



Finance

Procurement Cards (P-Cards)

Approved: August 20, 2012

POLICY:

Procurement Cards (P-cards) provide a more rapid turnaround of purchases for low dollar value goods, and reduce paperwork and handling costs. By using the P-card, the traditional requisition, pricing inquiry, order placement, delivery of goods, and invoice payment cycle is greatly simplified. Personnel who receive P-cards may initiate transactions and receive goods in person, by telephone or through the Internet within the limits of this policy. Payments to vendors are via the Bank of America Procurement Card System.

DEFINITIONS:

Abbreviations

PCPS Procurement Card Purchasing System

P Card Procurement Card

Definitions

Vendor: Company from which a cardholder is purchasing materials, equipment or services.

Cardholder: Individual issued a procurement card giving authorization to make purchases in accordance with the established procedures.

Supervisor: Person who the procurement cardholder reports to. This individual shall review and approve a cardholder's monthly statement of account.

Administrator: Person(s) responsible for the details of the procurement card program and all cardholder inquiries. Lincoln County designates the Finance Director as the Administrator.

Statement of Account: Monthly listing of all transactions by the cardholder issued by the bank directly to the cardholder.

Single Purchase Limit: Dollar amount limitation of purchasing authority delegated cardholder. This dollar limit may vary from cardholder to cardholder.

Monthly Purchase Limit: Total monthly dollar limitation of purchasing authority delegated to a cardholder. This dollar amount may vary from cardholder to cardholder.

Departmental

Administrator: The person designated within a department to be the initial contact, coordinator, and approver of procurement card transactions and statements.

RECEIVING A P-CARD:

- 1) Department Heads may propose personnel to be cardholders by completing a "Procurement Cardholder Enrollment Form" (Exhibit A)
- 2) The proposed cardholder shall be issued a copy of this procedure, and shall be required to sign a "Procurement Card Employee Agreement (Exhibit B) indicating that the cardholder understands the procedure and the responsibilities of a Procurement Card Cardholder.
- 3) The Procurement Card Administrator will determine the dollar limitations issued to the cardholder.
- 4) The Procurement Card Administrator shall maintain all records of credit card requests and credit limits assigned to cardholders. The Procurement Card Administrator shall also maintain records of cardholder transfers, lost or stolen cards and cards destroyed.

AUTHORIZED P-CARD USE:

- 1) The Cardholder will receive a procurement card with her name embossed on it. It is for use **ONLY** by the Cardholder. **Authorization is limited to the person named on the card and no one else.** The cardholder is responsible for all usage of her is card.
- 2) Use of the Procurement Card shall be limited to the following conditions:
 - a. The total value of a transaction shall not exceed a cardholder's single purchase limit. Purchases **cannot** be split into multiple transactions to stay within the single purchase limit.
 - b. The total value of a transaction(s) shall not exceed the cardholder's monthly purchase limit.
 - c. Spending limits will be strictly adhered to.
- 3) The cardholder will inform the vendor that the goods are taxable.

UNAUTHORIZED P-CARD USE:

- 1) The procurement card **MAY NOT BE USED** for the following:
 - a) Anything that is not a necessary and authorized purchase for the operation of the County
 - b) Personal purchases
 - c) Identification
 - d) A purchase that exceeds the preset limit for a cardholder's single purchase limit
 - e) Air travel, rail travel, meals and entertainment expenses
 - f) Cash Advances
 - g) Telephone calls or monthly services
 - h) Vendor types, which have Merchant Blocking (Exhibit C)
- 2) A cardholder who makes unauthorized purchases or carelessly uses the procurement card may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the bank in connection with

the misuse. The cardholder will also be subject to disciplinary action, which may include termination.

MAKING A PURCHASE

- 1) The County's Purchasing Policy permits the purchase of goods or services with a value of \$500 or less, from a "Vendor of Choice." This implies the possibility of not comparing sources or competition between vendors for smaller purchases. However, it is also policy to seek competition and the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a P-card purchase, the cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery, and when possible, use existing vendors.
- 2) Cardholders will utilize the following "checklist" when making a purchase by phone or internet:
 - a) To secure the best pricing available, solicit a reasonable number of sources that provide the materials or service.
 - b) Confirm that the vendor agrees to accept the P-card.
 - c) Direct the vendor to include the following information on the shipping label and packing list:
 - Cardholder's name and telephone number
 - Complete delivery address
 - The words "**PROCUREMENT CARD PURCHASE**"
 - The vendor's order number
 - d) It is extremely important that all purchases be sent to the cardholder ordering the merchandise as this will ensure that the documents necessary for the record keeping listed in the following section are readily available to the cardholder.
 - e) If necessary, advise the individual within your area who receives merchandise of the vendor's name and order number, anticipated delivery date, number of boxes expected, carrier (UPS, Fed Ex, etc) and to notify the cardholder when delivered.

CARDHOLDER RECORD KEEPING

- 1) Documentation and retaining a printed copy of receipts will be proof of purchase when making over the counter, telephone or internet p-card purchases. The monthly statement of accounts will use the documentation to verify the purchases. When the purchase is made over the counter, the cardholder shall retain the invoice and "Customer Copy" of the charge receipt. The cardholder is responsible to check that the vendor lists the quantity, fully describes the item(s) and includes sales tax, prior to the cardholder signing the slip.
- 2) Upon receipt of telephone orders, retain all shipping documentation.
- 3) If ordering by internet, print out a copy of the order and confirmation of order.
- 4) When making a purchase the cardholder shall complete the "Missing Purchase Receipt Log" (Exhibit D) if the receipt is missing.

REVIEW OF MONTHLY STATEMENT

- 1) At the end of each billing cycle, the Finance Department will send the Cardholder a monthly statement of account that will list the Cardholder's transactions for that period.
- 2) The Cardholder shall check each transaction listed on the monthly statement against sales receipts and any other shipping documents to verify charges are correct. The original sales receipts, (packing slip, invoice, cash register tape and credit card slips, etc.) for all items listed on the monthly statement **MUST** be neatly attached, in billing sequence, to the statement. This data attachment is critical to provide audit substantiation.
The careful matching of complete support documents to the statement is vital to the successful use of this program. Each receipt shall include the General Ledger code or other documentation to ensure the proper coding of the expense. After review, the Cardholder shall sign the statement, and present the monthly statement to the approving supervisor and departmental administrator for approval and signature. After reviewing and approving the statement, the Departmental Administrator will forward all documents to Accounts Payable for incorporation with other Cardholders' statements to be reconciled with a monthly summary provided by the bank.
- 3) The approving Supervisor and Departmental Administrator shall check the cardholder's monthly statement and other documents to confirm with the cardholder the following items as a minimum:
 - Receipts and shipping documents exist for each document
 - The goods were received or the services were performed
 - The Cardholder has complied with the applicable procedures, including this PCPS procedure.

The approving Supervisor's and Departmental Administrator's signature/approval of a cardholder's monthly statement indicates that the cardholder was authorized to make those purchases and those purchases were made in accordance with the applicable procedures.

- 4) The cardholder shall review the monthly statements and secure the Approving Supervisor's approval within five (5) working days of receipt of statement. Approved monthly statements and appropriate logs and documents shall be forwarded immediately to Accounts Payable.
- 5) If the cardholder does not have documentation of a transaction listed on the monthly statement, he/she shall complete and submit a Missing Purchase Receipt Log (Exhibit D) which includes a description of the item(s) purchased, date of purchase, vendor's name and the reason for the lack of supporting documentation.
- 6) P-card Returns – If an item is not satisfactory, received wrong, damaged and/or defective, duplicate order, etc., the cardholder should make contact with the vendor to explain the problem and inquire about return policies.
- 7) If the cardholder is disputing a charge, he/she shall complete a Dispute Form (Exhibit E) and include it with the statement package.

On returned item(s) with a credit voucher, the cardholder shall verify that the credit is on the monthly statement.

If purchased items or credits are not listed on the monthly statement, the cardholder shall retain the appropriate transaction documentation until the next monthly statement. If the purchase or credit does not appear on the

- statement within 60 days after the date of purchase, the cardholder or Department Administrator shall notify the Procurement Card Administrator.
- 8) If items purchased with the Procurement Card are found to be unacceptable, the cardholder is responsible for obtaining replacement or correction of the items as soon as possible. Items are in dispute if the vendor has not replaced or corrected the item by the date the P-cardholder receives her monthly statement.
 - 9) All purchases and monthly statements will be audited by the Finance Department.
 - 10) The bank will issue statements monthly. The Finance Department will send these statements to the appropriate Department Administrator and Approving Supervisor.
 - 11) More than two (2) reminders to a cardholder that an approved monthly statement is delinquent will be grounds for withdrawing the P- Card from that user.

P-CARD SECURITY

- 1) It is the cardholder's responsibility to safeguard the P-card and the account number to the same degree that a cardholder would safeguard her personal credit information.

The cardholder must not allow anyone to use her account number. A violation of this trust will result in the cardholder having her card withdrawn and will face disciplinary action.
- 2) If the card is lost or stolen the cardholder shall immediately notify the Bank at 1-800-XXXXXX. Representatives are available 24 hours a day. Advise the representative that the call is regarding a VISA Procurement Card.

The cardholder also shall notify the Procurement Card Administrator (Finance Director) at 704-736-8488 no later than the next business day after reporting the card as lost or stolen.
- 3) The Procurement Card Administrator will request the issuance of a replacement card for lost or stolen cards. Subsequently, if the reported card is found, then the card shall be turned in to the Procurement Card Administrator for destruction.

P-CARDHOLDER SEPARATION FROM COUNTY EMPLOYMENT

Prior to separation from Lincoln County, the P-cardholder shall surrender the P-card, current receipts and other documents to her Approving Supervisor. Upon receipt, the Approving Supervisor will review, approve and forward to Accounts Payable with the month end statement. The P-card should also be forwarded to the Procurement Card Administrator for destruction.

The P-cardholder's final pay check shall be held for the separating employee until her Approving Supervisor has approved any outstanding P-card charges for said cardholder and the P-card has been received by the Procurement Card Policy Administrator.

FORMS ATTACHED:

- Resolution approving Procurement Card Policy
- Procurement Cardholder Enrollment Form (Exhibit A)
- Procurement Cardholder Employee Agreement (Exhibit B)
- Vendor Type / Merchant Blocking (Exhibit C)
- Missing Purchase Receipt Log (Exhibit D)
- Vendor Dispute Form (Exhibit E)

FOR MORE INFORMATION CONTACT: Finance Director or Purchasing Officer



**LINCOLN COUNTY
PROCUREMENT CARD
CARDHOLDER ENROLLMENT FORM**

Department: _____

Department Administrator: _____

Department Administrator Telephone No.: _____

Cardholder's Full Name: _____

Cardholder's Name: _____
(This is the Name to Appear on the Procurement Card)

Cardholder's Phone Number: _____

Card Limit Level/Per Transaction: \$ _____

Card Limit Level/Per Day: \$ _____

Card Limit Level: \$ _____

Department Heads Signature: _____

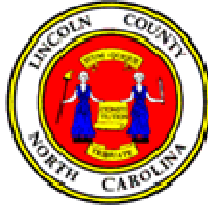


Exhibit "B"

LINCOLN COUNTY PROCUREMENT CARD EMPLOYEE AGREEMENT

I, _____, hereby request a Procurement Card. As a holder, I agree to comply with the following terms and conditions regarding my use of the card.

- I understand that I am being entrusted with a valuable tool, a Procurement Card, and I will be making financial commitments on behalf of the Lincoln County. I will strive to obtain the best value for the County by obtaining the best price available when possible.
- I understand that the Lincoln County is liable to Bank of America for all charges made on the card.
- I agree to use this Card for approved purchases only and agree not to charge personal purchases. I understand that my Departmental Administrator, County Procurement Card Administrator and the Finance Department will audit the use of this card and report, and take appropriate action on any discrepancies.
- I will follow the established procedures for the use of the card. Failure to do so may result in either revocation of my use of privileges or other disciplinary actions including discipline in accordance with Personnel Procedure.
- I understand that my personal credit will not be affected by any use of the Lincoln County Procurement Card.
- I have received a copy of the Procurement Card Policy and Procedures concerning the use of the card and I understand the requirements of the card's use.
- I agree to return the card immediately upon request or upon termination of employment (including retirement). Should there be any organizational change which causes my cost center to likewise change, I also agree to return my card and arrange for a new card to be issued, if appropriate.
- If the card is lost or stolen, I agree to notify the Procurement Card Administrator and Bank of America immediately.

Employee Signature

Date

Department

Department Head's Signature

Date

**VENDOR TYPE
MERCHANT BLOCKING**

The types of merchants listed below are blocked by Lincoln County for Procurement Card use. This means that there will be no acceptance of the credit card at the Point of Sale from Merchants in these Categories.

- Restaurants
- Bars/taverns
- Fast food restaurants
- Retail liquor
- Airlines
- Car rentals
- Cash-
 - Wire transfers
 - Money orders
 - Manual cash distribution
 - Automatic cash distribution
 - Travelers checks
 - Savings bonds
- Other travel-
 - Taxis/limousines
 - Bus lines
 - Cruise lines
 - Toll and bridge fees
 - Travel agencies
 - Auto parking lots
 - Train travel
- Other services
 - Funeral services
 - Dating/escort services
 - Baby sitting services
 - Massage parlors
 - Miscellaneous personal services
 - Child care services
- Health services
 - Ambulance service
 - Doctors
 - Hospitals
 - Dentist
 - Opticians
 - Miscellaneous medical service
- Financial services
 - Financial institutions
 - Insurance sales
 - Security brokers

LINCOLN COUNTY

Procurement Card Missing Purchase Receipt Log

	Cardholder:		Reviewed By:
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	Department/Division:		Date:
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Vendor Name	Description	City G/L Account No.	Net Purchase	NC State Tax	County Tax	Comments
Total Amount			\$0.00	\$0.00	\$0.00	



Exhibit E

**LINCOLN COUNTY
Procurement Card Purchasing System
Vendor Dispute Form**

Cardholder Name

Card Number

Vendor Name

Vendor Rep Name

Department/Division

Date Form Completed

Invoice/ Ticket No.	Invoice Total	Item(s) in Dispute	Unit Price	Sales Tax	Total (Items) in Dispute only	Credit to be issued (Yes/No)

Please give a brief description of the dispute and what the expected outcome.

Return Authorization Number issued by vendor : _____