



Purchasing Card Policy and Procedures

Effective: September 2, 2014

Overview

City of Clarkston Purchasing Card Program has been designed to allow for the direct procurement of some purchases by the end-user through the use of a credit card. The intent is to eliminate the need for small dollar requisitions, petty cash, and open orders. Using the card will provide quicker turn-around time on orders, greater flexibility in ordering, and reduced paperwork processing. The purchasing card concept is designed to delegate the authority and capability to purchase some items directly to the person to whom it most matters, the end user.

Moreover, the Purchasing Card Program is intended to streamline and simplify the purchasing and accounts payable functions by eliminating wastes and low value activities. The purchasing card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes, and offers flexible controls to help ensure proper usage.

The City Manager issues cards to offices and individuals upon approval by the department head or equivalent administrator.

An authorized City of Clarkston department or employee may use a city approved purchasing card or store credit cards such as (Home Depot, Sam's Club and etc.) to make city purchases that do not exceed the city's direct buy limit. (See "Restrictions" below for the current limit).

This Cardholder Guide provides information about processing, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other policy information.

Please remember that you are committing city funds each time you use the purchasing card. This is a responsibility that should not be taken lightly, remember, you are the person responsible for all charges made to the card which has been issued to you. Intentional misuse or fraudulent abuse may result in revocation of the card and/or disciplinary action up to and including dismissal.

The card will have NO impact on your personal credit. Although the card lists an individual's name, the card is actually issued to City of Clarkston.

Purchasing Stewardship: While the Cardholder is authorized to make purchases on behalf of the city, good stewardship of city funds still requires that we are careful spenders. Consequently, it is city policy to seek competitive and the lowest prices within the parameters of quality, delivery and the efficient use of the cardholder's time. Accordingly, whenever making a credit card purchase, the cardholder will check as many sources of supply as reasonable to assure best price and delivery.

Program Participants

Program Administration — the City Clerk administers the purchasing card program for the city and coordinates transaction review and approval activities along with annual audits of card use.

Accounts Payable — Accounts Payable processes payment to Bank of America, the purchasing card company.

Individual Account Approval — the department head or designee is responsible for reviewing and approving monthly reconciliation of purchasing card transactions.

Card Custodian — the card custodian manages the Purchasing Card Program for a specific department/office. He/she obtains cards for new cardholders, maintains a current record of cardholders, logs all department card purchases, reviews transactions online, prepares the monthly reconciliation, and obtains cards from departing employees.

Card Holder — the card holder is either temporarily or permanently assigned a purchasing card. He/she uses the card to make purchases in accordance with city policies.

Training - the City Clerk trains card custodians and cardholders in the use of purchasing cards and related software.

Restrictions

Users of purchasing cards are subject to the following restrictions: The total cost of a single purchase may not exceed \$1000, including shipping and tax. City personnel may not string transactions to circumvent the \$1000 limit, i.e., make several separate small purchases from the same vendor.

Specific Items (City personnel are not to pay for the following items with purchasing cards):

Depreciable assets, i.e. equipment inventoried by the city

Alcoholic beverages

Business cards

Controlled substances

Freight charges for incoming shipments billed separately

Hazardous chemical materials (except when authorized by City Manager)

Insurance

Leases, rentals

Moving expenses

Personal items

Postage

Telephones

Telephone calls, calling cards

Transportation and lodging (except for approved travel authorized by City Manager)

Weapons and ammunition

Transaction Types (City personnel are not to use purchasing cards for the following types of transactions):

Cash advances

Contracts requiring authorized signatures

Gifts or donations

Payments to individuals, employees, and etc.

Purchases involving trade-ins

Vendor Types (City personnel are not to use purchasing cards to make purchases from the following vendors):

Airlines, vehicle rental firms, hotels and motels (except for approved travel authorized by City Manager), bars, cocktail lounges, nightclubs, taverns

Exceptions — The City Manager may, at his/her discretion, and staying within the state and city's rules and regulations, allow exceptions to the above exemptions for specific cardholders on a crisis basis. Any request for exception shall be made in writing or via email from the requesting party.

Obtaining a Credit Card

Contact the City Clerk for a Purchasing Card Application. The requesting department completes an application for each card requested. The departmental card custodian who manages all of the department's purchasing cards and serves as a liaison with finance department completes the application. After the department head or equivalent administrator approves the application, the department routes the form to the City Clerk. The following information must be entered when completing the form:

Any departmental restrictions i.e., maximum dollar limit on single purchase, monthly dollar limits on purchases.

NOTE: Departmental restrictions must be enforced at the departmental level.

The City Clerk processes the request and instructs the bank to issue a purchasing card. At the time the card is issued to the department, the City Clerk trains the cardholder or card custodian. The card

recipient signs the Purchasing Card Agreement. Once the card is received by the City Clerk, you will be notified to schedule a training session with the City Clerk.

Only full time employees of City of Clarkston are eligible to receive a credit card. Students, contractors, part-time, and temporary employees are not eligible. The cardholder is responsible for the security of their card and the transactions made against the card. Each user will be required to sign the Employee Cardholder Agreement at the time of training as part of the Purchasing Card Application.

NOTE: A purchasing card is reserved for cardholders who make frequent transactions. Frequent usage entails transactions being posted to the account within one to two billing cycles. Persons traveling or making purchases less frequently should seek reimbursement through an expense report.

As part of your application, you will identify which level of transactions and cycle spending limits best accommodates your business requirements. Each purchasing card has pre-set spending limits which may not be exceeded under any circumstances.

The levels for credit limits are:

Card A: (Staff)	\$2,000
Card B: (Department heads)	\$5,000
Card C: (City Manager)	\$10,000

NOTE: Any expense greater than \$500 should be put on a purchase requisition or in a contract for services. For those holding a Card B and C credit card, expenses in excess of \$1,000 may be placed on their card as it relates to travel only (e.g. airfare, hotels, car rentals). Do not place the charge on your purchasing card unless approved by Finance Officer or City Manager.

When you receive your purchasing card, sign the back of the card and always keep it in a secure place. Although each card is issued in your name, it is the property of City of Clarkston and is only to be used for city purchases as defined in this guide.

Using the Card

A cardholder is responsible and accountable for purchases made.

Procedures — give the purchasing card or purchasing card number to the vendor when the order is placed. Request that the vendor include any applicable discounts.

Shipping — request the vendor to ship the material F.O.B. Destination, freight added, and prepaid.

Label — instruct the vendor to include a departmental attention name, the name of the department, and a notation that the transaction is a purchasing card transaction. See the label template below:

+++CREDIT CARD PURCHASE+++

Example of delivery label, please see below:

City of Clarkston (Department Name)/ (Room Number, Bldg.)

(Name of Recipient)

1055 Rowland Street

Clarkston, GA 30021

NOTE: Instruct the vendor to not display the purchasing card number on the outside of the package.

When departmental delivery information is not on the shipping label, receiving will attempt to determine the identity of the recipient. If the identity is not determined within 24 hours, receiving may return the package to the vendor.

Receipt/Invoice/Packing Slip — each purchase must be supported by an original itemized receipt, invoice, or packing slip from the vendor.

The itemized receipt, invoice, or packing slip must include each of the following:

Vendor's name,

Amount of purchase,

Date of Purchase,

Itemized description of goods purchased

If the credit card receipt includes the total purchase amount only, attach a detailed receipt, detailed packing slip, or detailed invoice to the credit card receipt. This information must be retained by each department and be available for audit. The retention schedule for these documents is six years.

Reconciling Your Account

Cardholders are required to reconcile their statement and submit it to their assigned supervisor by the 23rd of each month. All supervisors are required to review/approve the statements by the 25th of each month.

NOTE: Instruct the vendor to send the invoice directly to the department and not to Finance Department

Log the Purchase — the departmental card custodian shall immediately record the transaction on the Department Log Sheet.

Receipt of Materials

The cardholder is responsible for inspecting shipments. He/she shall verify the merchandise meets all specifications of the order, is not defective, and that it has not been damaged in shipment.

If shipment is damaged, does not meet all specifications of the order, or is defective, the cardholder is responsible for contacting the vendor and making arrangements for a pick up. Do not return a shipment without receiving an official Pick up Order from the vendor. Tell vendor to issue a credit on the purchase

and remit a new invoice along with the corrected shipment. Cardholder should confirm that credit was applied to the original purchase.

Paying the Bill

The Purchasing Card Program is under a corporate pay arrangement with Bank of America. Account balances are paid in full each month by City of Clarkston.

Lost or Stolen Cards

The purchasing card should be kept in a secure place or in your possession just as you would secure your personal credit cards. If your card is lost or stolen, immediately contact Bank of America via this toll free number (1-877-543-4453, 24hrs). Also, notify the purchasing card Administrator at 404-296-6489 ext. 413.

Refusal of Card or Account

Should you be declined at the point of sale, please contact City of Clarkston, City Clerk at 404-296-6489 ext. 413. Every effort will be made to determine why the transaction was declined.

Audit of Card Transactions

The Finance Officer is responsible for making spot checks of card transactions. He/she will notify the card custodian and department head of any incorrect or inappropriate use of the card. It is the responsibility of the department head to ensure proper use of all cards assigned to department staff.

Removal of Card Privileges

If improper use of a card continues after being brought to the card user's attention, it is the responsibility of the Finance Officer, City Clerk, and City Manager to remove the card from the offending card user. If rampant misuse and/or abuse prevail within a department, it is the responsibility of the City Manager to remove all card privileges from that department.

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