



Standard Administrative Policy and Procedures Manual

Title: **FINANCIAL POLICY**

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Section: **PURCHASING CARD POLICY**

Resolution No.: **2016-131**

SECTION 1 – PURPOSE

- A. It is the intent of the purchasing card program to provide employees with an effective and efficient method of purchasing, reserving, guaranteeing and paying for specific services and/or purchases.
- B. The program is intended to provide documentation of small purchases at the department level.
- C. The program is intended to eliminate record keeping for vendors and expedite payment for small purchases.
- D. The program is intended to eliminate numerous credit application forms and related records required to set up and maintain charge accounts with infrequently used vendors who provide small repair and maintenance parts and services.
- E. The use of purchasing cards shall be in compliance with other City policies and procedures. It is the responsibility of each cardholder to comply with these policies.

SECTION 2 - ROLES AND RESPONSIBILITIES

- A. The conduct of all City employees shall meet the highest ethical standards, and that standard is a part of the City's purchasing card program. All participants in the program are responsible for conducting themselves in such a way as to exemplify the public trust that they hold.
- B. Program Administrator: The Finance Officer will act as the program administrator. Responsibilities shall include:
 1. Handling issues with the card provider and cardholders regarding compliance with program policies.
 2. Providing policy and procedure revisions to each department director.
 3. Recommending appropriate action in the event of unauthorized use of a card.

C. Payment Administrators: The purchasing coordinator and accounting clerk will act as payment administrators. Responsibilities shall include:

1. Coordinating the card application process and keeping a record of all cardholders.
2. Planning, coordinating, and presenting training sessions and keeping a record of those who have completed training.
3. Handling issues with the card provider and cardholders regarding changes in cardholder status.
4. Handling questions concerning payment procedures and transaction reports.
5. Processing payments in accordance with the program policies and the contract between the City and card provider.
6. Reporting all variances from policies and procedures to the program administrator.

D. Cardholder: Responsibilities shall include:

1. Knowing and complying with purchasing card policies and procedures, and ensuring purchases are made in accordance with the City's purchasing policy.
2. Ensuring that funds have been properly budgeted and are available to pay for the items and/or services being purchased.
3. Keeping informed about policy and procedure revision information.
4. Verifying that the quantity and quality of the items and/or services purchased are in compliance with the agreement, whether verbal or written, with the vendor.
5. Notifying the vendor, when applicable, that the purchase is tax exempt and to ensuring that such taxes are not added to the prices of items and/or services purchased.
6. Indicating in writing on the transaction receipt, or an attachment thereto, the program for which items or services are purchased when the purchase is for prizes, awards, retirement gift, and similar programs.
7. Indicating in writing on the transaction receipt, or an attachment thereto, the names of the persons and the business purpose of the meal when purchasing meals for others.
8. Reporting any variances from program policies to the program administrator.
9. Resolving all disputes on his or her account in accordance with the program guidelines.

SECTION 3 - APPLICATION AND CARD ISSUANCE

- A. City employees and elected officials may apply for a purchasing card by submitting a completed application to the program administrator.
 - 1. If the applicant is an employee other than a department director or the City Manager, the application must be approved by the applicant's department director. If the applicant is a department director, the application must be approved by the City Manager. If the applicant is the City Manager, the application must be approved by the Finance Officer. If the applicant is an elected official, the application must be approved by the City Council.
 - 2. The application will include the proposed account authorization/spend profile for the card.
- B. Applicants must agree to the terms and conditions of the purchasing card program prior to card issuance.
 - 1. Applicants will be provided with a copy of the City's Purchasing Card Policy.
 - 2. Applicants must complete the P-Card 101 training program and submit the final quiz to the program administrator.
 - 3. Applicants must sign and submit a Purchasing Card Program Cardholder Agreement to the program administrator.

SECTION 4 – SECURITY

- A. Purchasing cards are the property of the City of Ankeny.
- B. It is the responsibility of the cardholder to keep the card and related account information in a safe location.
- C. Cardholders shall immediately report lost or stolen cards to the program administrator. If a card is lost or stolen during non-business hours, the cardholder shall immediately report the loss or theft to the card provider and report the loss or theft to the program administrator immediately on the first business day thereafter.
- D. Cardholders shall return cards to the payment administrator when employment with the City is terminated, or when the cardholder is no longer participating in the program.

SECTION 5 - DOLLAR LIMITS

- A. Department directors will establish purchase limits for cardholders in their respective departments.
- B. Purchases are limited by a maximum daily limit and monthly limits.

- C. Transactions should not be split into multiple transactions in order to circumvent this policy.

SECTION 6 - UNALLOWABLE PURCHASES

- A. The purchasing card shall not be used for the following types of transactions:
1. Cash advance.
 2. Purchase of alcoholic beverages, except for resale and Otter Creek Golf Course and Hawkeye Park Concessions.
 3. Travel-related expenses related to spouses or other non-covered persons.
 4. Items for personal use that would not be reimbursable by the City.
 5. Rental or lease of land or buildings.
 6. Rental or lease of motor vehicles unless pre-approved in conjunction with travel expenses.
- B. The City purchasing card shall not be used for personal identification or as a personal credit reference.
- C. Personal expenses processed on a City purchasing card are considered to be in violation of the program policies and are subject to disciplinary action up to cardholder termination. Transaction receipts may not be divided to allow for a different method of payment for personal expenses; each transaction shall have a separate receipt showing the total transaction amount.

SECTION 7 - USE OF CARD AND TRANSACTION RECORDS

- A. Receipts and Invoices: A receipt or invoice from the vendor, or other verifying document must support each purchase transaction.
- B. Internet Transactions: Cardholders shall confirm the security of proposed internet order sites prior to placement of orders.
- C. Conference, Training, and Travel Transactions: Cardholders shall confirm budget approval prior to using cards for conference, training, or travel purposes.
- D. Telephone Orders: Cardholders shall confirm the security of proposed telephone orders prior to placement of orders.
- E. Pickup/In-Person Orders: Cardholders may use cards in accordance with the policies at places of business accepting the cards.
- F. Delivery Orders: All delivery locations shall be official City facilities.

- G. Cardholder Verification: Each cardholder shall be responsible to verify documentation of each transaction during each billing period.
- H. Cardholder Transaction Report: Except when there are no transactions for a cardholder during a billing cycle, a cardholder transaction report shall be submitted for each cardholder showing a summary of each transaction during each billing period.

SECTION 8 – PAYMENT

- A. Signature Authority: The signature of the appropriate department director or authorized payment approver must be included on the request for payment.
- B. The payment administrator will process payments in accordance with the program policies and procedures, and the contract between the City and the card provider.

SECTION 9 - DISPUTED CHARGES

- A. It is the responsibility of each cardholder to resolve any discrepancies between the transaction report for his or her card and the transaction receipts.
- B. All department directors shall have the authority to resolve disputes on behalf of cardholders in their respective departments. This is intended to ensure timely resolution of disputes.

SECTION 10 - PROGRAM VIOLATIONS

- A. Unallowable Purchases: The payment administrator shall report all unallowable purchases to the program administrator.
- B. Unacceptable Documentation: Cardholders will provide additional documentation upon notification to do so by the payment administrator.
- C. Late submission of purchasing card reconciliation documents and/or failure to resolve disputes.
- D. Consequences for unallowable purchases, unacceptable documentation, late submission of transaction/reconciliation documents, and/or failure to resolve disputes shall be as follows:
 1. First Offense: A written notification will be issued to the cardholder indicating the violation. Upon receipt of such notification, the cardholder will provide a written statement of explanation.
 2. Second Offense: The account will be suspended (closed) for thirty calendar days and the cardholder's department director will be notified.

3. Third Offense: The account will be closed and the cardholder's department director will be notified. The cardholder will not be eligible to participate in the program for one year. If a program violation occurs after a reinstatement under this provision, the account will be permanently closed.
- E. Standard of Conduct Violations: Conduct not complying with City standards will be reported to the cardholder's department director. In addition to card revocation, violations may result in disciplinary action up to and including termination.
- F. In addition to temporary and/or permanent de-activation of the card, consequences of violations may include payroll deduction for unallowable purchases and expenses that were not reconciled and/or disciplinary action.