

Board of County Commissioners
Leon County, Florida

Policy No. 00-07

Title:	Purchasing Card Policy
Date Adopted:	February 12, 2013
Effective Date:	February 12, 2013
Reference:	Chapter 274, Florida Statutes
Policy Superseded:	Policy No. 00-07, adopted May 23, 2000; Policy No. 00-7 revised June 13, 2006; revised March 13, 2012

It shall be the policy of the Board of County Commissioners of Leon County, Florida, that Policy No. 00-07, "Purchasing Card Policy," revised by the Board of County Commissioners on March 13, 2012, be superseded and a revised policy be hereby adopted in its place, to wit:

LEON COUNTY

PURCHASING CARD POLICY



**LEON COUNTY
PURCHASING CARD POLICY**

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LEON COUNTY PURCHASING CARD POLICY

Leon County hereby establishes a Purchasing Card Program to allow the purchase of goods and services in addition to the existing methods of Purchase Orders, Field Purchase Orders (FPOs), Direct Payments, and petty cash. Further, the Program is authorized for the payment of vendor invoices where allowed by administrative procedures. This program will assist in providing county citizens with Board directed services in a more efficient and cost effective manner.

Section I - General Information

A. Objective

To provide a convenient purchasing system for County employees that complies with Board purchasing directives and internal controls in the provision of cost-effective superior services.

B. Purpose. The Purchasing Card Policy and System will:

1. Provide an efficient method of purchasing and paying for goods and services within an employee's authorized purchase limits.
2. Reduce the number of Regular and Field Purchase Orders and associated costs thereof.
3. Reduce the number of checks written and associated costs thereof.
4. Reduce processing time for vendor payment.
5. Reduce the use of direct payments and petty cash funds.
6. Reduce the time spent processing low dollar transactions resulting in increased billing reconciliation effectiveness.
7. Assist to ensure that Purchasing Card purchases are in accordance with the County's Purchasing Policy.
8. Improve management reporting.
9. Provide potential for enhanced discount structure with suppliers.
10. Improve service to the eligible users and vendor community.
11. Assist the County regain any expenses from inappropriate use of the Purchasing Card.
12. Provide guidelines for disciplinary action if the Purchasing Cards are misused.

C. Definitions

1. Departmental P-Card Administrator - an individual the Department Director selects to act on his/her behalf.
2. Approver - A person responsible for reviewing Card Holder transactions to ensure the appropriateness of activity and timely processing of charges.
3. Billing Cycle - The monthly billing period that begins the 4th day of each month and ends the 3rd day of each month.

4. Card Holder - the Leon County employee to whom a written Delegation of Authority has been given granting the use of the Purchasing Card to make purchases within preset limits on behalf of Leon County
5. Card Holder Profile - Parameters that are set for a designated Card Holder that identify the Card Holder, set default accounting codes and provide restrictions or spending limitations in the Purchasing Card system.
6. Cash Advance - Use of the Purchasing Card to obtain cash from an ATM, banking institution, or other source.
7. Charge Slip- Receipt of individual purchase showing card use and authorization
8. Contractor/Issuer. The current merchant card issuing and services institution.
9. Credit - Charged amount removed from total owed by Leon County.
10. Cycle Limit - A maximum dollar value of charges and/or number of transactions that may be for the billing cycle.
11. Daily Limit - A maximum dollar value of charges and/or number of transactions that may be charged per day.
12. Default limits – The limits established by the Purchasing Card Administrator for the billing cycle and for any single transaction, at a minimum, and other such limits as may be available in the purchasing card system.
13. Delegation of Authority - a document issued by the Director that establishes the individual as an authorized Card Holder. The delegation of authority will specify spending and usage limitations unique to that Card Holder.
14. Delivery Address - Complete postal mailing address of Card Holder.
15. Designated Fiscal Representative - An individual appointed by the Division Director to receive Card Holder's monthly statement and receipts for that department. This individual processes payment approvals of approved transactions for the Card Holders in the Division. This involves assigning proper accounting codes and checking the available budget in the County Financial system prior to forwarding approved statements and invoices to the Finance Department.
16. Dispute - When a Card Holder questions a transaction that is incorrectly posted to his/her account, is missing or incorrect, or when items are purchased and found defective or faulty.
17. MCC - Merchant Category Code assigned to a merchant by the merchant card servicing company, which identifies the primary goods or services provided by the merchant.
18. Monthly Limit - A maximum dollar value of charges and/or number of transactions that may be charged during a month.
19. Non-stock materials - materials not available through the County Warehouse or Office Supply Center Inventory.
20. Official Use - Purchase of necessary merchandise or services for Leon County's use.
21. Purchasing Card (P-Card) - A credit card that is used as an alternative payment method.
22. Purchasing Card Administrator - The individual who is responsible for Leon County's Purchasing Card Program and is appointed by the County Administrator.

23. Reconciliation - Balancing charge slips with purchasing card statement.
24. Services - Non-personal temporary work.
25. Single purchase limit - Each Card Holder will be limited to a pre-determined maximum on any single small non-stocked product or service either at the established default limits or at another limit approved by the Departmental P-Card Administrator and P-Card Administrator.
26. Small Purchase - an acquisition of supplies, non-personal services, and construction in the amount within the threshold for small purchases as defined in the Purchasing and MWBE Policy.
27. Statement - Monthly record of charges and credits received from the card issuer.
28. Supervisor - The individual who supervises a Card Holder and who has been delegated the responsibility for reviewing transactions to ensure the appropriateness of activity and timely processing of charges and/or credits.
29. Tax exemption – Refers to eligible purchases which shall be exempt from Florida state and local taxes, in accordance with state law.

D. Responsibilities:

The following are the responsibilities of the individuals and organizations involved in the Purchasing Card System.

1. Card Holder
 - a. Retain and secure Purchasing Card and card number.
 - b. Order materials and services within the card limits.
 - c. Receive and inspect all ordered materials and services.
 - d. Collect and retain all documentation of the transaction, e.g. sales receipts, charge slips, receiving slips, etc.
 - e. Match all documentation with evidence of transaction, monthly transmittal report, and monthly card statement and ensure validity of all transactions.
 - f. Identify and assist in resolution of all disputed charges.
 - g. Verify correctness of accounting information.
 - h. Sign monthly statements verifying charges prior to submission to approving authority.
2. Department/Division Director/County Administrator/County Attorney/Commissioner
 - a. Approve requests for P-Card and subsequent changes for employees under their supervision. County Administrator, County Attorney, and Commissioners may authorize their own cards.
 - b. Review and approve monthly statement. Department/Division Director may delegate monthly reviews. The approving authority for each cardholder must be at least one supervisory level higher than Card Holder.
 - c. Forward statement with completed transmittal form, statement, and receipts to the Finance Department.

3. Department Purchasing Card Administrator (appointed by the Group Director)
 - a. Review and approve all Requests and changes for P-Cards for designated employee(s).
 - b. Collect cards from Card Holders terminating employment and notify Purchasing by email to cancel the card.
 - c. Evaluate the need to cancel or reissue cards when employee transfers.
 - d. Coordinate all functions of the Purchasing Card system with the County Purchasing Card Administrator for the department.
 - e. On a semi-annual basis, the County Purchasing Card Administrator will provide each Department Administrator with a list of Purchasing Cards issued to employees in the department. The Department Administrator will conduct a physical inventory of the Purchasing Cards and provide a report to the Purchasing Card Administrator and Finance Department of the results of the inventory.
4. County Purchasing Card Administrator and designee (appointed by County Administrator)
 - a. Coordinate issuance, cancellation, and controls of cards.
 - b. Coordinate program policy issues.
 - c. Participate in ongoing program reviews.
 - d. Maintain Policy and Card Holder guides/manuals.
 - e. Develop and revise, as needed, default card, transaction, and other limits and the procedures and forms for the purchasing card program.
 - f. Develop and administer all card training
5. Finance Department
 - a. Receive approved monthly statements from Card Holder.
 - b. Receive consolidated monthly statement from Purchasing Card issuer.
 - c. Confirm that all charges are authorized by the Division Director or designee.
 - d. Notify Department Administrators when approved monthly statements are not received.
 - e. Pay monthly charges from consolidated monthly statement.
 - f. Process accounting data into the County financial system.
 - g. File and store statements.
 - h. Coordinate and maintain internal controls.

6. Purchasing Division
 - a. Evaluate Purchasing Card feedback from suppliers.
 - b. Establish and monitor benchmarking objectives.
 - c. Coordinate and expand use of the Purchasing Card.

Section II - Card Controls

A. Assignment and Control of the Purchasing Card

1. Request for and Issuance of Purchasing Cards
 - a. Purchasing Cards will be issued to individual employees who are directly involved in the purchasing of goods or services as authorized by their Division Director and approved by the Department P-Card Administrator.
 - b. Requests for new Card Holders or for changes to a current Card Holder's profile shall be made by submitting a Purchasing Card Request/Change Form to the Purchasing Division.
 - c. The Purchasing Card will have the employee's name, the County name, card number, and the expiration date embossed on the face of the card. The County's Florida sales tax exemption number shall be preprinted on the face of the card.
 - d. Each new Card Holder will be required to personally attend and complete Purchasing Card Users Training and sign a Purchasing Card Agreement Form prior to receipt of the card.
 - e. The Card Holder will be given a copy of the Purchasing Card Policies and Procedures Guide and an oral review of the program.
2. Suspension or Revocation of Purchasing Cards
 - a. The Purchasing Card Administrator may suspend or terminate Card Holder privileges of any Card Holder for improper or unauthorized use.
 - b. The Purchasing Card Administrator may suspend or terminate Card Holder privileges individually or of any group of Card Holders in a Division or Department for repeated problems including, but not limited to, improper or unauthorized use, improper record keeping, and untimely report submission.
 - c. The County Administrator may suspend or revoke any purchasing card with or without cause.

B. Card Holder Use of Purchasing Card

1. Card Holder use only - The Purchasing Card may be used **only** by the employee whose name is embossed on the card. No other person is authorized to use the card. The reverse side of the Purchasing Card must be signed by the Card Holder. The Card Holder is responsible and accountable for all transactions that occur on his/her card.
2. County Purchases Only - The Purchasing Card is to be used for County purchases only. The Purchasing Card **cannot** be used for any personal use. Any personal use of the Purchasing Card will require immediate reimbursement to the County for any personal items and may result in disciplinary action including revocation of the right to use the Purchasing Card and/or other disciplinary action, which may include termination of employment.

3. Limits and Restrictions - Each Purchasing Card may have spending limits established by the Purchasing Card Administrator within those limits available through the purchasing card provider. At a minimum, each card shall have a single transaction limit and credit line limit.

A purchase may be made of multiple items but the total charge cannot exceed the assigned transaction limit. All purchases will be made under the thresholds in the County Purchasing Policy. Charges for purchases shall not be split to stay within the single purchase limit. Splitting charges will be considered abuse of the Purchasing Card.

4. Other Conditions
 - a. All items purchased over-the-counter must be immediately available. No back ordering is allowed.
 - b. All items purchased by telephone/Internet should be delivered by the vendor within the 30 day billing cycle and delivered in a single shipment. No back ordering is permitted.
 - c. County Price Agreements (includes County Contracts, State Term Contracts, State Purchasing Agreements, etc.) and items in the Warehouse/Office Supply Center must be checked prior to open market purchasing.
5. Prohibited Uses of Purchasing Cards - The following types of items may not be purchased with a Purchasing Card:
 - a. Any item(s) for personal or non-County use.
 - b. Gasoline, fuel, or oil for personal vehicles. These items may be purchased when on approved travel in a County-owned vehicle or for an authorized rental vehicle.
 - c. Vehicle Repairs except when authorized by the Fleet Management Director.
 - d. Cash Advances
 - e. Any additional goods or services, specifically restricted by the Director of Purchasing, as notified from time to time.
 - f. Merchant Category Codes (MCC) are assigned by merchant card issuers to each merchant identifying the primary type of goods or services provided. These codes are used to impose purchasing restrictions at the point of sale when the merchant requests authorization for the transaction on a purchasing card.

The County Purchasing Card Administrator may utilize MCC codes to restrict purchases from classes of vendors when it is determined to be in the best interests of the County.

C. Lost or Stolen Purchasing Cards

If a Purchasing Card is lost, stolen, or misplaced during normal working hours, Monday - Friday 8:00 A.M. to 5:00 P.M., the Card Holder is to immediately notify the Purchasing Card Administrator. If the Purchasing Card is lost, stolen, or misplaced during any other hour or day, the Purchasing Card company must be notified immediately and notification given to the Purchasing Card Administrator the next work day.

D. Termination or Transfer of Card Holder

1. When an employee terminates employment, the Departmental Card Administrator shall collect the Purchasing Card, and submit the card to the Purchasing Card Administrator. If the Departmental Administrator is unable to collect the Purchasing Card when an employee terminates employment, the Departmental Administrator shall immediately notify the Purchasing Card Administrator by email. The Purchasing Card Administrator shall ensure that the card is canceled.

2. When an employee transfers to another Department or Division, their card may be transferred upon the submission of a Request/Change Form requesting the change and authorized by the respective Division Director. If the card is not to be transferred, the procedure in Section 1 is to be followed.

E. Disciplinary Action Guidelines

1. Improper or unauthorized use of the card.
 - a. Any incident of improper or unauthorized use of the card shall be reported immediately to the Purchasing Card Administrator.
 - b. The Purchasing Card Administrator may suspend or terminate Card Holder privileges for improper or unauthorized use.
 - c. Improper or unauthorized use of the card may subject the employee to appropriate disciplinary action as follows:
 - 1) First Offense: written reprimand, placed in the Card Holder's personnel file.
 - 2) Second Offense: three days suspension without pay.
 - 3) Third Offense: termination of employment with Leon County.

2. The appropriate disciplinary action will be dispensed by the immediate supervisor based on consultation with the individual and the Department/ Division Director

3. In addition to any administrative and disciplinary action that may be taken, the employee may be required to reimburse the County for the total amount of the improper charges through payroll deduction or direct payment.

4. Failure to submit reports and required documentation within the time periods required in the procedures may result in the following:
 - a. First Offense: Suspension of Card Holder privileges for a minimum of seven (7) days and an oral warning.
 - b. Second Offense: Suspension of Card Holder privileges for a minimum of thirty (30) days and a written reprimand to be maintained in the employee's County personnel file.
 - c. Third Offense: Immediate termination of Card Holder privileges and a written reprimand to be maintained in the employee's County personnel file.

5. The time periods may be adjusted by the Purchasing Card Administrator as necessary due to emergency, natural disaster, acts of God, or other appropriate reason.

Section III - Making and Paying for Purchases

A. Documentation of over-the-counter purchases

1. When an over-the-counter purchase is made, the Card Holder must obtain the customer's copy.
2. All documentation received which is evidence of the transaction (e.g. sales receipt, charge slip, packing slip, etc.) must be retained by the Card Holder for matching with the monthly statement, and subsequent submission to the Finance Department.

B. Telephone/Internet Orders

When placing a telephone/Internet order, the Card Holder must confirm that the vendor will charge the Purchasing Card when shipment is made so the receipt of the order may be certified on the monthly statement. Be sure shipping/handling costs are shown and included in dollar total. The Card Holder must receive a delivery slip with the order to retain for matching with the monthly statement.

C. Sales and Use Taxes

Leon County is exempt from paying any State of Florida sales and use taxes - this applies even with use of the Purchasing Card. The Card Holder is to make this clear to the vendor at the time of the purchase, whether it is an over-the-counter purchase or a telephone/Internet order. If the vendor charges sales tax, the Card Holder must contact the vendor and obtain a credit equal to the amount of the sales tax. The tax number is printed on the purchasing card.

D. Returning Merchandise Purchased with the Card

Card Holder is responsible for managing any return/exchanges and ensuring that proper credit is received for returned merchandise. Card Holder should contact the vendor and obtain instructions for return. Appropriate documentation should be received for the transaction and after the transaction, the statement should be reviewed to ensure that the account has been properly credited for the return/exchange.

E. Documentation

The Card Holder must obtain and retain all documentation for each transaction (e.g. sales receipt, charge slip, packing slip, etc.). Failure to provide this documentation may result in the Card Holder reimbursing the County for that particular charge.

F. Payment and Invoicing

Each Card Holder will receive training in and a copy of the payment and invoicing procedures for the purchasing card program. It is each Card Holders responsibility to assure that the procedures and timelines are strictly followed.

G. Disputes

A dispute occurs when a Card Holder questions a transaction that has been charged to their account. It is the responsibility of each Card Holder to properly follow all dispute procedures established by the Purchasing Card Administrator. The Card Holder shall meet all time frame and documentation requirements established by the Purchasing Card issuer be followed to protect the Card Holder's rights in dispute under state and Federal law.

Revised February 12, 2013