



ADMINISTRATIVE PROCEDURES

Section: Finance/Information Technology
Subject: Procurement Card Purchasing Policies, Forms, and Procedures
Effective Date: October 5, 2005 **Procedure No.:** 12

Background.

In May 2003, the City implemented the Purchasing Card Program so staff could more efficiently purchase items, which would otherwise cost the City a lot of time to process. Efficiencies however, come at a risk and with an increased expectation of responsibilities.

Purchasing Policies, Forms and Procedures.

The “Procurement Card (P-Card) Purchasing Policies, Forms, and Procedures” is incorporated into this procedure, which may be changed from time to time to reflect updated procedures.

Internal Controls.

1. All receipts supporting purchases are required to be attached, referenced, and archived with each P-card's monthly statement;
2. Each P-card holder's monthly statement must be signed-off as approved by their supervisor, or another supervisor carrying sufficient signing authority for each amount purchased;
3. Each P-card holder codes each purchase as an appropriate City expense with a GL account number through the City's intranet procurement card system and electronically submits it monthly to Finance;
4. Finance reconciles these monthly submissions to it's Master Statement and obtains an overall approval by the Finance Director;
5. Finance selects unusual items, items of interest, and random employees each month for a compliance internal audit. This compliance internal audit looks for evidence that procedures #1 through #3 above have occurred properly each month (these internal audits

of compliance are scheduled to occur on 100 percent of P-card holders every year, and more frequently for heavier users).

6. Finance cancels P-cards of any employee that does not follow these above-listed absolute expectations (with any issues being taken up with the department supervisor), as well as all employees who leave City employment.

Appropriate P-card Use:

1. Authorized City purchases only;
2. Absolutely no personal purchases;
 - Note #1: The City's auditors have informed the Finance Department that even mistaken use of City's P-card for personal use is a "prima facie" violation of the State's ethics policy (even with an immediate and subsequent reimbursement by the employee). When this occurs, reimbursement by the employee should be made immediately, which will then be copied and attached to the P-card statement as evidence of reimbursement.
 - Note #2: There may be some traveling situations where personal expenses are involved (such as a spouse's portion when on conference). Your personal credit card must be used in these cases (as opposed to using City's P-card for everything and reimbursing for the personal portion).

Management Expectations:

1. All receipts are saved, retained, and attached to monthly statements (within 3 months after each fiscal year end, Finance will request all of these files for filing and archiving)
2. Each monthly statement is coded, submitted to Finance, and signed-off by the appropriate supervisor;
3. No personal purchases whatsoever - in the event that an inadvertent mistake has occurred, the immediate submission of a check reimbursing the Finance Department is required.

Summary:

Department directors have been briefed on the various expectations of P-card use. If employees have any questions about any of the above, they can either talk with their supervisor or the appropriate staff in the Finance Department.