

# WALTON COUNTY BOARD OF COUNTY COMMISSIONERS

Office of Central Purchasing

Procedure No: PP-025

Title: PURCHASING CARD

PROGRAM Effective Date: 01/09/2018

Revised Date:

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## **I. Introduction**

The Walton County Board of County Commissioner's (BCC) Purchasing Card (P-card) Program is designed to improve efficiency in processing low dollar purchases from any vendor that accepts a credit card, thereby reducing paperwork involved in issuance of purchase orders.

## **II. Overview**

In a continuing effort to streamline the BCC purchasing and payment processes, the BCC has established a contract with SunTrust Bank to provide a P-card to BCC departments/divisions. The P-Card is to be used for business related expenses and services with no greater than a \$500 per transaction limit depending on departmental needs, with the exception of travel expenses.

The P-card is a credit card issued by SunTrust Bank. It is a fast and flexible tool designed to assist in the management of low-dollar purchases. Card purchase will be listed as transactions and will show on your SunTrust account statement.

The P-card works just like a personal credit card and enables cardholders to purchase non-restricted commodities and services directly from suppliers. Purchases of indeterminable miscellaneous items, materials, supplies, parts, etc., can be purchased from suppliers with the P-card over the phone, or in-person on an as-needed basis.

The P-card will be issued in the cardholder's name with the Walton County BCC designation clearly embossed on the card. The P-Card is a corporate liability card, not a personal liability card; therefore, the card will not have any impact on the cardholder's personal credit reference. It is, however, the cardholder's responsibility to ensure the P-Card is used within the stated guidelines of this policy. Failure to comply with program guidelines may result in permanent revocation of the cardholder's P-card, notification of the situation to management, and further disciplinary measures.

Cardholders should always treat the P-Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location, and the card account numbers should be carefully guarded.

***The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.***

#### Primary Benefits of P-Card Program

1. Acceptance by any supplier who accepts Mastercard
2. More timely purchase and receipt of goods
3. Reduction in paperwork

The Program Administrators are the Finance Director and Purchasing Agent. These individuals serve as the main contacts for the P-card and act as the liaisons between the BCC and SunTrust Bank. The Program Administrators also monitor the overall performance of the program. The Purchasing Agent's responsibilities include ordering employee P-cards, closing/cancelling P-cards, increasing credit limits, and P-card training for all new card holders.

### **III. Code of Conduct**

The Code of Conduct for the BCC Purchasing Card Program is designed to provide the cardholder a general philosophy and set of guidelines to follow regarding the use of the card.

- **Purchases**  
P-Card purchases should be made so that the County gains the maximum value and quality for each purchase.
- **Related Party Transactions**  
Cardholders must not make P-Card purchases from friends or relatives where the cardholder has a financial interest.
- **Vendor Gifts**  
Decline all personal supplier gifts offered. Cardholders must not accept any gift from any source if offered, or appears to be offered, to influence decision-making regarding P-Card purchases.
- **P-Card Agreement**  
The issuance of a P-Card is strictly prohibited prior to receipt of a signed agreement from the employee.
- **Personal Use of P-Card**  
Only authorized business purchases may be completed with the P-Card. ***Any personal purchases are strictly prohibited.***

- **P-Card security**  
The P-Card is the property of the BCC and as such, should be kept in a secure location at all times.
- **Authorization**  
Only the employee to whom the card is issued is authorized to use it. *Delegating the use of the P-Card to another employee is strictly prohibited.*
- **Vendor Selection**  
Where required in accordance with District policy, all vendors should be offered an equal opportunity to participate in the County's purchasing programs and to offer competitive pricing.
- **Vendor Disagreements/Disputes**  
If a disagreement occurs with a vendor, the employee should make every effort to reach a reasonable and equitable settlement to the dispute. If it is not possible to settle the disagreement under reasonable circumstances, submit the details related to the dispute to the P-Card Administrator.
- **Negotiations**  
Cardholders are required to conduct themselves in a good faith manner when negotiating with suppliers. Any intentional misrepresentation is strictly prohibited.
- **County Policies**  
Cardholders are to adhere to the County's policy as it relates to the P-Card Program.
- **Documentation**  
All purchases using the P-Card program must be properly documented for business purposes. Any altered or forged documentation is strictly prohibited.
- **Purchase Restrictions**  
The purchase of products, services, or commodities on the restricted list in the Purchasing Card Procedure as follows in Section IV below is strictly prohibited. Check with your supervisor or the P-Card Administrator if you have any questions about whether a charge is valid under the P-Card program.
- **Purchase Limits**  
All dollar value purchase limits will be adhered to under the program, and any splitting of transactions to avoid authorized limits is strictly prohibited.
- **Return of Purchasing Cards**  
The P-Card is the property of the County. Upon separation of employment, the card must be surrendered to the Purchasing Department.

#### IV. Purchasing Guidelines and Limits

##### **Overview**

The County allows only certain purchases to be made using the P-Card. All purchases must be made in compliance with the purchasing policies and the guidelines set forth in

this policy. Violations may result in loss of card privileges, or disciplinary action that may include termination of employment. Only the authorized cardholder may use the P-Card, and no authority is permitted to the cardholder for the delegation of its use. The cardholder is authorized to make transactions on behalf of others in his/her department. However, the cardholder is ultimately responsible for all use of his/her card. The Purchasing Department establishes purchasing limits based on position and responsibilities and in accordance with Purchasing Policy and Procedure. The Purchasing Department will perform periodic audits to verify adherence to policies and procedures.

### **Allowable**

- General supplies
- Membership dues
- Registration for conferences and workshops
- Meeting expenses
- Travel (as permitted by County policy)
- Subscriptions (for business purposes only)
- Purchases from vendors in person or over the phone. (ONLINE PURCHASES ARE NOT ALLOWED)
- Other items not specifically excluded on the Prohibited list.

### **Prohibited**

- Any item that would be otherwise unallowable to purchase by any other payment method
- Cash advances, wire transfers or money orders
- Personal items
- Fuel for County vehicles while traveling locally
- Alcoholic beverages, drugs or pharmaceuticals
- Parking or traffic violations
- Gaming transactions, lottery tickets, casino games, etc.
- Gift cards
- Utilities
- Travel & Per Diem
- Individual meals
- Personal portion of airfare
- Services and Miscellaneous Items Such As:
  - Personal cell phone charges
  - Donations

A cardholder who makes unauthorized purchases or carelessly uses the P-Card may be liable for the total dollar amount of such unauthorized purchase plus any administrative fees charged by the card issuer in connection with the misuse. The cardholder may also be subject to disciplinary action, up to and including termination.

### **Cardholder Spending Limits**

Each cardholder has a designated “hard” credit limit built into the card for monthly purchases. In addition, supervisors and department heads may impose “soft limits” for daily limits, per-transaction limits, merchant limits, or other usage limits. Cardholders may not split a transaction amount with the same vendor or multiple vendors for purchases that would otherwise exceed the cardholder’s limits.

### **Purchasing Department P-Cards**

Buyers within the Purchasing Department are issued P-Cards to facilitate payment of items that have been approved through the proper approval per Walton County expenditure guidelines. Buyers with the Purchasing Department may purchase non-restricted commodities and services directly from suppliers over the phone, online, via fax or in person.

### **Using the P-Card**

The P-Card may be used for the following type of transactions;

- Telephone orders
- Over the counter

### **To Place a Telephone Order**

- Have your P-Card ready before placing the call
- Always ask for government sales representative
- Be sure to specify the shipping address to the vendor
- Confirm shipping costs
- Ask vendor to email an order confirmation, including detail of purchase

### **To Purchase Over the Counter**

- Ensure that the receipt received is an *itemized* receipt, and not just a credit card transaction slip, and meets all the requirements of an invoice
- Items purchased “over the counter” must be immediately available at the time of P-Card use. **No backordering of merchandise is allowed.**

## **Returns**

- Merchandise returns must be completed within 10 days of receipt or sooner if required by the vendor.  
Do not accept cash refunds for returned merchandise. All refunds must be credited to the P-Card.

## **V. Tax Exempt Number**

All P-card purchases are exempt from all state and local use tax. The County's Tax Exempt I.D. number is printed on a separate card for each cardholder. This number is to be given to all vendors to avoid payment of state and local use tax. It's the cardholder's responsibility to ensure that no sales tax is charged when making a purchase with a P-card. If the sales tax is charged in error, the cardholder is responsible for requesting a credit from the merchant.,

## **VI. Recordkeeping & Reconciliation**

The cardholder is responsible for maintaining and submitting receipts for all purchases made with the P-Card. The documentation retained should include sales receipts, packing lists (if applicable), and credit card transaction receipts. A P-Card Summary Form (Attachment) is available to assist the cardholder in tracking purchases that must be reconciled to their account statement each week. Account Statements will be sent electronically to the cardholder from Finance.

Any incorrect charges, duplicate transactions, or missing credits must be addressed directly between the cardholder and the vendor.

Each transaction will require the following to be entered into the Munis Purchase Card Program; a description of the transaction, a copy of the documentation, and the account number to which the expense is to be charged. Upon completion of the reconciliation, the account statement will be attached in Munis, and the statement will be released into workflow for the appropriate approvals.

### **Reconciling Prior to Release into Workflow**

- Compare statement to receipts and attach receipts in Munis
- Confirm each transaction and verify amounts charged
- Provide description for each purchase
- Attach account statement to Purchase Card Statement program

### **Missing Receipts**

- If the cardholder is missing a receipt, the cardholder should first contact the vendor to obtain a duplicate receipt. If the vendor is unable or unwilling to help, the cardholder must submit a *Missing Documentation Form* (Attached), This documentation must be approved by the cardholder's supervisor.
- Using the *Missing Documentation Form* is never acceptable if the purchase is to be charged to a grant. If you have misplaced documentation for a grant expenditure, you must either find an appropriate general fund account to charge the purchase or include payment to the County with your reconciliation.
- The *Missing Documentation Form* may only be used *twice* in one fiscal year. If the use of this form occurs more than twice in one fiscal year, the cardholder's account will be suspended until the end of the fiscal year (September 30).

### **Examples of Receipt Documentation**

- Cash register original itemized receipt
- Airline itinerary and sales receipt (if "e-ticket" attach the email documentation. Be sure that this documentation shows the traveler's name.
- Itemized hotel bills
- Itemized restaurant bills

## **VII. Billing and Payment Schedule**

Transactions are uploaded into the Munis Purchase Card Statement program on a weekly basis. This allows cardholders or their designees to code the transactions directly in the Munis system, which creates "memo balance" transactions to their accounts, effectively encumbering funds much sooner.

The P-Card billing cycle ends on the 2nd of each month. The cardholder or designee must complete their online reconciliation in Munis within three (3) business days of the statement availability. Any problems that have not been resolved should be notated as pending.

Any account statements missing the proper approvals and documentation will be rejected, and the cardholder or designee will need to resubmit when deficiencies are corrected. If a cardholder is consistently delinquent in submitting their reconciled account statement to the Accounting Department, the P-Card Administrator and the cardholder's supervisor may review their status as a participant in the program and suspend privileges until an adequate resolution is achieved.

### **Key Dates**

- The monthly billing cycle for the bank is from the 3<sup>rd</sup> of the month to the 2<sup>nd</sup> of the following month.
- The cardholder or designee must reconcile transactions in Munis and release into workflow within three (3) business days of the statement availability.
- Purchasing will complete the final approval of all transactions within the next five (5) business days.

### **VIII. Disputed Transactions**

At times there may be disputed transactions appearing on the cardholder's account statement. The dispute may arise due to the non-delivery of the goods or services, incorrect billing, duplicate billing, missing a valid credit not processed to the account for a return, altered charges or defective merchandise. *In these situations it is important for the cardholder to immediately seek resolution with the vendor.*

#### **Disputes**

The cardholder should contact the P-Card Administrator for assistance if they are unable to resolve a dispute directly with the vendor. In these cases the cardholder must complete a *Statement Dispute Form (attached)* documenting the reason for the disputed item and other transaction details. The cardholder must submit the form to the P-Card Administrator who will deal directly with the bank and the vendor. The cardholder will assist in ensuring that appropriate credits for the reported disputed items or billing errors appear on subsequent statements.

#### **Returned Merchandise**

If a vendor does not issue a credit for a returned item within 20 days of the return, the cardholder must complete the *Statement Dispute Form* and submit to the P-Card Administrator. This form will be used a notification to both the bank and the vendor.

### **Key Dates**

- Returns must be completed within 10 days of receipt of the merchandise or sooner if required by the vendor.
- The cardholder has 10 days from the date the merchandise is returned to receive credit. If credit has not been received begin the dispute process with the vendor.
- Complete *Statement Dispute Form* and submit to P-Card Administrator no later than 20 days after merchandise is returned and efforts to rectify with the vendor have been unsuccessful.

- The P-Card Administrator must notify bank of any disputed transaction within 30 days of the statement date.

### **Helpful Tips for Returns, Damaged Goods, Credit**

- Items should be returned directly to the vendor by whichever means the vendor requires.
- Always retain boxes, containers, materials, packing slips, etc. until it is certain that the goods will not be returned.
- Read all enclosed instructions carefully. Phone numbers and special instructions are often included on packing slips or delivery receipts.
- Many vendors require a “Return Authorization Number” before they will accept a return. If this information is not provided with the return, the package may be refused and no credit will be given.
- If the vendor does not intend to pay for shipping charges the merchandise should be forwarded to the warehouse with shipping information including vendor, address, and a copy of the packing slip. Items will be shipped and the appropriate account will be charged.
- It is the cardholder’s responsibility to determine that the proper credit is posted for any returned item on a subsequent statement.

## **IX. Account Maintenance**

The cardholder’s personal information may require periodic updating. An *Account Maintenance Form (attached)* must be completed by the cardholder and approved by his or her supervisor. The form should be forwarded to the P-Card Administrator for review, approval and processing. Updating the account information takes approximately three (3) working days after submission by the P-Card Administrator to the bank.

### **Personal Information Updates**

- Cardholder name change
- Cardholder location change
- Credit Limit
- Type of purchasing allowed by the cardholder
- Cancellation of the cardholder’s account
- Suspension of the cardholder’s account
- Reinstatement of the cardholder’s account

## X. Travel

Registration fees for training, conferences and seminars should be paid via P-Card. Remember to keep a copy of the registration form, as this is often the only form of receipt you will receive from the vendor.

Hotel charges should be paid via P-Card. Government or conference rates should be requested wherever available. Personal charges (such as room service, movies, etc.) should not be charged on the P-Card. This may require the employee furnishing a personal credit card at the time of registration for incidentals.

When approved, vehicle rental should be paid via P-Card. Purchase of gasoline for rental vehicles is allowed on the P-Card.

Incidentals such as taxi fares and parking fees are allowed charges on a P-Card. The P-Card can also be used to pay for taxi fares to and from your destination airport and hotel.

Meals are covered under the travel policy's per diem rules and **should not be charged on the P-Card.**

All appropriate travel documentation must be attached to the P-Card transaction in Munis. The cardholder may elect to use the *P-Card Summary Form* for reconciliation purposes as well. The cardholder must adhere to the County's travel procedures. All travel must be for business purposes only and any personal use is strictly prohibited. Any travel expenditures that are charged to the P-Cards should also be included on the employee Travel Voucher form to account for the total trip cost.

### **Travel Tips and Reminders**

- The P-Card may be used to pay for qualified purchases itemized on hotel bills. Personal charges must be paid for separately by the employee by other means.
- The County does not provide ATM privileges with the P-Card Program.
- **Personal meals while traveling are not allowed on the P-Card.**
- Do not use your P-Card to buy a companion fare ticker or pay for guest registration for your spouse to travel with you.
- Double check your hotel bill before leaving the hotel to make sure no personal charges have been charged to the P-Card.

## **XI. Audits**

All cardholder accounts are subject to periodic audits to ensure compliance with the County's overall purchasing policy and procedures and the policies outline in this document. The P-Card Administrator and/or Finance Director may review daily, monthly, and annual transactions activity reports as deemed necessary to ensure adherence to the P-Card policies. If an audit reveals policy violation, the cardholder and their supervisor will be contacted and disciplinary action assessed based on the type of violation.

### **Violations**

- Unauthorized purchases
- Purchase of prohibited products, services, or merchandise outline in the County's purchasing policy and procedures
- Intentional splitting of transactions (multiple transactions or multiple cards) to circumvent the credit limit, including single day and single transactions limits
- Consistently delinquent accounts submitted for processing and payment
- Personal use of P-Card
- Allowing an unauthorized person to the P-Card
- Fraudulent transactions with a vendor
- Violation of the County's purchasing policy and procedures

### **Consequences**

- Delays
  - If an approval of P-Card purchases is delayed, on the 9<sup>th</sup> business day an email will be sent to both the cardholder and the supervisor asking for an immediate response.
  - If there is no response within 48 hours, the activity will be automatically posted to the default account number for that cardholder and the P-Card will be shut off for a period of 30 days. Also, a "first offense" letter will be sent.
  - If the delay is found to be in approval, and not in reconciliation, the letters will be directed to the supervisor, not the cardholder.
  - If consistent approval delays occur it may jeopardize the department's P-Card privileges.
- If any other violations listed above are found, the P-Card will be immediately shut off for a period of 30 days and a "first offense" letter will be sent.
- If a "second offense" occurs, the P-Card will be immediately shut off for a period of 60 days. Reactivation will require a written request to reopen the

account. The request is to include details as to what has been done to avoid future delays or violations.

- If a “third offense” should occur, the P-Card will be immediately suspended for a period of one year the employee will receive a letter of reprimand.
- If any violation results in County funds being spend inappropriately the cardholder will be personally responsible for repaying the County in full for the prohibited, personal or fraudulent transaction. If funds are not received within five (5) business days of notice, the funds will be withdrawn from the cardholder’s next paycheck.
- If fraud is suspected to have occurred, an investigation will be initiated, and if sufficient proof of fraud is found, it may result in disciplinary action up to and including termination.

## **XII. Lost or Stolen Cards**

If the P-Card is lost or stolen, the cardholder must immediately contact the P-Card Administrator at 850-892-8176. The Finance Director or Clerk of Courts Finance Department should also be notified of possible loss, theft or unauthorized use of the P-Card.

The cardholder should also complete the *Account Maintenance Form (attached)* documenting that the card was lost or stolen and the date that it was noticed missing. Upon notification, the card will be suspended immediately and any charges posted to the account after the “missing date” will be denied. A new card will be issued upon completion of an application indicating the card is a replacement. After the application is received by the P-Card Administrator it will take approximately seven (7) days to reissue a replacement card.

### **Card Security Tips**

- The P-Card should be retained in a secure location at all times
- Sign the back of your P-Card and also write “See ID” next to signature to remind the vendor to look at your personal identification to authenticate the transaction
- When presenting your card for purchases, provide your driver’s license to identify you as the authorized user of the card.
- A cancelled card should be returned as soon as possible to the P-Card Administrator for disposal
- Do not provide your card account number to unsolicited marketing calls

### **XIII. Cardholder Set-Up and Activation**

New Participants:

Once an application has been approved by the P-Card Administrator and the bank has processed the request, an account for the cardholder is established. The new participant must attend a P-Card Training Session where the *Purchasing Card Procedure* will be provided. In addition, the *P-Card User Agreement (attached)* that outlines the responsibility of the cardholder must be signed prior to the release of the P-Card cardholder from the P-Card Administrator.

#### **Activation of Account**

- Call the toll-free phone number on the letter to which the card is affixed
- You will be asked for information that will identify you as the cardholder in possession of the P-Card
- If you encounter any problems activating your account, please call the P-Card Administrator at 850-892-8176

## **P-CARD USER AGREEMENT**

Employee Name \_\_\_\_\_ Position Title \_\_\_\_\_

Date of Card Issuance \_\_\_\_\_ Last 4 digits on P-Card \_\_\_\_\_

As an employee of Walton County Board of Commissioners and as an Authorized P-Card User I, Understand and agree to the following Agreement made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, Between the Walton County Board of Commissioners (hereinafter the “County”) and \_\_\_\_\_ (hereinafter the “Authorized User”).

I have been entrusted with a procurement credit card (P-Card) for use in the purchase of goods solely and exclusively for the authorized business purposes of the County; and agree to abide by the terms and conditions of the P-Card as set forth herein and as set forth in Purchasing Policy and Procedures. The designation as an Authorized User is assigned based on current job responsibilities and may be revoked or revised if job responsibilities change, as identified by my direct supervisor.

1. This P-Card may only be used to pay certain job related expenses or to make purchases on behalf of the County.
2. The Authorized User shall not use the P-Card for the purchase of any goods or service that is not authorized by the terms of this Agreement or by the direct written approval of the Finance Director.
3. Use of this card will be limited as set forth by Purchasing Policy and Procedures, expense limits, per transaction amounts, and type of transaction (such as internet, telephone, or fax transactions).
4. The Authorized User hereby agrees to immediately return the P-Card upon request.
5. The Authorized User shall submit original, detailed receipts and such other reasonable documentation of goods purchased as requested by P-Card Administrator or Finance Director.
6. The Authorized User shall promptly review P-Card transaction statements for accuracy and shall within 20 days of receipt of the statement notify the P-Card Administrator of any errors, omissions or discrepancies in the statement that have not been resolved with the vendor.
7. The Authorized User shall immediately notify the bank in the event of a possible loss, theft or unauthorized use of the P-Card by notifying the bank. The Authorized User shall also immediately notify the P-Card Administrator of possible theft, loss or unauthorized use of the P-Card.
8. Consequences for unauthorized purchases include, but are not limited to, reimbursing the County for the purchase amount, loss of cardholding privileges, and discipline up to and including termination.
9. ***I acknowledge that I have received the P-Card Procedures and understand that it is my responsibility to read and comply with such, and any revisions and updates made to it.***

**IN WITNESS WHEREOF**, the parties hereto have made and executed this agreement the day and year first above written.

**EMPLOYEE**

**WALTON COUNTY BOARD COMMISSIONERS**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
P-Card Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

DRAFT

# P-CARD CARDHOLDER APPLICATION FORM

Cardholder Name, (last, First, Middle)	
Title	
Department Name	
Work Address	
Phone Number	Email Address
List your single purchase limit (standard is \$500) Any limits requested greater than the standard must have written justification from P-Card Administrator.	
List your monthly spending limit (standard is \$5,000). Any limits requested greater than the standard must have written justification from the P-Card Administrator.	
Cardholder Signature:	
<b>Finance Director/P-Card Administrator must sign for approval of the above cardholder:</b>	
Name of Supervisor/Dept. Head	Name of Division Director
Signature:	Signature:
Date:	Date:
P-Card Administrator Approval	Date: