



VICTORIA COUNTY PURCHASING CARD POLICY

SUBJECT: PURCHASING CARDS

Policy: General Policy

A. Purpose

To establish a methodology for use and to define the limits of use of County issued Purchasing Cards provided to certain personnel in order to make purchases of goods and/or services in work stoppage situations, for routine supplies, for training and travel, or approved on-line purchases.

B. Definitions

1. *PCS*: Purchasing Card (PCard) System
2. *Vendor*: A company from which a Cardholder is purchasing materials and/or equipment or services under the provisions of this procedure.
3. *Cardholder*: Personnel who have been issued PCards and who are authorized to make purchases in accordance with these procedures.
4. *Department Head or Elected Official*: This individual shall review and approve a Cardholder's Purchase Orders for their monthly statement reconciliation.
5. *Administrator*: The Victoria County Treasurer is responsible for all program details, including all Cardholder inquiries.
6. *Monthly Statement*: The monthly listing of all transactions by the Cardholder.
7. *Single Purchase Limit*: A dollar amount limitation of purchasing authority delegated to a Cardholder. This dollar limit shall be established by the Administrator.

8. *Approved Online Purchase:* Purchases allowed through established budget and Purchasing Policy where a PCard is required.
9. *Supplies:* Small value items where the use of Purchasing Card System is more efficient for products approved by policy or when vendor will not accept a purchase order. Supplies do not include stock items.
10. *Work Stoppage:* Situations where supplies or services are required to complete a project in a timely and efficient basis.
11. *Point of Sale:* A Point of Sale transaction is the point at which a retail transaction is completed where a Cardholder makes a payment in exchange for goods and /or services in the same transaction.
12. *PCard Authorization Form:* Employees requesting a PCard are required to complete a PCard Authorization Form which must be signed by the Elected Official or Department Head.

C. Procedure

1. Introduction

The PCard Program was established to provide immediate access to goods and/or services in a work stoppage situation, for supplies or approved on-line purchases. Using the Purchasing Card System can dramatically shorten the processing time necessary in the traditional requisition process. Cardholders may initiate a transaction, within the limits of this policy/procedure and receive goods/services. Payments to vendors will be made by the Purchasing Card Company. The Auditor's Office will make monthly payments at the end of the billing cycle.

2. Receiving a Purchasing Card

- a. Employees requesting a PCard must submit a PCard Authorization Form to the Administrator. The form must be approved by the appropriate Elected Official/Department Head responsible for the department in which the employee works.
- b. The Administrator shall have final authority for card issuance with approved card limits identified on the PCard Authorization Form.
- c. The approved Cardholder shall be issued a copy of this policy and shall be required to sign a Cardholder Agreement. The Cardholder Agreement indicates that the Cardholder understands the policy and procedures and the responsibilities of a Cardholder.

d. In the event of any extenuating circumstances, the Administrator may request a temporary increase in limits.

e. In the event that the Cardholder needs a permanent limit change, the Cardholder must complete the PCard Change Request Form. This form must be signed by the Cardholder's Elected Official/Department Head. Included on this form is the limit change requested and an explanation of why the change is requested. After signatures are received, the original form will be sent to the Administrator for review.

f. The Administrator has the authority to cancel or suspend a PCard as required at any time as stated in this policy to protect the County's interests.

g. The Administrator shall maintain all records of PCard requests, authorizations, purchase limits, Cardholder transactions, and any lost/stolen/destroyed card information. The Auditor's Office shall maintain records on payment transactions.

h. The Administrator and Auditor's Office will provide training, as needed, within this policy.

3. Authorized Purchasing Card Use

a. The unique PCard that the Cardholder receives has his/her name embossed on it and shall be used ONLY by the Cardholder. NO OTHER PERSON IS AUTHORIZED TO USE THE CARD. The Cardholder may make transactions on behalf of others in their department with the approval of a supervisor authorized to approve such purchases. However, the Cardholder is responsible for all use of his/her card.

b. Use of the PCard shall be limited to the following conditions:

- Point of Sale transactions only
- The total value of a transaction shall not exceed the established single purchase limit or the monthly per card limit. If extenuating circumstances were to occur, the Administrator should be consulted immediately for guidance.
- Splitting purchases or making sequential purchases to avoid exceeding the maximum for a single transaction is strictly prohibited. Purchase limit per card per month must be adhered to.
- The card may be used for on-line purchases when purchase orders are not accepted and the best value to the County has been determined to be an on-line purchase.
- Goods/services that can be obtained from contract vendors should be purchased from the contract vendors when available.
- Supply Purchases are small value items where the use of Purchasing Card System is more efficient for products or when the vendor will not accept a purchase order. Supplies do not include stock items.
- Cardholder shall not avoid competitive bidding requirements by any means, including splitting purchases.
- A PCard purchase of software is limited to Technology Services staff only, in order to appropriately track licenses in compliance with Purchasing Policy.
- Budgeted expenses, with prior approval from the County Judge, for food related to approved events/in-house meeting/workshops
- Association Dues or Memberships related to job performance and duties

c. Use of Purchasing Card for Travel/Conference Expenses

- All employees who have been issued a PCard will have access to use the PCard for the following Travel/Conference expenses
 - Conference Registration
 - Lodging (excluding incidentals)
 - Airfare and baggage fees
 - Vehicle Rental
 - Gas for Rental Car/Toll Tag Fees Charged on Rental Car
 - Shuttle Services
 - Taxi/Rideshare Fares
 - Parking
- Cardholders are required to retain itemized corresponding receipts for each transaction.

- All Travel/Conference PCard transactions should clearly identify the training event attended with documentation attached that identifies the event as well as the receipt for the transaction, i.e., agenda, itinerary, etc.
- A Travel/Conference Expense Form is NOT required when utilizing the PCard for On-Site Training to contract for a third-party trainer.

d. Use of Purchasing Card – Special Circumstances

- PCards issued to law enforcement officers with assigned duties of Extradition or Mental Health Transport will have card limits set by the Administrator at a level adequate to cover anticipated expenses in the performance of their duties.
- Extradition and Mental Health Transport officers are authorized to utilize the PCard for all necessary expenses for the transport of and to maintain the health and safety of the detainee and officer(s) when performing their assigned duties. Expenses include costs for reasonable meals.
- Extradition and Mental Health Transport officers shall specifically indicate this designation on the Purchase Order and must be signed by the Cardholder’s department head or Elected Official.
- The Administrator must be notified on a PCard Change Request Form when any officer no longer is assigned to Extradition or Mental Health Transport.

4. Unauthorized Purchasing Card Use

a. The PCard SHALL NOT BE USED for the following:

- Personal purchases or purchases for family members or friends
- A single purchase that exceeds the Cardholder’s single purchase limit unless a higher limit has been agreed in writing with the Elected Official/Department Head and Administrator
- Entertainment expense or meals and travel expenses for personal use
- Cash Advances
- Gift Cards
- Ongoing Services or Maintenance Agreements
- Telephone calls/monthly service
- Gasoline for non-County vehicles for personal use
- Alcoholic Beverages
- Any additional items/services as may be restricted by County policy
- To pay for any unauthorized purchase or any other purchase that is not in compliance with county policy or state statutes

- b. A Cardholder who makes unauthorized purchases or carelessly or fraudulently uses the PCard, may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the Bank or other associated costs in connection with the misuse. The Cardholder will also be subject to disciplinary action up to and including termination.

5. Making a Purchase

- Comply with the Victoria County Purchasing Requirements in the Victoria County Purchasing Policy

6. Sales Tax

- a. Victoria County is tax exempt. The Tax Exempt Identification Number (TEID) is 74-6002445.
- b. Cardholders are responsible for ensuring the vendor does not include sales tax in the transaction.
- c. If sales tax is included, the Cardholder will be responsible for ensuring that the vendor credits the sales tax back to the card no later than the following billing cycle. If the vendor does not credit sales tax back to the card, the Cardholder is responsible for reimbursing the tax amount back to Victoria County.
- d. The EXCEPTION is tax paid to most hotels, airlines and other travel related merchants. Victoria County is not exempt from hotel tax and certain other federal and state taxes that are not standard sales tax.
- e. Cardholder will be provided a copy of Victoria County's tax exemption certificate upon request.

7. Cardholder Record Keeping

- a. Whenever a PCard purchase is made, documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchases listed on the Cardholder's monthly statement.
- b. When the purchase is made over the counter, the Cardholder shall retain the invoice and original "customer copy" of the charge receipt. Prior to signing the slip, the Cardholder is responsible for making sure the vendor lists the quantity and fully describes the item(s) on the charge slip or invoice.
- c. When making a purchase on-line, the Cardholder shall also document the transaction by printing an itemized receipt.
- d. The PCard documentation must be continually maintained by the Cardholder and include all pertinent information regarding each and every purchase. Departments are responsible for maintaining all PCard documentation in compliance with the County's record retention schedules.

- e. Each receipt should be attached to the Purchase Order and all Purchase Orders should be attached to the monthly statement.
- f. All allowable expenses identified in 3.c. for Travel/Conference require valid itemized receipts that must be attached to the Travel Voucher and should be turned in to the Auditor's Office.

8. Review of Monthly Transactions

- a. Purchases should be monitored throughout the month using on-line access to the Credit Card website. Statements should be accessed by the cardholder to reconcile monthly expenses. If you are unable to access the information on-line, please contact the Administrator.
- b. The Cardholder shall approve each transaction listed on the monthly statement against his/her records, receipts, and any shipping documents to verify the monthly transactions. The original sales documents (packing slip, invoice, cash register tape, and credit card slips, etc.) for all items listed on the Monthly Statement **MUST** be attached to the appropriate Purchase Order. This procedure is critical to enable audit substantiation. **IF THIS ROUTINE IS NOT ADHERED TO, THE PURCHASING CARD MAY BE REVOKED.**
- c. The Cardholder shall turn in their Monthly Statement with all applicable Purchase Orders and supporting documentation to the Auditor's Office by the Accounts Payable deadline, varying each month.
- d. The Auditor's Office will verify each purchase was made in accordance with program policy and procedure.
 - Receipts exist for each purchase
 - The goods were received or the services were performed
 - The Cardholder has complied with applicable procedures, including this Purchasing Card policy
- e. If the Cardholder does not have documentation of a transaction listed on the Monthly Statement, he/she shall attach a Missing Receipt Affidavit that includes a description of the items(s) purchased, date of purchase, vendor's name and reason for lack of supporting documentation and shall be notarized. Lack of documentation may be grounds for immediately revoking card privileges and possible disciplinary action.

- f. PCard Return of Items: If an item is not satisfactory, received wrong, damaged and/or defective or is a duplicate order, the Cardholder is responsible for making contact with the vendor. Items should be returned properly to the vendor by whichever means the vendor requires. The Cardholder is responsible for verifying accurate credit is posted for any returned items and a Purchase Order is created for the credit transaction. Cash refunds are not allowed.
- g. Discrepancies and Dispute: The Cardholder is responsible for correcting any erroneous charges, disputed items or returns. Disputed items can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, sales tax, etc. If the Cardholder is disputing a charge, he/she shall first contact the vendor in an effort to determine a resolution. If that does not correct the issue please proceed with the following process:
- If an item has been returned and a credit voucher received, the Cardholder shall verify that this credit is reflected on the monthly statement.
 - If purchased items or credits are not listed on the monthly statement, the appropriate transaction documentation shall be RETAINED by the Cardholder until the next month
 - If the purchase or credit does not appear on the monthly statement within 60 days after the date of purchase, the Cardholder or approving supervisor shall notify the Administrator.
- h. More than two (2) reminders to a Cardholder that an approved Audit Report is delinquent may be grounds for withdrawing the PCard from that user.

9. Security

- a. It is the Cardholder’s responsibility to safeguard the PCard and account number to the same degree that a Cardholder safeguards his/her personal credit information.
- b. The Cardholder must not allow anyone to use his/her account number. A violation of this trust will result in that Cardholder having his/her card revoked and disciplinary action.
- c. If the card is lost or stolen, the Cardholder shall immediately notify the bank. Representatives are available 24 hours a day. Cardholder must advise the representative that the call is regarding a MasterCard Purchasing Card. The Administrator must also be notified immediately.
- d. A new PCard shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be turned in to and destroyed by the Administrator.

10. Cardholder Separation

Prior to separation from the County, or transfer to another department, the Cardholder shall surrender the PCard and current transaction documentation to his/her Approving Supervisor. Cardholder is still responsible for creating and turning in Purchase Orders with supporting documentation for transactions made during the current billing cycle.

Date Reviewed _____

Signature _____