



Office of Henderson County Manager Steve Wyatt

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HENDERSON COUNTY

PROCUREMENT CARD

POLICIES AND

PROCEDURES

TAB 40 – Administrative Manual
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Henderson County Procurement Card Policy and Procedures

Purpose

To establish a policy for obtaining and using a Henderson County issued procurement card. This policy is applicable to ALL departments and/or associated entities that use a procurement card to conduct County business.

Overview

The use of procurement cards has been proven to be a cost effective method of obtaining low cost supply and service items for the County. Some travel and training costs may also be handled best through the procurement card process.

General Policies

Authorization

Procurement cards may be issued, with the department head's approval, to those authorized to make official County purchases from a supplier.

A cardholder agreement form (Procurement Card Compliance Agreement- Attachment A) must be signed by the cardholder upon the employee's receipt of a procurement card and prior to the employee's use of a procurement card. When the employee signs this agreement, he or she is verifying agreement to conditions of use.

The procurement card system will allow individual transaction and cycle limits to be set and/or revised for each card individually at the discretion of the department head with the approval of the Finance Director.

In coordination with the bank and the program administrator, the procurement card will be issued. The cardholder will be asked to acknowledge receipt of the procurement card by signing the Purchasing Card Program Employee Agreement at the time the card is picked up. The card must be picked up in person at the Finance Department.



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Use of Procurement Card

It shall be the policy of the County that procurement cards may be used for the purchase of materials, supplies, and services resulting from the conduct of legitimate County business.

Cardholders must exercise good judgment and act responsibly when using the purchasing cards. A card issued to a Department and/or Division of Henderson County with multiple users shall be the full responsibility of the department head. In such cases, it is the responsibility of the department head to monitor and reconcile all expenditures on a monthly basis.

Procurement cards may not be used for:

- a) Formal purchases subject to the provisions of General Statute 143-129.
- b) Informal purchases subject to the provisions of General Statute 143-131.
- c) The spending parameters for the purchase of materials, supplies, equipment or apparatus shall not exceed \$500 per transaction per card without obtaining a purchase requisition. Purchases may not be broken into smaller purchases (also known as “parceling”) to circumvent the established transaction dollar amount, unless an emergency situation arises and the Finance Department is not available to increase cardholders limit. There is NO defined transaction limit for charges related to official County business travel expenses.
- d) Computer hardware and computer software purchases without prior approval from the Director of Information Technology.
- e) Furniture purchases without specific approval of the department head or designee.
- f) Any item for the cardholder's personal use or the personal use of another party.
- g) Alcoholic beverages or tobacco products.
- h) Cash advances.
- i) Gift cards or prepaid credit/debit cards.
- j) Items and services not authorized by the normal purchase order process.



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Travel expenditures:

The following guidelines apply when using procurement cards for travel expenses associated with County business.

- a) In all cases involving travel (*even if the travel does not involve an overnight stay*) a Travel and Business Expense Reimbursement Request (a/k/a "Travel Statement") must be completed by the cardholder. Use of the business credit card does not negate the responsibility of the Cardholder to complete a Travel Statement in accordance with the County's existing Travel Policy.
- b) Use of the procurement card for the purchase of alcoholic beverages is strictly prohibited;
- c) In accordance with the County's Travel Policy, a Travel Request Authorization must still be obtained from the County Manager when County travel expenditures have been frozen. Use of a procurement card does not negate this requirement; and
- d) Use of a procurement card to purchase in-room movies during the hotel stay while on County business is allowable; however such purchases shall be reimbursed to the County immediately upon filing a Henderson County Travel Statement for the related trip. Travel Statements submitted without the required reimbursement will forfeit future use of the business credit card and shall be considered misuse and grounds for disciplinary action in accordance with the County's Personnel Handbook and as described in below.

As indicated above, the procurement card is to be used in the conduct of County business only. The use of a Henderson County procurement card to acquire or purchase goods and services for other than the official use of Henderson County is fraudulent use. An employee guilty of fraudulent use may be subject to disciplinary action, up to and including dismissal and possible legal action. Any cardholder who does not honor the procedures and documentation in a consistent and regular pattern that is required for using procurement cards may lose the right to use a procurement card, and may be subject to disciplinary action, up to and including dismissal and possible legal action.

Each procurement card will have the employee's name embossed on it and is to be used only by the named cardholder and is not to be loaned to another employee or representative of the County. The cardholder may make transactions on behalf of others in their department; however, the cardholder is responsible for all purchases charged to his/her card. The Cardholders **SHOULD NOT** give their card to another individual and ask them to sign the cardholder's name at the time of purchase. Delegation of authority is not permitted in regard to purchasing card transactions.



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Should a cardholder terminate employment or leave elected office with the County, the user's department head has the specific responsibility to reclaim the procurement card and return it to the Procurement Card Administrator along with all outstanding receipts prior to or on the employee's termination date. The card should then be forwarded to the Finance Department and will be destroyed.

If a card is lost, the cardholder has the responsibility to immediately notify the bank as well as the Procurement Card Administrator. In addition, if the card is stolen, the cardholder has the responsibility to immediately notify the Police Department, bank, and the Procurement Card Administrator. The physical security of P-cards is the responsibility of the cardholder and should be kept in a secure location at all times. Each cardholder should be able to readily locate their card in the event of a random audit.

BANK OF AMERICA CUSTOMER SERVICE is available 24 hours a day, 365 days a year at 1-888-449-2273 for reporting a lost or stolen card.

Notification to the Procurement Card Administrator can be accomplished by calling 697-4821. The Procurement Card Administrator will confirm that the card has been blocked and will immediately request a replacement card (A new card will typically be issued to the cardholder within 2-3 business days).

Payment of Procurement Card Charges

For the procurement card process to operate efficiently, cardholders must adhere to all procurement card procedures. Employee absences should be anticipated and arrangements made to ensure timely processing of procurement card transactions.

Departments must ensure that sufficient funds are available to pay for anticipated purchases. Available balances will be available online at the Bank of America "Works" Website. All purchases over \$500 will require a purchase requisition which will have to be made before the actual purchase to ensure that the funds are available for use when needed.

The cardholder must retain vendor's receipts, records of telephone orders, internet orders and/or copies of mail orders for 180 days (6 months) once the reconciliation of the purchase card statement by the Procurement Card Administrator is complete. The cardholder and/or the Department Head will receive a notification email from Accounts Payable when this process is done. After the 180 days (6 months), providing that all receipts have been sufficiently scanned for retention purposes, the cardholder and/or Department Head can shred all receipts for that corresponding month.



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NOTE: Henderson County is NOT EXEMPT from paying North Carolina sales tax, and therefore, as you place an order with the supplier, you should emphasize that the purchase must include sales tax for all taxable items.

The satisfactory receipt of goods or services is the responsibility of the procurement cardholder and his or her Department Head. All receipts are to be itemized.

- The cardholder is responsible for ensuring that each; customer copy and/or cash register receipt contains enough information to properly identify the individual items purchased.
- Information shall include the date, dollar amount and brief description which includes the individual items purchased and the reason for the purchase. If the above information is not included, the cardholder shall write the information on the paperwork.
- The cardholder shall retain the customer copy and/or cash register receipt for all purchases made for 6 months. After which time the original documents may be destroyed, subject to the constraints listed above.
- If the customer copy or cash register receipt is lost or unavailable, the cardholder must complete a Lost Receipt Form for the receipt along with an explanation of the reason for the missing receipt. The employee's department head must sign the Lost Receipt Form acknowledging that he or she is aware of the situation. If a pattern of missing invoices is established, the employee may be subject to disciplinary action up to, and including dismissal in accordance with Section 5.7 of the Henderson County Personnel Handbook.
- Resolution of discrepancies is the responsibility of the cardholder. The cardholder must resolve any disputed items and bring them to the attention of the vendor as well.
- The cardholder and/or department head shall, through the procurement card administrator, make an official dispute to the card issuer using the issuer's applicable form if unable to resolve the dispute with the vendor.
- Disputes shall be handled as "pay and chase." The invoice shall be paid as usual and credits applied at the time of resolution. Do not accept cash in lieu of a credit to the procurement card account.



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The cardholder/cardholder proxy will scan copies of all receipts into each individual cardholder's folder that will be setup on a shared drive. Receipts have to be scanned into the folder on at least a weekly basis, to insure efficiency within the system.

If the cardholder/proxy is unavailable to sign off on their transactions by the end of the month (e.g. leave, training, and travel), the customer copies and register receipts shall be forwarded to the appropriate supervisor prior to leaving. The supervisor will have to ensure that Accounts Payable receives all of the scanned documentation (receipts). If this situation occurs, please advise Accounts Payable in order that transactions may be closed in a timely manner.

Compliance

In addition to compliance with the Procurement Card policy, all procurement card activity is subject to compliance with Henderson County's Purchasing policy and any other pertinent County policies, laws and regulations that may govern the purchase. Each cardholder agrees to comply with all audit requests and provide any additional information needed pursuant to the audit.

Random Audits

Internal Audit will randomly, or as directed by the County Manager, audit purchasing procedures, statements and associated supporting documentation to ensure purchases are made in accordance with guidelines set forth in this policy and agreed upon by the cardholder.

Consequences

Failure to comply with the Purchasing Card Policy and general statutes referenced within may result in the revocation of the purchasing card from the cardholder and/or disciplinary action up to and including dismissal.



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Exceptions

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 County procurement cards. Accordingly, the basic standard that should always prevail in dealing with exceptions is the exercise of good judgment in the use and stewardship of the County's resources. Unless otherwise specified herein, exceptions will require the approval of the County Manager, Assistant County Manager, or the Finance Director.

Approved by:

County Manager

A handwritten signature in blue ink, appearing to be 'J. J. H.', written over a horizontal line.

8.8.2013



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Attachment 1:

Henderson County

Purchasing Card Compliance Agreement

Effective August 8, 2013

I have read and understand the Henderson County Procurement Card Policy and agree to all terms outlined in the Policy. I understand and agree that the Procurement Card is issued to me with the express understanding that I will, at all times, comply with the Procurement Card Policy.

Date: _____

Cardholder

Date: _____

Department Head

Date: _____

Finance Director

Attachment 2:

**HENDERSON COUNTY
P-CARD
LOST RECEIPT FORM**

Date of Purchase:	
Merchant Name:	
Amount of Purchase:	

Description & purpose of purchase:

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Why is the original receipt or appropriate documentation missing?

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I certify that I have contacted the merchant and was unable to obtain a copy of the purchase documentation. I also certify that this purchase was made for an official County business purpose.

Cardholder signature:	
Cardholder printed name:	

Form must also be approved by supervisor that has authority to approve p-card purchases or has requisition approval authority for other purchases.

Supervisor approval signature:	
Supervisor printed name:	

This form is to be used as documentation only if the actual receipt, invoice, internet order screen, or appropriate substitute is unavailable for a purchase made on a p-card. It must be filled out completely and signed by both the cardholder and a qualified supervisor.