policy is recommended for all P-Card Holders.
- 4.2. Making authorized appropriate purchases only. When a prohibited purchase is made, the employee's P-Card privileges may be revoked and the P-Card Holder's Supervisor will be notified, if applicable. The employee may also face disciplinary action up to and including termination.
- 4.3. Making purchases using the County preferred vendors. Contact the Purchasing Division of the Finance Department for information.
- 4.4. Providing the Colorado Sales Tax-exempt number to all vendors prior to purchase to avoid paying state and local taxes, where possible. Adams County is tax exempt from Colorado State or local sales taxes. The tax-exempt number is printed on all Procurement Cards.
- 4.5. Making sure no double payment occurs.
- 4.6. Submitting all receipts and other necessary documentation of their purchases such as class registration form, conference agenda, meeting agenda, etc., along with their monthly P-Card Expense Report, with proper account coding, to the Elected Official, Department Director, Manager or Supervisor for approval and signature.
- 4.7. Notify Supervisor to approve P-Card expenses online.
- 4.8. When it is necessary to return an item to a vendor the P-Card Holder is to request that a Credit Receipt be obtained and credit issued to the Procurement Card account. The P-Card Holder shall not accept cash or store credit when returning an item.
- 4.9. In response to IRS guidelines, the following information is required when business meals are purchased:
 - 4.9.1. The name(s) of the person(s) participating in the business meal
 - 4.9.2. The nature of the business meeting
 - 4.9.3. The date of the meeting
 - 4.9.4. The location of the meeting
 - 4.9.5. The itemized receipt
- 4.10. Not having the transaction split by the vendor when the transaction exceeds the P-Card Holders \$5,000.00 spending limit, or the amount determined by Federal Regulations (Uniform Grant Guidance 2 CFR 200) when using federal grant funds.
- 4.11. Turning in the P-Card and receipts to Supervisor upon P-Card Holder resignation.
- 4.12. Disputing any charges needs to be done directly with the vendor first. If unsuccessful in negotiating the dispute, contact P-Card Administrator. Attach documentation from JPMorgan Chase to the monthly P-Card Expense Report.
- 4.13. Contacting JPMorgan Chase as soon as possible at 1-800-316-6056 should the P-Card be lost, stolen or if unauthorized charges appear on the monthly statement. Notify P-Card Holder's Supervisor and the Procurement Card Administrator immediately.
- 4.14. Taking personal responsibility for any transaction that is not documented by a receipt or any transaction not made in the interest of Adams County. If no receipt is available, P-Card Holder must fill out the Unavailable/Lost Receipt Documentation Form

(Appendix D) for each missing receipt. Warning: Repeated use of this form may result in revocation of P-Card.

- 4.15. Safeguarding account number, security code or card verification value (CVV), and expiration date to help prevent fraud.
- 4.16. Ensuring that credit card numbers are not stored on file with Merchants where P-Card Holder may also have a personal account.

5. The P-Card Administrator is responsible for:

- 5.1. Issuing new and de-activating P-Cards.
- 5.2. Training P-Card Requesters prior to issuing the P-Card.
- 5.3. Training Supervisors on their responsibilities.
- 5.4. Notifying the Treasurer's Office for monthly payment to P-Card System.
- 5.5. Regularly synchronizing County's chart of accounts and cost centers to the bank's website.
- 5.6. Processing any approved changes on the P-Card Account Maintenance form.
- 5.7. Resolving any issues between the bank and the P-Card Holder regarding declined purchases, limit changes, disputes or changes to the merchant category groups.
- 5.8. Reconciling, researching, and auditing P-Card Holder transactions to receipts and documentation to ensure Adams County Policies and Procedures are followed. Auditing of all Department's/Office's P-Card Holder accounts will occur throughout the year, at which time all current P-Card Holder's accounts will be audited.
- 5.9. Uploading all transactions to the correct General Ledger accounts in JD Edwards. No changes can be made after the upload except on a case-by-case basis as approved by Finance.
- 5.10. When discovered, P-Card transactions that do not adequately state a business purpose, a request to provide such documentation will be made of the P-Card Holder. If the proper documentation is not provided when requested, a request for reimbursement will be made. If a reimbursement is not received by the County, the Finance Department will follow IRS guidelines requiring the transaction to become taxable compensation to the P-Card Holder's wages on their W-2.
- 5.11. Organizing reports that can be used to verify spending above Purchasing limits by transaction and merchant code for review by the Procurement and Contracts Manager.
- 5.12. Periodically reviewing, recommending and shutting off unauthorized Merchant Category Codes and specific items, such as (any exceptions require the approval of the Finance Director):
 - 5.12.1. Liquor
 - 5.12.2. Jewelry
 - 5.12.3. International Purchases
 - 5.12.4. Cash Advances, Travelers Checks, Money Orders
 - 5.12.5. Gambling (including lottery and casinos)
 - 5.12.6. Adult Entertainment
- 5.13. Keeping records, including P-Card Applications, Maintenance forms, and P-card Violation forms, in accordance to County Records Retention Policy.

6. Additional P-Card Information:

- 6.1 The Travel and Business Expense Policy (Policy 1120) must be followed for travel, meal and entertainment expenses for County P-Card Holders.
- 6.2 Purchases where the use of the P-Card is discouraged:
 - 6.2.1 Computer equipment and software shall be purchased through the Information Technology Innovation (ITI) Department.
 - 6.2.2 Suppliers not currently contracted by Purchasing. When in doubt, call Adams County Purchasing Division at 720-523-6050.

7. Prohibited purchases using the P-Card include:

- 7.1 Any purchase of goods or services where there is a contractual obligation or potential liability to Adams County, unless pre-approved by the Purchasing Division. All purchases with terms and conditions must be reviewed and approved by Purchasing prior to completing transaction.
- 7.2 Capital Equipment
- 7.3 Gasoline for County Vehicles: Fuel should be purchased using the current contracted fuel provider Sam Hill/SHOCO, Wright Express and Shell Oil (contact Purchasing Division or Fleet Management for additional information on this program). The P-Card may be used to purchase gasoline or other fuels in a case of emergency or if P-Card Holder cannot reasonably get to a fueling station with the current contracted fuel supplier.
- 7.4 Gift card and/or gift purchases for employees, except for employee recognition programs or reasonable retirement acknowledgments. However, gift cards may be purchased for external clients as a provision of an established assistance program.
- 7.5 All local tolls, express lanes, non-airport parking, etc., mileage reimbursements will not be made to those employees receiving a vehicle stipend.
- 7.6 International purchases, unless prior approval is obtained by Finance.
- 7.7 Alcohol, except when necessary for certain County operations where alcohol is made available for sale to customers at County events.

8. Procurement Card Limits:

- 8.1 Standard single P-Card limit is less than \$5,000.00 per item. Monthly limit is up to \$10,000.
- 8.2 Any request to raise limits above the standard P-Card limits, needs to be approved by an Elected Official or Department Director and the Finance Director using the P-Card Account Maintenance Form (Appendix C).
- 8.3 The limit for spending federal funds, which is less than \$5,000.00, is determined by Federal Regulations (Uniform Grant Guidance 2 CFR 200).

9. Consequences for Violating the P-Card Policy:

- 9.1 P-Card privileges may be revoked and the employee may be subject to disciplinary action up to and including termination.
 - 9.1.1 The following items represent violations of P-Card policy, including but not limited to:

- Not providing proper receipts (example: itemized purchase receipts and business purpose).
- Lack of proper documentation (example: conference agenda, class itinerary and business purpose).
- P-Card Expense Report not turned in to Finance when due.
- Personal use (including inadvertent).
- Not account coding transactions in the P-Card System when due.

9.2 If privileges have been revoked, the reinstatement will not occur for at least 3 months. To reinstate P-Card privileges, at the discretion of the Finance Director, the employee must obtain their Supervisor's approval and attend a mandatory P-Card training session. P-Card privileges may also be permanently revoked.

10. EXCEPTIONS:

10.1 Federal Regulations that require a lower authorization amount.

10.2 Items that have been formalized through the Purchasing process (as approved by the Finance Director), where the P-Card or a single use account is to be used as a method of payment.

10.2.1 Examples of authorizations at or above \$5,000 include:

- EON Office
- Toshiba Copiers/Printers
- Medical Supplies
- Tuition Programs
- Emergency procurements as approved in Appendix A

10.2.2 The following items are not subject to terms and conditions of contractual obligations pre-approvals:

- Airline Tickets (including bus, train, etc.)
- Vehicle Rentals
- Lodging
- Catering (less than \$5,000)