

CITY OF TROY

Guidelines for Purchasing Cards

Purchases under \$500.00 (revised 6/28/03)

NOTE: a purchase is defined as the total on the receipt; not the price of each individual item bought. Purchases cannot be split to accommodate the \$500.00 limit.

- Cardholder gets verbal approval for purchase from supervisor/foreman
- Cardholder and supervisor/foreman signs receipt after purchase is made
- Receipts are held and attached behind bi-weekly statement
- P-card account is monitored on the Internet to verify correct charge amount posted to account and assign expense account numbers to the purchase
- Funds are encumbered and paid at the time the statement comes due in accordance with ORC 5705.41D (Now and Then situation)

Purchases \$500.01 to \$1,000.00

NOTE: a purchase is defined as the total on the receipt; not the price of each individual item bought. Purchases cannot be split to accommodate the \$1,000.00 limit.

- Cardholder completes pre-approval form and supervisor/foreman signs form before forwarding to Department head or designee for approval. Form is returned to cardholder
- Cardholder makes purchase and attached receipt to pre-approval form
- Receipts are held and attached behind bi-weekly statement
- P-card account is monitored on the Internet to verify correct charge amount posted to account and assign expense account numbers to the purchase
- Funds are encumbered and paid at the time the statement comes due in accordance with ORC 5705.41D (Now and Then situation)

Purchases \$1000.01 and over

- Cardholder/Supervisor requisitions a purchase order that is initiated by department head. The body of the PO shows "P-card purchase" and the cardholder's name plus the description of the item being purchased
- Director of Public Service and Safety approves purchase and Auditor's Office certifies available funds
- A copy of PO is returned to cardholder approving purchase
- A copy of PO is given to Auditor's Office to encumber funds
- Cardholder makes purchase and attached receipt to PO
- Receipts are held and attached behind bi-weekly statement
- P-card account is monitored on the Internet to verify correct charge amount posted to account and assign expense account numbers to the purchase
- Funds are encumbered before the purchase in accordance with ORC 5705.41

PURCHASING CARD PROGRAM SUMMARY OF CARDHOLDER DUTIES

- Maintain card security to prevent unauthorized charges against account
(only the name printed on the P-card can make purchases)
- Obtain proper authorization before making purchase
 - \$500 and under – Supervisor/foreman verbal approval
 - \$500.01 to \$1,000.00 – pre-approval form completed
 - \$1,000.01 and over – purchase order approved
- When making purchase, identify yourself as a City employee and tell cashier the City of Troy is a tax-exempt entity (tax exempt # is embossed on front of P-card)
- Obtain a receipt at the point of purchase and verify for accuracy. It is important to insure the merchant does not charge state sale tax (cardholder is responsible to get vendor to remove sales tax applied in error)
- Request confirmation number of purchase from vendor on telephone orders
- Print order page (receipt) when making Internet purchases
- Obtain supervisor's signature on purchases \$500 and under
- Keep receipt(s) until statement is printed (cardholder is responsible for obtaining duplicate of any lost receipts)

NOTE: Lost receipts will not be tolerated. Obtaining a duplicate receipt is the cardholder's responsibility.

- Review and verify charges as they appear on Internet program. If an error is located, take steps to correct immediately)
- Complete transaction data as needed on the Internet program (Assign account number(s) to purchases. Make notation of purchase order numbers used.
- Print statement at end of billing cycle (even to show zero activity) and verify receipts are present for each transaction on statement. Sign statement.
- Attach receipts, pre-approval form, and POs to back of statement, in the order listed on the statement, and forward to appropriate individual immediately
- Call Élan Customer Service and the Auditor's Office in the event of a lost or stolen card
- Notify Élan Customer Service and the Auditor's Office of any billing discrepancies that cannot be resolved with the vendor (Cardholder must submit dispute in writing). A copy of the letter of dispute is sent to the Auditor's Office.

IMPORTANT NUMBERS and ADDRESSES

- Auditor's Office 335-2224
- Élan Customer Service 1-800-393-3525

Disputed billings must be sent in writing within 60 days of statement to:
U.S. Bank
PO Box 6344
Fargo, North Dakota 58125-634

Summary of Supervisor/foreman responsibilities

- Verbally approves under \$500.00 purchases and countersign receipts for those items
- Sign pre-approval form (items \$500.01 to \$1,000.00) and forward to department head or designee for approval
- Monitor cardholder purchases to insure proper authorization was given before purchase was made

Summary of Department Head responsibilities

- Determine which employees will be permitted to have a purchasing card. Requests for new cardholder accounts must be submitted in memo form to the Auditor's Office.
- Determine which employee(s) in department are authorized to countersign purchases under \$500 and the employee(s) authorized to approve purchases \$500.01 to \$1,000.00. These names are submitted in memo form to Auditor's Office and Director of Public Service and Safety.
- Review and approve all purchases \$1,000.01 and over
- Monitor the foremen or supervisors to insure approvals were in place before purchases were made (verbal approval for under \$500, pre-approval forms \$500.01 to \$1,000.00 and purchase order for \$1,000.01 and over.
- Insure cardholders submit their signed statements in a timely manner
- Verify each cardholder signed their statement
- Review cardholder's statements to make sure the proper account numbers are assigned and make manual adjustments on the statement when needed.
- Complete a consolidation report (EXCEL spreadsheet for their department's cardholders at the end of each billing cycle).
- Sign consolidation report approving purchases and account numbers to be charged
- Attach individual cardholder statements with receipts to back of consolidation report and forwards bundle to Director of Public Service and Safety in a timely manner
- If an individual account is inactive for more than 2 months it will become a passive account. At this point the department head will request the return of the purchasing card and secure it against lost. The department head will notify the City Auditor's Office to change the account to a passive status. The department head will decide when to return the purchasing card to the cardholder
- When an employee transfers departments, the new department head notifies the Auditor's Office to adjust the logon associations and new account number.
- When an employee terminates employment, the department head will retrieve the purchasing card for terminated employees and return it to the Auditor's Office to close the account.

Summary of Director of Public Service and Safety responsibilities

- Review and approve purchase orders for purchases \$1,000.01 and over
- Review cardholder's statements consolidation reports:
 - Verify the figures on the consolidation report are the same as the total on the cardholder statements. Cardholders who did not make purchases during the billing cycle will print and sign statements showing no activity.
 - Verify cardholder printed statement for the correct billing cycle dates. Exception—"No activity" statement do not show billing cycle dates.
 - Verify cardholder signed their statement
 - Verify a receipt is attached for each item in the order listed on the statement
 - Verify each receipt has the proper signatures and attached paperwork such as pre-approval form or PO
 - Verify sales tax does not appear on receipts
 - Service Director's designee signs the consolidation report. Clip cardholder's statement and receipts behind the department consolidation report. The number of cardholder statements should match the number of statements listed on the consolidation report.
 - Obtain Director of Public Service and Safety's signature on the consolidation report then forward bundle to City Auditor's Office (by Wednesday Noon)

NOTE: If park or recreation board member is not available to sign the consolidation report, the administration responsibility will revert to the Director of Public Service and Safety

Summary of Auditor's Office Responsibilities

- Daily administration of purchasing card program:
 - Set up and order purchasing card accounts for new cardholders
 - Give instructions and training as needed
 - Recall purchasing cards and closes accounts as needed.
 - Maintain account restrictions such as purchasing limits, vendor restrictions, etc.
 - Maintain purchasing card files with bank agreement, cardholder agreement, correspondence, etc.
 - Monitor accounts on Internet for possible problems
- Review and certify funds on purchase orders for purchases over \$1,000.01
- Encumber funds related to purchase orders
- Randomly audit of department reports and cardholder statements to verify receipts and approvals are attached to statements
- Post payments to account numbers in the FINX program
- Contact Treasurer to initiate ACH payment for purchasing card payment to bank in timely manner to avoid late fees
- Maintain bi-weekly statement and consolidation reports for auditing purchases at annual compliance audit

Examples of where the
Purchasing Card can be used

- Supplies
 - Maintenance
 - Office
 - Computer
- Auto repair & parts
- Stock replenishment
- Subscriptions/Memberships
- Registrations/Training
- Hotel lodging
- Car Wash
- Printing
- Photography
- Postage
- Travel and meal (approved)
- Any properly approved purchase

Examples of where the
Purchasing card **may not** be used

- NO Cash advances
 - Money Order
 - Travelers Checks
- NO alcohol
- NO Entertainment/Recreation
 - Theatres
 - Video Rentals
 - Bands, Entertainers
 - Public Golf Courses
 - Commercial Sports
 - Amusement Parks
 - Casino, Betting, Lottery
- NO Personal Services
 - Security Brokers
 - Insurance sales
 - Child care/babysitting
- NO fuel or food purchases at gas stations
- Any merchant, product or service normally considered being inappropriate by City standards

For Police & Fire Dept. Only

PURCHASING CARD Guidelines for Sign-Out Cards

- The department head or the person designated by the department head is responsible for the security of the purchasing card.
- The department head approves which employees may sign out a purchasing card.
- The department head must approve the purchases or travel plans before the employee can sign out a purchasing card.
- The department head signs the printed statement with attached receipts.
- The department designee is responsible for maintaining the "sign-out" sheet with the date, time, and signature of individuals who sign out then returns a purchasing card.
- The department designee is responsible for assigning account numbers to purchases in PVS NET, receipt safekeeping, and printing the bi-weekly statement.
- Both the department designee and the employee's signature is required on the "sign-out" sheet at the time the purchasing card is released and required again at the time the card is returned for safekeeping.
- The employee signing out a purchasing card will follow the purchasing card program guidelines for purchases under \$500, \$500.01 to \$1,000, and \$1,000.01 and over.
- The employee signing out a purchasing card is responsible for completing pre-approval forms or for obtaining PO approval (if required) before using the p-card.
- The employee signing out a purchasing card is responsible for obtaining a receipt for every purchase made while the card is assigned to them.
- The employee signing out a purchasing card is responsible for insuring the city's tax exempt status is applied to the transaction(s).
- The employee signing out a purchasing card is responsible for getting supervisor's signatures on receipts.
- The employee signing out a purchasing card is responsible for returning the purchasing card plus all receipts (copies are attached to the T & E form) immediately to the department designee upon completion of purchase or travel time.