



Henderson County Purchasing Card Policy

Title: Henderson County Purchasing Card Policy

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Henderson County Purchasing Card Policy

I. Background for Policy

Henderson County offers purchasing cards to certain employees to promote efficiency and flexibility in carrying out official duties of the County.

II. Definitions

- a. Cardholder: A Henderson County employee who is full time or part time benefit eligible, who becomes an authorized user of a p-card issued by the County to make authorized purchases on behalf of the County.
- b. Purchasing Card Administrator: An employee within the Finance Department charged with the authority to oversee and administer the Purchasing Card Program
- c. Department: A subdivision of the County as established on the County organizational chart
- d. Authorized Signor: Employee that has been delegated the authority to sign and approve invoices on behalf of the Department Head.
- e. Department Reconciler: Employee that has been delegated the authority to code and process transactions in the Bank of America Works Program.
- f. Bank of America Works Program (BOA): The software utilized to review and process transactions through Bank of America
- g. Business Travel Cards: Procurement cards that are assigned to a department for a specific purpose, rather than an individual.

III. Purpose

This procurement card policy is intended for use as a guide for obtaining and using a Henderson County issued procurement card (P-card). When used properly, the policies and procedures established herein will enable the County to obtain low-cost supply and service items. This policy is applicable to all departments and/or associated entities that use a P-card to conduct County business.

The use of P-cards has been proven to be a cost-effective method of obtaining goods and services for the County. The understanding and cooperation of all employees is essential for the County to maximize the value of each taxpayer dollar spent.

Business travel p-cards are to be utilized by the department for a specific purpose as designated by the Finance Director and the Department Head.

The goals of Henderson County's purchasing program are as follows:

- 1. To comply with legal, procurement and ethical requirements of public purchasing and procurement.
- 2. To provide County departments with the required goods and services in a timely manner in the proper quantity and quality while providing necessary information to the County Finance Department.
- 3. To promote healthy business relationships through informed and fair purchasing practices and maintenance of ethical standards.



If the procedures and guidelines established in this policy are followed, each department will be capable of managing, controlling, and planning the purchase of low-cost goods and services. Any questions or concerns about this policy or the established procedures should be directed to the Finance Department.

IV. Responsibilities

I. P-Card Administrator

The responsibilities to be carried out by the P-Card Administrator are as follows:

- a. Serve as liaison with the bank issuing, replacing, maintaining, and distributing the procurement card.
- b. Provide access and training to the Department Head and/or designee upon emailed request to the BOA Works Program.
- c. Review and forward p-card applications to the Finance Director for signature.
- d. Maintain and review annually the list of card holders, numbers, and card limits.
- e. Maintain and present proposed updates of the p-card policy to the Finance Director
- f. Ensure that lost/stolen cards are reported to the bank.
- g. Process cancellation of p-cards at termination of employment or as instructed by the Finance Director or issuing departments Department Head or designee.

II. Finance Office

The responsibilities to be carried out by the Finance Office are as follows:

- a. Review and pay a consolidated bill from Bank of America that includes all monthly charges for Cardholders.
- b. Update the accounting system to reflect the transactions submitted by each Department Head or designee.
- c. Notify department head or designee of any misuse or policy violations, as appropriate.

III. Internal Audit

The responsibilities to be carried out by Internal Audit are as follows:

- a. Periodically audit p-card use for compliance with policy requirements.

IV. Department Head or Designee

- a. Approve employees within the department to serve as cardholders and establish purchasing limits in accordance with the Cardholders job responsibilities.
- b. Reconcile expenditures against approved Henderson County policies, to include but not limited to the Henderson County Travel Policy.
- c. Review and approve receipts.
- d. Address any misuse or policy violations with Cardholder, as appropriate.
- e. Notifies the P-Card Administrator to suspend or cancel Cardholder privileges in the event of a change in employment status for the Cardholder.
- f. Returns p-cards to the Program Administrator for destruction in the event of a cancelation of a cardholders p-card or change in employment status.
- g. Notifies the Program administrator of a Cardholders name change so that a new card may be ordered.

V. Department Reconciler

- a. Ensures that proper coding, description, and amount is indicated on the receipt.
- b. Codes and signs off on transactions within the BOA Works Program.



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- c. Submits receipts to the Department Head for signature.
- d. Submits receipts to Finance for processing on a weekly basis.
- e. Maintain records of receipts for a minimum of six months

VI. Cardholder

- a. Ensure the p-card is used for legitimate business purposes only. Personal expenses may not be charged with the p-card.
- b. Adhere to the purchase limits and restrictions on use.
- c. Always maintain the p-card in a secure location.
- d. Immediately report lost or stolen cards to Bank of America and the P-Card Administrator.
- e. Resolve disputed charges with BOA Customer Service.
- f. Coordinate returns/refunds with Bank of America Works Program

V. Policy

Purchasing Cards are to be only used for Henderson County official purchases. Employees can obtain a Henderson County Purchasing Card upon supervisor review. Purchasing Cards will only be granted to a limited number of employees, provided the need exists and the employee demonstrates adherence to this and other County policies.

VI. Procedures

The general guidelines set forth in this policy are not expected to address every issue, exception or contingency that may arise in the use of Henderson County procurement cards. Accordingly, the basic standard should always prevail for exceptions with use of good judgment and stewardship of Henderson County taxpayer resources. Unless otherwise specified herein, exceptions will require the approval of the County Manager, Assistant County Manager, or the Finance Director.

P-cards:

I. Card Issuance

- a. To obtain a p-card, the applicant shall complete a [Henderson County Procurement Card Request Form](#) with Department Head signature and submit to the P-Card Administrator. Please note the procurement card request form shall be completed in its entirety.
- b. Upon review and approval by the Finance Director, the P-Card Administrator will order the card.
- c. Approved cardholders will receive a copy of the p-card policy and shall sign the Procurement Card Request Form when receiving the card, indicating that the cardholder understands and accepts the procedures and responsibilities outlined within the P-card Policy.
- d. When the card is received the cardholder will be contacted via email to pick up the card from the Finance Department. Cards must be picked up by the cardholder and will require the presentation of a photo ID to Finance staff.
- e. Cardholder is responsible for card activation and establishing a PIN number. Finance staff nor the P-Card administrator can assist in establishing or providing PIN numbers. Card activation information will be provided by the P-Card Administrator.



II. Spending Limits

- a. P-Card Spending Limits: Limits on employees' p-cards shall be established by the Department Head and be made based upon the needs of the Department.
- b. Modification of Spending Limits: To increase or decrease spending limits a request must be sent by the department head or designee indicating the new limit to be established, reasoning for the increase or decrease, and the timeframe for the limit change to the Finance Director and the P-Card Administrator.

III. Prohibited Uses

- a. P-Cards shall not be used to make any of the following purchases.
 - i. Purchases other than the official use of Henderson County.
 - ii. Personal Expenditures.
 - iii. Purchases greater than \$1,000 without a Purchase Order.
 - iv. Computer hardware and computer software purchases without approval by the Information Technology Department. This includes printers, scanners, monitors, and all other devices that connect to the County network.
 - v. Purchases may not be broken into smaller purchases (also known as "parceling") to circumvent the purchase order threshold.
 - vi. Purchases of goods to be delivered to the personal address of the Cardholder.
 - vii. Alcoholic beverages or tobacco products.
 - viii. Gift cards or prepaid credit/debit cards.
 - ix. Cash advances.
 - x. In-Room movies.

IV. Purchasing Process

When making a purchase the Cardholder shall take the following actions:

- a. Obtain prior approval from the Department Head or designee before making the purchase.
- b. Explore multiple sources, as reasonable, to ensure the best price and that the goods and/or services will meet the desired specifications.
- c. Verify that the total amount of the purchase (including shipping, handling, postage, freight, insurance, etc.) does not exceed the approved transaction limit.
- d. Retain a copy of the original receipt. Receipt must be kept for 6 months.
- e. Ensure that any returns or exchanges are properly credited to the p-card account.

V. Reconciliation

The Department Reconciler is responsible for ensuring that transactions are reconciled weekly. Repeated failure to reconcile within the established period may result in the suspension or cancellation of the card.

- a. Process – P-cards
 - i. Department Reconciler shall code the transaction in the BOA Works Program and submit **itemized** receipts to the Finance Department. Receipts should be scanned into the representative Departments folder weekly.
 - ii. The Finance Department will review the receipts provided to ensure proper compliance with policy and proper authorization.
 - iii. The Finance Department will then process the information contained within the BOA Works program into the Counties financial software.
- b. Process – Business Travel Cards



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- i. Cardholder shall provide itemized receipts to the Department Reconciler indicating the nature of the travel and the number of people traveling, on each receipt
- VI. Terms of Use
 - a. This specialized process to enable employee travel for the department does not supersede the language contained in the policy herein. The employee shall abide by all the terms of p-card use contained within this policy.
- VII. Disputed Transactions

The cardholder can dispute charges through the BOA Works Program or by contacting Bank of America Customer Service. If a dispute arises, the Cardholder should contact the vendor for information regarding the disputed charge. If the Cardholder suspects a fraudulent charge, the Cardholder should contact the Program Administrator immediately for assistance. The bank may issue a credit if the charge is found to be fraudulent.
- VIII. Security & Fraud Prevention

Card holders are solely responsible for safeguarding their P-cards, PIN numbers and account numbers. P-cards are not to be shared and to be used only by the account holder.

 - a. Accidental P-Card Use Procedure
 - i. If the cardholder accidentally uses the P-card to make an unauthorized purchase, including the accidental charge of personal expenses, the Cardholder must notify the P-Card Administrator immediately in writing to communicate the accidental use of the P-Card
 - ii. The Cardholder will be responsible for reimbursing any amount accidentally charged to the P-Card. The Cardholder may elect to return the item(s) to the supplier for credit. The cardholder will remain liable for reimbursing any nonrefundable amounts.
 - b. Lost or Stolen P-cards
 - i. When a P-Card has been lost or stolen, the Cardholder must immediately notify BANK OF AMERICA CUSTOMER SERVICE at 1-888-449-2273. This information can also be found on the back of your procurement card.
 - ii. Cardholder shall then notify the Procurement Card Administrator by calling 828-697-4821. They will confirm the card has been deactivated.
- IX. Compliance
 - a. Compliance with Local Policy and Law

In addition to compliance with the Procurement Card policy, all P-card activity is subject to compliance with Henderson County's Purchasing Policy, any other pertinent Henderson County policies, and laws and regulations that may govern the purchase.
 - b. Random Audits

Internal Audit may audit p-card purchases, statements, and associated supporting documentation. These items may be reviewed to ensure purchases are made in accordance with guidelines set forth in this policy and agreed upon by the cardholder. Each cardholder agrees to comply with all audit requests and provide any additional information needed pursuant to an audit.



- X. Consequences of Violations
 - a. A p-card is issued to an employee for the County's convenience and may be suspended or revoked at any time by the Department Head, Finance Director, or County Management.
 - b. Any employee knowing of violations of this policy shall immediately report such activity to their immediate supervisor and the Finance Department.
 - c. Finance in coordination with Internal Audit will investigate the allegations of fraud and misuse.
 - i. If it is determined that the Cardholder willfully engaged in fraud or other policy violations, the employee may be required to forfeit the p-card and may be subject to disciplinary actions including termination and possible criminal prosecution. Cardholders may be personally responsible for reimbursing amounts charged for unauthorized transactions.

Business Travel Cards:

- I. A [Henderson County Business Travel Card Form](#) must be completed in its entirety and approved by the Department Head a minimum of two weeks prior to the dates of travel. This request shall be submitted to the P-Card Administrator. Business Travel Card Form.
 - II. The P-Card Administrator shall review the request and provide the Business Card Request Form to the Finance Director for approval and signature.
 - III. The requesting card holder and the department or their designee will be notified by the Program Administrator that the request has been approved and scheduled for pickup.
 - IV. The Program Administrator will add the request to the Business Card calendar.
 - V. The employee going on training or travel may pick up the card on the date indicated on the Business Travel Card Form. The employee will be required to show a photo ID and sign the form indicating their understanding and compliance with the procurement card policy.
 - VI. The card must be returned to the Finance Department on the date indicated on the travel end date indicated on the Business Travel Card Form.
- VII. Authorities
None.
- VIII. References
[Henderson County Procurement Card Request Form](#)
[Henderson County Business Travel Card Form](#)