

SUBJECT:**Purchase Card Program****ORIGINATING DEPARTMENT:****Management & Budget**

Page 1 of 5

POLICY:

- a. The Citrus County Board of County Commissioners' Purchasing Card Program is designed to improve efficiency in processing low dollar purchases from any vendor that accepts a county obtained credit card.
- b. This program allows the Cardholder to purchase goods and services directly from vendors who accept Visa credit cards.
- c. This policy establishes the appropriate uses of a County Purchasing Card (P-Card). All purchases made with a P-Card must be for official County business.

PURPOSE:

- a. Provide an efficient and cost effective method of purchasing and paying for goods and services not exceeding \$2,500 per purchase; non-routine limits must be approved in writing by the County Administrator/Designee.
- b. Reduce the use of small or multiple purchase orders, open purchase orders, non-conforming purchases and petty cash purchases.
- c. Ensure that P-Card purchases are in accordance with the County's ordinances, policies and procedures.
- d. Reduce the time spent processing low dollar transactions (The Next Level Purchasing Association estimates Purchase Orders cost an organization approximately \$100 in administrative costs, "per an NAPCP evaluation, typical savings resulting from P-Card usage are \$63 per transaction".).
- e. Ensure that the County bears no legal liability from inappropriate use of the P-Cards.
- f. Provide for disciplinary action if the P-Cards are misused.

PROGRAM ADMINISTRATION:

- a. The use of the P-Card simplifies the procurement/disbursement process by eliminating the need for a Purchase Order and processing payment requests. Procurement responsibility is delegated to authorized Cardholders within each Department/Office/Division, enabling them to place an order directly with a vendor.

- b. When the Cardholder makes a purchase, the Vendor requests a point-of-sale purchase authorization from bank through their VISA Purchasing Card System the Visa Purchasing Card System checks the transaction against the Cardholder's preset purchase limits as established by the Department/Office/Division Director. Transactions are approved or declined (electronically) based on these preset purchase limits. These preset purchase limits may be adjusted by the Purchasing Card Administrator once the request is made in writing on the Purchasing Card Request/Maintenance Form and approved by the County Administrator/Designee.
- c. The only purchases that are permitted with the County's P-Card are those related to the conduct of County business.
- d. Under no circumstances is a Cardholder permitted to use the P-Card for personal purchases. Using the P-Card for personal purchases may result in disciplinary action, up to and including termination from County employment and criminal prosecution. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as Cardholders. If an employee inadvertently uses the purchasing card for personal use, they must complete a Purchasing Card Mistaken use form and submit such to the P-Card Administrator in DMB (See Intranet under Purchasing Forms).

PURCHASING LIMITS:

- a. The Department/Office/Division Director shall authorize two preset purchase limits for each of their designated Cardholders: Single purchase limit and 30-day purchase limit. These preset purchase limits are as follows:
 - \$500/single purchase and \$2,500/monthly purchases, or
 - \$1,000/single purchase and \$5,000/monthly purchases, or
 - \$2,500/single purchase and \$10,000/monthly purchases, or
 - \$2,500/single purchase and \$25,000/monthly purchases, or
 - \$10,000/single purchase and \$50,000/monthly purchases

The maximum preset purchase limits for all Cardholders shall vary depending on the purchaser's needs, but none exceed the \$25,000 /monthly purchase limit unless authorized by the County Administrator/Designee. All limits are pre-authorized by the County Administrator/Designee prior to issuance of the P-card.

- b. Requests for preset purchasing limits greater than those shown above must be made by the Department/Office/Division Director through the use of the Purchasing Card Request/Maintenance Form outlining the justification for the increase submitted to the County Administrator/Designee. The County Administrator/Designee shall approve or reject the requested increase in preset purchasing limits.

- c. A single purchase may be made of different multiple items; however the invoice cannot exceed the Cardholder's single purchase limit. Purchases that are over \$2,500 must be made through the use of a Purchase Order in accordance with the County's Purchasing Procedures. The purchase of a single item that exceeds the \$2,500 cannot be purchased under two separate purchases (split into two separate purchases) to stay within the single purchase limit. Splitting purchases for single items that exceed the \$2,500/purchasing guideline limit will be considered an abuse of the P-Card program and subject to disciplinary action. The \$2,500 limit does not apply to limited exception Cardholders as approved by the County Administrator/designee.
- d. Systems Management is authorized to purchase computer equipment for the County. The Department of Systems Management will report the capital outlay asset to the Fixed Asset Clerk to add to the capital asset inventory.
- e. If a Cardholder wants to purchase from a vendor who is not listed as an approved Merchant Category Code the Cardholder must submit a written request to do so to the Purchasing Card Administrator for approval. The approved request must be included as backup with the Purchasing Card report.
- f. The authorization process occurs through the electronic system that supports the P-Card processing services under the County's agreement with the P-Card provider.
- g. The Cardholder must save all sales receipts received from P-Card purchases.
- h. After the order has been received, the Cardholder is to submit the receipts to their Purchasing Card representative immediately upon return to the workplace.
- i. When returning from Travel the Cardholder is to submit the receipts to their Purchasing Card representative immediately upon the Cardholders return to the worksite.
- j. If for some reason the Cardholder does not have transaction documentation to provide with the monthly statement to his/her Purchasing Card Representative, he/she must attach a Purchasing Card Missing Receipt Form (located on the Intranet under Purchasing/forms). Failure to provide this form with your Purchasing Card Report may result in disciplinary actions up to and including dismissal and the employee may be required to pay the County for the undocumented expense. Continued incidents of missing documentation will result in the cancellation of the employee's P-Card.
- k. If for some reason the Cardholder is unable to get an itemized receipt, he/she must request the vendor document the item(s) purchased and the price in writing. If the vendor will/cannot document item(s) purchased and price in writing, then the Cardholder must do so, sign off, and get supervisor approval. This must be attached to the backup documentation.

- l. The Cardholder Representative must run the monthly p-card report and download the monthly P-Card bank statement. The Cardholder Representative, Cardholder, and Cardholder Supervisor must sign off on the monthly P-Card bank statement. The monthly report should be attached to the monthly P-Card bank statement with all backup and forward it to DMB as one whole packet per Cardholder for processing by the reporting deadline (the schedule is on the Intranet under Finance.)
- m. It is the responsibility of the Cardholder to review their purchasing report charges made with their Card Representative to ensure that all charges are allocated to the proper accounts.
- n. It is the responsibility of the Cardholder to comply with all County Purchasing and Purchasing Card procedures.

LOST OR STOLEN P-CARDS OR CARD NUMBERS:

- a. If a P-Card is lost, stolen, or misplaced, or if the Cardholder thinks that there have been charges made against their P-Card number without his or her authorization, the Cardholder must immediately notify the purchase card provider by calling their provided service number 1-888-449-2273 (24 hours a day, 365 days a year.) They then must notify the Purchasing Card Administrator of the loss or unauthorized charge. Failure to provide immediate notification will result in disciplinary action.
- b. The Cardholder shall report all information necessary and complete all forms required to reduce the liability to the County for a lost or stolen card or card number, and shall work with any law enforcement agency in prosecuting theft.
- c. The Department/Office/Division is responsible for any and all costs associated with lost or stolen cards and their replacement.

MISUSE OR MISHANDLING OF THE P-CARD:

- a. A Purchasing Card Violation Notification form may be issued to the Cardholder for any misuse or mishandling of the P-Card at the Purchasing Card Administrator's discretion. Cardholders shall be disciplined in accordance with the County's Employee Manual.
- b. The P-Card shall only be used by the County employee whose name is embossed on the card or by their Purchasing Card Representative at the Cardholder's request acting on the Cardholder's behalf. Use of the P-Card will be limited as to commodities and services that can be purchased and to vendors that accept credit cards. Under certain circumstances, the purchase or vendor code can be revised to allow for an optional purchase (this must be handled through the Purchasing Card Administrator). The Cardholder is responsible and accountable for all transactions that occur on his/her P-Card.
- c. Upon receipt of the P-Card, the Purchasing Card Administrator shall sign the back of the card, with the following statement; "**SEE ID**". The Cardholder will also need to sign the back of the card.

- d. The P-Card is to be used for County authorized purchases only. The P-Card can only be used within the limitations of the threshold amounts, unless otherwise approved by the County Administrator/Designee. Cardholders are expected to follow appropriate state laws and guidelines as well as use reasonable judgment when making purchases. The P-Card shall not be used for any personal use and any such use will require immediate reimbursement and may result in disciplinary action which may include dismissal.
- e. All items purchased under a single telephone order transaction must be delivered at the same time in a single delivery. If a particular item is not immediately available, the order must be held up until that item is available or the item should be ordered at a later date when it does become available. Back ordering is **NOT** allowed.
- f. When placing a telephone order, the Cardholder must confirm that the vendor will charge the P-Card only when the shipment is made **not** when the order is made so that receipt of the supplies may be certified on the monthly Statement of Account. This is also a requirement of the vendor's contract. The vendor must deliver all items purchased by telephone within the 30-day billing cycle. The order cannot be placed without this assurance.

EMERGENCY MANAGEMENT RELATED EXPENSES:

- a. There may be situations when an employee needs an EMERGENCY Purchasing Card due to job duties associated with natural or other disasters or other unforeseen circumstances. Emergency P-Cards have been established for designated employees within the County. These P-Cards are kept secure by the County Administrator/Designee until such time that they are needed by the designated employee(s) involved in an emergency situation.
- b. The County has implemented an Administrative Regulation, Emergency Disaster Purchasing Card Policy to establish guidelines for the emergency P-Cards in the event a natural disaster or a manmade disaster strikes Citrus County (See Administrative Regulation on Intranet in its entirety.)

MONITORING OF PROGRAM AND TRAINING:

- a. The County's Department of Management and Budget and the Clerk's Financial Services Department shall monitor and maintain the Purchasing Card Program. A more detailed Policies and Procedures Manual is available to staff on the Intranet under the Purchasing Section.
- b. Training on the use of Purchasing Cards shall be offered periodically to County staff to ensure the established policies contained within this Administrative Regulation and the Policies and Procedures Manual are followed.

FOOTNOTES & REFERENCES TO RELATED AR's:

Supersedes A.R. 9.17-2 dated December 1, 2015, AR 9.17-1 dated September 9, 2014, and A.R. 9.17 dated November 16, 2010.