

Purchasing Card Procedures



City of Clermont, Florida

Table of Content

A.	Purpose	3
B.	Scope.....	3
C.	Responsibility.....	3
D.	Card Issuance.....	3
E.	Card Training	4
F.	Card Usage.....	4
G.	Spending Limits	5
H.	Unauthorized Transactions	5
I.	Travel Charges	5
J.	Receipts.....	6
K.	Statements.....	6
L.	Returns, Purchases, and Disputed Items.....	6
M.	Sales Tax.....	7
N.	Transfer and Termination of Employment.....	7
O.	Lost or Stolen Cards	8
P.	Effective Date	8
	Purchasing Cardholder Usage Agreement.....	9

A. Purpose

The purpose of this document is to establish procedures for the security, use and maintenance of City of Clermont Purchasing Cards.

B. Scope

The following procedures apply to all City employees authorized by the Purchasing Director to use a City of Clermont Purchasing Card.

C. Responsibility

The City's Purchasing Director will act as the Purchasing Card Program Administrator and be the primary contact with the Purchasing Card financial institution. The Purchasing Director is responsible for card issuance, card cancellation, communication with the financial institution, receipt of the cards, and management reports. Questions on the appropriate use of Purchasing Cards shall be directed to the Purchasing Director.

Department Directors shall contact the Purchasing Director to request new cards, cancel cards, and report lost or stolen cards. In addition, the Department Directors are responsible for checking the information on the cards for accuracy, as well as being responsible for informing and training departmental employees on these procedures and the continued compliance of such.

D. Card Issuance

Purchasing Cards will be issued to individuals who have been delegated appropriate purchasing authority by the Purchasing Director and have completed training. Purchasing Cards will have the employee name and City of Clermont embossed on the front. Cardholders should carry and secure the Purchasing Card as they would any personal credit card. Purchasing Cards should not be left in a desk, workstation or vehicle.

If the cardholder is going to be absent from work for more than thirty (30) calendar days, the card **MUST** be returned to the Department Director. A separate card may be issued to another person with procurement authority for the duration of the absence, upon approval of the Purchasing Director.

E. Card Training

Each employee who is authorized to use a purchasing card is required to attend and complete Purchasing Card training. The cardholder will be given a copy of these procedures and will be required to sign a cardholder usage agreement. The Purchasing Card will be activated only after the cardholder has attended the required training and signed the cardholder usage agreement. Employees involved with the reconciliation of card statements are required to attend periodic training.

F. Card Usage

Only the employee whose name is embossed on the card may use the Purchasing Card. No other person is authorized to use the card including the cardholder's supervisor or administrative assistant. Cardholders may **NOT** give permission for anyone else to use their Purchasing Card or to make any purchase using the account number.

All purchases made with the Purchasing Card must be for the direct benefit and use of the City and in compliance with all applicable City policies. The Purchasing Card may not be used for personal use. Any personal use will result in disciplinary action which may include termination, and will require immediate reimbursement to the City.

The cardholder is **accountable** for each transaction that occurs on their Purchasing Card until the card is returned or reported to the financial institution as lost or stolen. The cardholder may also be personally responsible for any cost(s) incurred by the City due to a lost or stolen Purchasing Card. If it is determined that a cardholder has misused or abused his/her cardholder privileges, the Purchasing Card may be deactivated.

Effort should be made to use vendors who accept the Purchasing Card where appropriate in order to maximize administrative cost savings. It is important to note that some vendors may charge a service fee or higher price to accept the City's Purchasing Card. Prior to making a purchase on the Purchasing Card, the cardholder should determine if this is the case. If so, it may not be cost effective to make the purchase on the Purchasing Card.

All products ordered using the Purchasing Card shall be delivered to a City owned or controlled workplace. No deliveries shall be made to any other address without prior written approval by the Purchasing Director.

G. Spending Limits

Spending limits pertaining to the maximum dollar amount per month are established for each cardholder based on their job responsibilities. The limits are approved by the Purchasing Director and may be adjusted from time to time at the request of the Department Director.

Charges for purchases shall not be split to stay within the informal purchasing limit as stated in the Purchasing Policy. Splitting charges will be considered abuse and may result in the Purchase Card being revoked.

H. Unauthorized Transactions

The Purchasing Card is for official City business only. The purchase of goods and services for the employee's personal use is strictly prohibited. Unauthorized transactions of the Purchasing Card include:

1. Food, including personal meals and beverages.**
2. Cash advances, money orders, and gift cards.
3. Tobacco products and alcoholic beverages.
4. Splitting charges to avoid obtaining three quotes.
5. Fuel purchases, unless driving a city vehicle and the assigned fuel card is not available or inoperative.

**Food and beverage may be purchased only for authorized City events and purposes.

I. Travel Charges

Purchasing Cards may be used for any travel business expense with advance approval from the City Manager and/or Department Director. In addition to unauthorized transactions referenced above, the following transactions are considered unauthorized travel expenses.

1. Hotel personal charges such as telephone calls, room service, movies, etc.
2. Personal entertainment.
3. Road, bridge, and toll charges.
4. Transportation such as ferry, taxi, subway, and shuttle service unless it's from point of arrival to destination and vice versa.

Miscellaneous business expenses such as business center usage and internet fees shall be held to the minimum amount required for efficient City business.

J. Receipts

Any time a purchase is made with the Purchasing Card, the cardholder must obtain a customer copy of the receipt or invoice which will become the accountable supporting document. Supporting documents may include signed credit card forms, cash register receipts, invoices, and internet screen prints. Packing slips, pick tickets or quotes are not considered accountable supporting documents. The supporting document **MUST** provide an itemized description of each item purchased and total cost. All Purchasing Card supporting documents shall to be signed by the cardholder and submitted to the designated departmental employee responsible for the auditing of the billing statements.

The designated department employee shall write the appropriate budgetary account number in the supporting document. The designated department employee shall enter the information in the Purchasing Card software within a reasonable time to allow current posting of transaction.

When entering the transaction information of the Purchasing Card software, all numbers, letters, dashes and slashes provided in the invoice number shall be included. If no invoice number is provided with the supporting document, contact the Finance Department for instructions. The designated departmental employee shall maintain the Purchasing Card supporting documents until the billing statements are received.

K. Statements

At the end of each billing cycle, the designated departmental employee is responsible for printing the billing statement and reconciling with the Purchasing Card supporting documents. All information on the billing statement must be complete, nothing should be left blank, even if the charge was done in error. If the cardholder does not have documentation supporting a purchase on the statement, a Missing Receipt form signed by the cardholder and approved by the Department Director must be attached to the billing statement. Recurring abuse of this provision may result in cancellation of the Purchasing Card and may result in disciplinary action up to and including termination.

Upon completion of the audit of the billing statement, the statement and receipts shall be forwarded to the Department Director for review and payment approval for submission to the Finance Department within five (5) working days of receipt of the statements. Paperclips or binder clips should be used to attach backup information to the statement, staples are not acceptable.

L. Returns, Purchases, and Disputed Items

In most cases, disputes can be resolved directly between the cardholder and the vendor who supplied the goods and services. If an item needs to be returned for any reason,

the cardholder should send the item back to the vendor in the manner agreed upon. The vendor should issue a credit for items that are returned. This credit will appear on a subsequent charge card statement. The vendor should issue documentation of the return, such as credit receipt. All documentation pertaining to returns must be kept on file for reconciliation to the billing statements.

If an issue with the vendor cannot be resolved, contact the financial institution phone number on the back of the card. The institution will investigate the dispute on the cardholder's behalf and assist in resolution. A temporary credit will be issued pending final resolution. If resolution is not satisfactory or is not attainable, please call the Purchasing Director to handle further discussions with the financial institution.

M. Sales Tax

The City of Clermont is exempt from paying Federal or State of Florida sales tax. The cardholder is to make this clear to the vendor at the time of purchase, whether it is an over-the-counter purchase or a telephone order. Vendors may require a copy of the City's tax exempt form, which is available online under www.clermontfl.gov / Departments / Purchasing / Policies and Procedures. In the event a vendor charges sales tax, the vendor should be contacted by department staff right away to obtain a credit equal to the amount of the sales tax charged. If there is a problem with any merchant about sales or any other tax, the cardholder should contact the Purchasing Director immediately.

NOTE: Purchases made outside the State of Florida are subject to the laws of the state where the purchase is made and may not be exempt from sales tax. These may include hotel accommodations and purchase of airfare.

N. Transfer and Termination of Employment

If a cardholder is transferred to another department, the new Department Director must notify the Purchasing Director to determine if the card should be cancelled or modify the cardholder's monthly limit.

If a cardholder is terminated, their Purchasing Card must be obtained by the cardholder's supervisor or Department Director. The supervisor or Department Director shall immediately inform the Purchasing Director of the employee's termination and forward the collected card to the Purchasing Director. The Purchasing Director will deactivate and destroy the card. In the event the supervisor or Department Director is unable to collect the Purchasing Card when an employee is terminated, the supervisor or Department Director shall immediately notify the Purchasing Director in order to deactivate the card.

If an employee is reassigned within the City, the Department Director should notify the Purchasing Director to update the Purchasing Card information. If deemed appropriate by the City Manager, the cardholder will be able to retain the Purchasing Card.

O. Lost or Stolen Cards

Lost or stolen Purchasing Cards must be reported **immediately** to the financial institution, Department Director or designee, as well as the Purchasing Director. Purchasing cards lost or stolen after 5:00 p.m. shall be reported immediately to the financial institution by calling Fifth-Third Bank customer service support at 1-866-475-0729 and then reported by 9:00 A.M. the next City work day (Mon. – Fri. excluding Holidays) to the Purchasing Director to assure deactivation of the card. If a lost Purchasing Card is found after deactivation, it will be inoperative and shall be returned to the Purchasing Department.

P. Effective Date

These procedures shall become effective immediately upon the approval of the City Manager.



Darren Gray, City Manager

7/15/15

Date

Purchasing Cardholder Usage Agreement

I, _____, hereby acknowledge receipt of Purchasing Card number _____. I have verified the information contained thereon and attest to its accuracy.

I have received, read, and understand the City of Clermont Purchasing Card Procedures, training related documents, and instructions. I agree to accept responsibility for the protection and proper use of the card in accordance with the above referenced procedures, training documents, and instructions. I understand that I am the only person permitted to use this card. I understand that my use of the card is subject to audit by the City and that the card is not to be used to purchase certain commodities as outlined in the Purchasing Card Procedures. I further understand that all purchases must be for official business on behalf of the City of Clermont.

I agree to immediately notify the financial institution at the number listed below, if the card is lost or stolen. I will also notify my Department Director and the Purchasing Director immediately or by 9:00 A.M. the next business day if loss occurs after 5:00 P.M. I agree to immediately notify the financial institution and my approving official if I become aware of unauthorized charges on my account. I understand that failure to promptly report the presence of unauthorized charges on my account could be subject to disciplinary action and make me responsible for charges resulting from fraudulent use of the card.

Financial Institution Contact:	Fifth Third Bank 200 East Robinson Street Orlando, FL 32801	Customer Service 1-866-475-0729 24 Hours / 7-Days
--------------------------------	---	---

The use of Purchasing Card for purchases other than as authorized in these procedures shall be considered misappropriation of funds. This could result in immediate and irrevocable forfeiture of the Purchasing Card and/or disciplinary action that may include termination of employment.

If the City initiates legal proceedings to recover amounts owed by me due to a violation of this agreement, the Purchasing Card Procedures, training related documents or instructions, I agree to pay court costs, reasonable attorney's fees and other expenses incurred by the City in such proceedings if the City prevails in such legal action.

I understand that the City may suspend or terminate my privileges to use the Purchasing Card at any time for any reason. I agree to surrender the Purchasing Card immediately upon retirement, termination of employment, termination of cardholder privileges, transfer to another department, or upon request of the Department Director, Purchasing Director, authorized representative of the financial institution, or the City Manager. I understand that use of the Purchasing Card after cardholder privileges have been suspended or terminated is prohibited, and that I will be held responsible for charges resulting from such use.

Employee Signature

Date