

# 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 .....	3
F.	Card Usage.....	4
G.	Spending Limits .....	4
H.	Allowable Purchases.....	5
I.	Prohibited Purchases.....	5
J.	Receipts.....	6
K.	Statements.....	7
L.	Returns, Purchases, and Disputed Items.....	7
M.	Sales Tax.....	7
N.	Transfer and Termination of Employment.....	8
O.	Lost or Stolen Cards .....	8
P.	Fraud Procedures .....	9
Q.	Effective Date .....	9
	Purchasing Card Agreement.....	10

## **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 or authorized designee, 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 Purchasing Director or authorized designee, is 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. Allowable Purchases**

The Purchasing Card can be used for purchases of supplies, materials, equipment, or services that are not otherwise prohibited or restricted in these procedures. All purchases must be in accordance with the Purchasing Policy and within the cardholder assigned spending limits. Allowable purchases include:

1. Airline tickets, vehicle rentals, hotel reservations, parking charges, conference registration or classes.
2. Transportation related expenses such as tolls, ferry, taxi, subway, and shuttle services from point of origin to destination and vice versa, during approved travel of official City business.
3. Miscellaneous business expenses such as business center usage and internet fees. These expenses shall be held to the minimum amount required for efficient City business.
4. Declared emergencies and natural disasters for needs arising from unforeseen causes. Documentation for transactions must follow the guidelines for emergency purchases provided in the Purchasing Policy and Procedures, authorized and approved by the City Manager.
5. Any other purchases specifically authorized in writing by the City Manager in advance.

## **I. Prohibited Purchases**

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

1. Personal purchases of any kind. Personal purchases are defined as purchases of goods and services intended for non-work related use or use other than official City business.
2. Food and beverage purchases unless prior written approval by the City Manager is obtained.
3. Gratuities and tips, unless they are associated with a food purchase specifically approved by the City Manager in advance or transportation charges while traveling

to and from an approved travel destination. If the gratuity or tip is authorized to be placed on the Purchasing Card, the maximum tip amount is twenty percent (20%) of the purchase price.

4. Cash advances and money orders.
5. Purchase of gift cards, calling cards, pre-paid cards, or similar products except with prior written approval by the City Manager.
6. Tobacco products, alcoholic beverages and fuel purchases. Fuel purchases must be conducted through a City fuel card issued by the Purchasing Department.
7. Splitting purchases to avoid obtaining three quotes as required by the Purchasing Policy. This will result in immediate termination of the Purchasing Card.
8. Hotel personal charges such as telephone calls, room service, movies, etc.
9. Personal entertainment.
10. Paying for fines such as Sunpass violations, traffic tickets, parking violations, etc. Employees are personally liable for any parking or moving violation citations while using City vehicles or vehicle rentals during official 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. If written approval from the City Manager was obtained for a specific purchase, the written approval becomes part of the supporting document. All Purchasing Card supporting documents shall 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 on 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 in 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 or in their absence, the authorized department designee for review and payment approval. The completed signed and dated statement shall be submitted to the Finance Department within five (5) working days of receipt of the statement. 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](http://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 or reassigned duties, the Department Director must notify the Purchasing Director or authorized designee to determine if the card should be cancelled, or if the limit should be adjusted. If changes or adjustments are made, the Purchasing Director or designee will update the card information in the financial institution software.

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.

## **O. Lost or Stolen Cards**

Lost or stolen Purchasing Cards must be reported **immediately** to the Purchasing Department during normal business hours of Monday through Friday, 8:00 AM to 5:00 PM, except City observed holidays. The affected Purchasing Card will be cancelled and a new one will be ordered and sent to the Purchasing Department.

Purchasing cards lost or stolen outside normal business hours of Monday through Friday, 8:00 AM to 5:00 p.m. or during city observed holidays, shall be reported immediately to the financial institution by calling Fifth-Third Bank customer service support at 1-866-475-0729. Do not ask the financial institution to issue a new Purchasing Card. Instead contact the Purchasing Department to order the new card. The Purchasing Department will quickly cancel the card and order a replacement. It normally takes one week to receive the new card.

All lost or stolen cards will be deactivated. If a lost Purchasing Card is found after deactivation, it will be inoperative and must be returned to the Purchasing Department.

**P. Fraud Procedures**

Fraudulent charges on the card holder's account must be reported immediately by contacting the Purchasing Department during regular business hours of Monday through Friday, 8:00 AM to 5:00 PM, except City observed holidays. Outside normal business hours, the cardholder must contact the financial institution. The Purchasing Department or financial institution will quickly cancel the card. The card holder must contact the Purchasing Department to order a new card.

The card holder is responsible for completing a Cardholder Dispute Form provided by the financial institution and obtaining a credit if fraudulent charges were charged to the card. The Cardholder Dispute Form is located in the Purchasing Collective folder, in a subfolder titled Purchasing Card.

**Q. Effective Date**

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

  
\_\_\_\_\_  
Darren Gray, City Manager

7/23/18  
\_\_\_\_\_  
Date

## Purchasing Card 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 Purchasing Card 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 Department immediately or by the next business day if loss occurs after work hours. I agree to immediately notify the financial institution, Department Director and Purchasing Department 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	Customer Service
	200 East Robinson Street	1-866-475-0729
	Orlando, FL 32801	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