



PURCHASING CARD POLICY AND PROCEDURES

1. **PURPOSE**

To establish policies and procedures for procuring goods and/or services using a Purchasing Card. Purchasing Cards are referred to throughout this policy as the “P-Card.” The purchasing card program is designed to streamline the purchasing and accounts payable process by reducing the paperwork generated by small dollar, high volume transactions, eliminating the need for purchase orders and facilitating quick payment to vendors.

This policy includes procedures for the following:

- Establishing Purchasing Limits
- Establishing Allowable/Prohibited Purchases
- Security
- Charge Transaction Declines
- Merchandise Returns
- Report Processing
- Reconciliation
- Payment Processing
- Records Management

2. **SCOPE**

This policy applies to all Randall County departments and individual, permanent employees. All Purchasing Cards shall be governed by this policy and used in a manner that complies with State Law and Randall County policy regulating the procurement of goods and services.

3. **POLICY**

Employees who use the P-Card to perform official County business will use the Card as provided in this policy.

4. DEFINITIONS

Purchasing Card – The P-Card is a commercial credit card for small dollar purchases of goods necessary for official county business. The P-Card may be issued to an individual, permanent employee for purchases made by the designated employee only.

Purchasing Card Program Administrator – The designee who will serve as a single point of contact between Randall County and the Bank for general oversight of the Purchasing Card Program.

Departmental Purchasing Card Coordinator – An individual or backup approved by the Elected Official or Department Head who is responsible for administration and control of the departmental implementation of the Purchasing Card Policies and Procedures.

Purchasing Cardholders – Full-time, permanent employees that have been designated by the Elected Official or Department Head to be issued a P-Card in their name for use under these policies and procedures.

Bank – The bank selected by the County to provide the P-Card program.

Cut off Dates - Semi-Monthly cut off dates are the 6th through the 20th of each month and the 21st through the 5th of the following month.

5. RESPONSIBILITIES

5.1 It shall be the responsibility of the Purchasing Department to:

5.1.1 Develop policy and procedures for the use of P-cards that comply with State Law.

5.1.2 Administer the P-Card Program, to include the following responsibilities:

- Serve as primary contact with the Bank for P-Cards.
- Serve as primary contact with the Departmental P-Card Coordinators.
- Approve/process applications for the issuance of P-Cards for users in compliance with the requirements as stated in the policy.
- Establish guidelines and criteria for transactions and cumulative dollar limits for P-Cards.
- Approve/process changes to Cardholder limits and restrictions as authorized by Elected Officials, Department Heads or the Departmental P-Card Coordinators.
- Keep a current list of Cardholders, card numbers and card limits.
- Coordinate training on P-Card usage and small purchase policies and procedures.
- Review departmental compliance/submission of approved expense reports with receipt reconciliations.

- Cancel and suspend cards as requested by Elected Officials, Department Heads, Departmental P-Card Coordinators, or Commissioner's Court.
- Coordinate any system updates needed to interface with the County's accounting system.
- Review transactions for verification of small dollar purchases and price agreement opportunities.
- Cardholders are considered assistants of the Purchasing Agent for purposes of Purchasing Card use. (LGC 262.011)(l) Therefore, final authority for usage and control resides with the Purchasing Agent. The Purchasing Agent may cancel a Purchasing Card at any time for noncompliance with this policy.
- Spending limits may be adjusted at the Purchasing Agent's discretion to accommodate emergency purchases.
- Process General Ledger interface for monthly County P-Card purchases.

5.2 It shall be the responsibility of the Auditor's Department to:

- 5.2.1 Establish General Ledger hierarchy for P-Card purchases in conjunction with Information Technology Department.
- 5.2.2 Review Semi-Monthly expense reports and monthly billing statement from the bank and ensure timely payment of indebtedness.
- 5.2.3 Review or perform necessary accounting transactions to process all departmental charges and ensure the reconciliation account zeros out monthly.
- 5.2.4 Conduct random audits of P-Card transactions to act as a check on departments carrying out their responsibility for audit and compliance with State Law and County policies.

5.3 It shall be the responsibility of all Elected Officials or Department Heads to:

- 5.3.1 Designate which employees will receive a P-Card and set limits for each Cardholder's account. Cardholder limits will include monthly spending limits, number of transactions per day, number of transactions per billing cycle, and merchant category restrictions. These limits will be based on the Cardholder's purchasing requirements and will not exceed the limits established by P-Card Program Administrator.
- 5.3.2 Approve or authorize personnel to approve all departmental transactions for processing by Auditor's Office.
- 5.3.3 Recommend suspension or cancellation of a card to P-Card Program Administrator.
- 5.3.4 Notify P-Card Program Administrator to cancel card privileges, if employee is terminated or changes positions; collection of card from employees. (Exhibit #6)
- 5.3.5 Designate Departmental P-Card Coordinator (and alternate) for each Department who will be responsible for the following:

- Verify that information on Requests for Purchasing Cards is correct and that P-Cards are issued within the guidelines established by P-Card Program Administrator. (Exhibit #1)
- Monitor purchases made by Cardholders.
- Enforce timely compliance of submission requirements; review receipts and expense report reconciliations for submission to the P-Card Program Administrator.
- Code general ledger account numbers and description of purchase to online card transactions before submission for payables process.
- Review P-Card applications or changes to card controls prior to submission.
- Designate a system to maintain receipts and reconcile to Semi-Monthly expense report for each Cardholder reporting to him/her.
- Obtain original signatures of card holders and authorized approvers for payables on expense reports for submittal to Purchasing. Signature stamps do not constitute an original signature.

5.3.6 Suspend use of P-Card's beginning September 15th through September 30th of each fiscal year for supplies or materials for end of year accounting. (This does not include transport card usage.)

5.3.7 Designated Cardholders will be responsible for the following:

- Read and sign a Purchasing Card Cardholder Agreement (Exhibit #2) prior to being issued a P-Card.
- Assume responsibility for all purchases made with the P-Card, adhering to this policy insuring that no unauthorized purchases are made. Unauthorized purchases could be considered misappropriation of County funds.
- Inform merchant of tax exempt status; cardholder will be responsible for notifying vendor for tax credit or reimbursing the tax amount to the County. Reimbursement to the county by cardholder shall be in the form of check, money order or cash.
- Keep itemized receipts.
- Verify charges posted on expense report and sign report.
- Immediately report lost or stolen cards to the Bank toll-free number and the P-Card Program Administrator by phone and then notify the Department P-Card Coordinator on Lost/Stolen Form (Exhibit #3) to be forwarded to the P-Card Program Administrator.
- Make every reasonable effort to resolve disputed purchases with the vendor.
- Immediately report all unresolved disputed purchases to the Departmental P-Card Coordinator using the Purchasing Card Dispute Form (Exhibit #4).

PROCEDURES

- 6.1 Purchasing Limits – Each Department will establish limits for individual P-Cards and aggregate limits for combined card totals. The maximum amount of a **single transaction or single item** purchase of supplies or materials will not exceed **\$2500**. Cardholders must have prior approval from the Purchasing Card Administrator for any purchases over the established dollar limit, or purchases that cannot be obtained any other way. In all cases, a monthly maximum per card will be established by the Elected Official or Department Head.
- 6.2 Purchases Allowed with the Purchasing Card – Purchasing Cards may be used to purchase materials and supplies for immediate use not prohibited by law, this policy, or other policies approved by the Commissioners Court. The total purchase with the P-Card will not exceed the limits established for that Card. All other purchasing policies remain in effect and P-Cards should not be used to circumvent them.
- 6.3 Purchases Prohibited with the Purchasing Card:
- Personal expenditures.
 - Cash Advances or refunds.
 - Sales tax except in cases where State law does not exempt local governments.
 - Entertainment of any kind, including the purchase of alcohol or patronage of drinking establishments.
 - Purchases under contracts, unless an emergency exception is granted.
 - Separate, sequential, and component purchases or transactions made with the intent to circumvent State Law or County policy.
 - Purchases that are split to stay within card transaction limits.
 - Transaction amounts greater than Cardholder's transaction limit.
 - Expenditures for services and/or labor.
 - Holiday Greeting Cards.
 - Other purchases specifically excluded in other County policies or by law.
 - Purchases made by someone other than assigned cardholder.
- 6.4 Security – The Cardholder is responsible for the security of the card. This card should be treated with the same level of care as the Cardholder would use with his/her own personal charge cards.
- 6.5 Supporting Documentation for Card Purchases – All transactions must be supported by **itemized** receipts (An itemized receipt is defined as a receipt with each item listed on the receipt.) or credit slips. If cardholder fails to get an itemized receipt, and cannot get a copy from vendor, cardholder must fill out a Credit Card Affidavit (Exhibit #7) and submit with expense report. In instances where the receipt is lost, **Cardholder** must obtain a copy at their own expense from the vendor or bank. If, after numerous attempts, a copy is not provided to cardholder, cardholder must sign a Credit Card Affidavit (Exhibit #7) and submit with expense report. For purchases

made over the phone or on the Internet, a logging system with unique transaction identifiers should be maintained and a faxed copy or e-mail confirmation of the order retained as the receipt.

6.6 Declined Transactions – If a Vendor receives a “Decline” response from the Bank after attempting to put through a P-Card transaction, Cardholders should contact the P-Card Program Administrator with the following information for resolution:

- Account number
- Business where decline occurred
- Total transaction amount of the decline
- Date the decline occurred

After determining the reason for the “Decline” it may be necessary for the P-Card Program Administrator to contact the P-Card Program Coordinator for temporary or permanent changes to the Cardholder’s control limits to process the transaction.

6.7 Using the Card – A need for an item is established when it is not readily available through a County contract. In making a purchase, the Cardholder must abide by the following rules:

- The Cardholder must ensure that item purchased is not restricted under paragraph 6.3.
- In purchasing an item the Cardholder must ensure that sales tax is not included in the purchase price before issuing payment with the P-Card.
- The Cardholder must retain the purchase receipt and attach it to the Semi-Monthly expense report. After being signed by the appropriate personnel, the expense report should be submitted to the P-Card Program Administrator, (Purchasing Dept.).

6.8 Purchasing Return – The Cardholder is responsible for obtaining a credit memo from the Vendor when merchandise purchased with the Card is later returned to the Vendor for any reason. The credit memo will be attached to the expense report along with the sales receipt.

6.9 Reports – When the reconciliation process is complete, the expense report will be signed by the cardholder and the Elected Official, Department Head or authorized personnel with original signatures and returned **by the 5th business day** after the end of the cut off date to the P-Card Program Administrator. Failure to meet timely submission requirements from Cardholders to P-Card Program Administrator may cause suspension or cancellation of P-Cards as authorized by Commissioners Court. The Auditor’s office will reconcile all Departmental expense reports to the wire transfer.

6.10 Reconciliation of Card Purchases

The Department P-Card Coordinator is responsible for ensuring that the expense report is reconciled with the purchase receipts. The Elected Official, Department Head or authorized personnel is responsible for reviewing receipts and expense reports and sending them to the P-Card Program Administrator **by the 5th business day** after the cut off date.

6.11 Records Management

The Departmental P-Card Program Coordinators must maintain all original receipts in a secure location until they are reconciled to the Semi-Monthly expense report. Records from each Semi-Monthly expense report should be kept together.

6.12 Lost or Stolen Purchasing Cards

- When it is determined that a P-Card has been lost or stolen, **IT IS IMPERATIVE TO FIRST CANCEL THE CARD WITH THE BANK BY CALLING THE BANK'S TOLL-FREE NUMBER.** In addition, the Cardholder must also notify the P-Card Program Administrator of the loss by phone and then complete a Purchasing Card Lost/Stolen Card Form (Exhibit #3) and forward it to the Cardholder's Elected Official or Department Head, the Departmental Coordinator and the P-Card Program Administrator.
- Once a P-Card is discovered lost or stolen, it is imperative to cancel the card immediately. The County is liable for all charges until the card is reported lost or stolen. **Thus, the Cardholder may be responsible for all charges made against the P-Card from the time it is lost or stolen until the time the Bank is notified, if the Cardholder fails to immediately notify the Bank upon discovering the loss or fails to discover the loss within a reasonable amount of time.**

6.13 Request for Issue of a P-Card – To request a new P-Card a Purchasing Card Request Form (Exhibit #1) should be completed by the P-Card Program Coordinator, signed by the employee and submitted to the appropriate Elected Official or Department Head for approval. Following approval, the form should be forwarded to the P-Card Program Administrator.

6.14 Changes to Existing Accounts – To make changes to an existing P-card account, a Purchasing Card Change Form (Exhibit #5) should be completed by the requesting employee and submitted to the appropriate Elected Official or Department Head for approval. Following approval, the form should be forwarded to the P-Card Program Administrator.

6.15 Unauthorized Use of the Purchasing Card – Any purchases that the P-Card Program Administrator deems prohibited as defined in paragraph 6.3 will be sent back to the

Cardholder for justification and/or explanation. If any prohibited charges appear in the Cardholder's transactions and expense report, the following may occur:

- The P-Card Program Administrator will investigate all circumstances surrounding alleged misuse of the P-Card and in cases where there is evidence of a procedure or policy violation; refer that information to the appropriate authority for investigations and/or disciplinary action.
- Failure of cardholder to submit itemized receipts or credit slips with expense report could result in suspension of P-Card.
- Termination of employment and forfeiture of the P-Card are potential disciplinary actions for improper use of the card.
- In those cases where there is evidence of negligent use of the P-Card, but no fraudulent acts have been committed, the Cardholder will be required to surrender the P-Card with all further privileges revoked.

Any employee having knowledge of violations to this procedure or any other procedure or policy governing the use of the P-Card must immediately report such activity to the P-Card Program Administrator.

The P-Card may be suspended or terminated if a Purchasing Cardholder is suspected of fraud, theft, or illegal use. Should the suspicion prove founded, appropriate action shall be taken in accordance with existing County policies and procedures.

6.16 Disputed Items – Disputes, if possible, should be resolved promptly between the Cardholder and the Vendor. Cardholders should raise disputes immediately. As failure to do so will result in an authorized purchase that the department is responsible for paying even though the charge is incorrect. If the dispute cannot be resolved within 10 days, the Cardholder should submit a Dispute Form (Exhibit #4) to the P-Card Program Administrator. A charge should not be disputed on the current expense report if it was returned for credit after the cut-off date. The credit should be reported on the next expense report with a notation being made that there is a disputed charge and expected credit.

6.17 Termination Clause –The P-Card is issued to an employee for the County's convenience and may be suspended or terminated at any time by the County for non-compliance with County policies and procedures. Transfer, resignation, or terminations of employment are grounds for cancellation of the P-Card. The P-Card Program Coordinator should complete the Purchasing Card Return Form (Exhibit #6) and forward the form to the P-Card Program Administrator.

It is important to cancel a card immediately upon an employee's separation from employment. The Bank or the Credit Card Recovery Program will not cover any charges incurred between the employee's termination date and the date the card is cancelled. The department will be responsible for payment of charges incurred by an employee no longer working in that department; if a delay in canceling privileges resulted from the department's actions.

7. LEGAL REFERENCES

This policy statement of the Purchasing Agent is pursuant to Texas Local Government Code 262.011(l) & (o).

County Purchasing Act, Texas Local Government Code, Chapter 262, Subchapter C.

By this policy, the Randall County Commissioners Court authorizes the use of County provided purchasing cards. The purpose of the purchasing cards is to provide the County with an efficient and controllable method of making small dollar, high volume commodity, service and travel purchases. The purchasing card will be primarily used in place of small purchase orders that are issued on a routine basis. This card policy is not intended to replace, but rather supplement existing purchasing, travel and other County policies.

The County Purchasing Agent will be the Purchasing Card Program Administrator and is responsible for all activities related to the County Purchasing Card Program.

8. APPROVAL/ REVISION HISTORY

8.1	09/28/2004 Court Approval	Original Document
8.2	12/13/2005 Court Approval	Minor Revisions
8.3	10/23/2012 Court Approval	Minor revisions to increase accountability
8.4	04/08/2014 Court Approval	Revision to increase single item dollar limit
8.5	01/12/2016 Court Approval	Limited single transaction to \$2500

Ernie Houdashell, Randall County Judge

ATTEST:

Renee Calhoun, Randall County Clerk

REQUEST FOR PURCHASING CARD
EXHIBIT #1

TO: Laurie Jones; Purchasing Card Program Administrator

FROM: _____
(Department)

SUBJECT: Request for Purchasing Card

I request the following employee be issued a County Purchasing Card for the purpose of making small-dollar purchases in the normal course of authorized Randall County business.

Full Name of Employee (print): _____

Employee Social Security Number: _____

Date of Birth: _____

Employee Signature: _____

Employee Title: _____

Employee Number: _____

30-Day Limit _____

Restrictions: _____

Will the card be used for travel related items? (i.e. airline tickets, rental cars, hotels, etc.):

_____ No _____ Yes _____ **Only** for travel related items

REQUESTED BY: _____
Signature of Elected Official/Department Head

APPROVED BY: _____
Signature of P-Card Program Administrator

Copy: Designated Cardholder
Elected Official/Department Head

PURCHASING CARD LOST/STOLEN REPORT
EXHIBIT #3

TO: Laurie Jones; Purchasing Card Program Administrator

FROM: _____
(Department)

Card Number: _____

Full Name of Employee (print): _____

Employee Social Security Number: _____

Employee Signature: _____

Employee Title: _____

Date of Loss: _____

Date Stolen: _____

Details: _____

Copy: Designated Cardholder
Elected Official/Department Head

CARDHOLDER STATEMENT OF DISPUTED ITEM(S)
EXHIBIT #4

RE: _____

CARDHOLDER NAME: _____ CARD NUMBER: _____

MERCHANT NAME: _____ DISPUTED AMOUNT: \$ _____

I dispute the charge(s) described herein as follows: [Check Appropriate Box(es)]

- I certify that the charge listed above was not made by me nor were the goods or services represented by the above transaction received by me or by a person authorized by me.
- I do not recognize the transaction as listed above. Please inform me of merchant name and description of merchandise purchases.
- Although I did engage in the above transaction, I dispute all or part of the charge in the amount of \$ _____.
- I have contacted the merchant and requested a credit adjustment that I did not receive or was not satisfactory.
- I have been charged twice for the same transaction. Posting dates: _____ and _____
- A credit slip was listed as a sale on my statement.
- The amount of the sales slip was increased from \$ _____ to \$ _____. Enclosed is my copy of the sales slip prior to alteration.
- I received a price adjustment (credit slip) on the above transaction, and it has not appeared on my statement. Enclosed is a copy of the credit memorandum.
- Non-Acceptance
- Other, please explain completely.

I am disputing the charge because: _____

Designated Cardholder Signature: _____
Daytime Phone: _____
Date: _____

Fax Dispute Form to: Laurie Jones
468-5534

PURCHASING CARD CHANGE FORM
EXHIBIT #5

TO: Laurie Jones; Purchasing Card Program Administrator

FROM: _____
Department)

Card Number: _____

Full Name of Employee (print): _____

Employee Signature: _____

Employee Title: _____

Date of Increase: _____

Increased To: _____

Other Requests:

Head Department Signature: _____

Reason: _____

Date Changed: _____

P-Card Administrator Signature: _____

Copy: Designated Cardholder
Elected Official/Department Head

PURCHASING CARD RETURN FORM
EXHIBIT #6

TO: Laurie Jones; Purchasing Card Program Administrator

FROM: _____
(Department)

Card Number: _____

Full Name of Employee (print): _____

Employee Signature: _____

Employee Title: _____

Date Card Returned: _____

Returned To: _____

Signature: _____

Reason: _____

Action/Date Taken: _____

Copy: Designated Cardholder
Elected Official/Department Head

PURCHASING CARD AFFIDAVIT
EXHIBIT #7

TO: Laurie Jones; Purchasing Card Program Administrator

FROM: _____
(Department)

Cardholder Name (print): _____

Name of Merchant (print): _____

Date of Transaction: _____ Amount of Purchase: _____

Reason for Affidavit:

_____ Missing Receipt _____ Receipt Not Itemized _____ Other

Reason for Missing Receipt _____

Items Purchased (Only if receipt is not itemized) _____

Other _____

The cardholder certifies that the above transaction is accurate and that all efforts were made to obtain a receipt pursuant to the Purchasing Card Policy and Procedures, Section 6, (Supporting Documentation for Card Purchases).

Signature: _____

Date: _____

Copy: Designated Cardholder
Elected Official/Department Head