

Category: 200

Number: 241

Subject: **COUNTY PROCUREMENT CARD POLICY**

**Purpose:** The purpose of this policy is to:

1. Provide the County with a more efficient method of making small dollar purchases. The procurement card system should result in an increase in savings and provide other cost reductions to the County by eliminating many of the necessary steps and paperwork now required to make small dollar purchases.
2. Assure that the County complies with the laws of the State of Michigan regarding the use of procurement cards by a government entity.
3. Communicate to County Elected Officials, Department Heads, County Employees, and the Public the formal Procurement Card Policy of the Board of Commissioners.

**Authority:** County of St. Clair Board of Commissioners

**Application:** This policy applies to all County Departments under the legal authority held by the Board of Commissioners as related to Procurement Cards.

**Responsibility:** The Administrator/Controller shall have the responsibility to implement and administer this policy.

**Definitions:** **Cardholder** is a County official or employee who has signed the cardholder agreement and has received a procurement card.

**EIN Number** is the employer identification number, which represents our tax-exempt status.

**Merchant Category Code List (MCC)** is a four-digit code used by the bankcard industry to classify a merchant's primary business. The MCC describes a merchant's product, service, or nature of business. In cases where a merchant is engaged in more than one type of business, the MCC will reflect the merchant's primary line of business.

**Procurement cards** are County owned credit cards that are used for purchasing official county business goods and services with a value of \$2,999.99 or less. Exceptions to this rule shall be approved by the Purchasing Department and/or the County Administrator/Controller.

**Program Administrator** is the individual responsible for implementing and administering the County Procurement Card Program.

**Purchase receipt** can be the signed credit card slip that the cardholder will receive from the vendor upon completion of the sale, a signed voucher by cardholder, a faxed copy of bill of sale, or a printed version of an internet order completion/vendor acknowledgement form.

**General:** The Procurement Card Purchasing System is designed to streamline processes and reduce expenses associated with procurement activities. It shall enhance our current purchasing system. The procurement card shall be used to procure low-value expense items. There will be no purchase order number required. The cardholder will make a purchase by charging it on the procurement card. The financial institution shall bill the County once each month. The Accounting Department shall record transactions upon receipt of purchase receipts and approval form from the department manager.

**Policy:** **Cardholder**

The cardholder must be an official or employee of the County.

Cardholders shall use the card for the purchase of official County goods or services.

The intended cardholder shall sign a Cardholder Acknowledgment form prior to receiving a card.

Cardholders shall be held accountable and responsible for their procurement cards.

The cardholder shall be responsible for ensuring the safety and integrity of the card at all times.

Cardholders shall sign all purchase receipts for validation purposes. The cardholder shall be required to obtain the detailed register receipt for over the counter purchases. When ordering over the phone, the cardholder shall request that a purchase receipt be emailed, faxed or post mailed with the item shipped to the ordering cardholder's attention. When ordering via the internet, a printed copy of completed order form showing the order acknowledgement from the vendor, shall serve as the purchase receipt.

Cardholders shall forward all purchase receipts to the individual specified in the County Procurement Card Procedures.

Cardholder shall be responsible for notifying the merchant that the County is a tax-exempt entity.

Cardholders shall be responsible for reporting immediately any fraudulent use or misapplication of the card to the department head and the Program Administrator.

Cardholders are responsible and accountable for adherence to the established per purchase and monthly limits set for their card.

Cardholders and the Program Administrator shall investigate any disputed charge immediately and complete the disputed charges form as necessary.

Cardholders shall be responsible for immediately notifying the financial institution and the Program Administrator if a card is lost or stolen.

Returned goods shall be the responsibility of the cardholder to coordinate with the vendor.

### **Department Head**

The department head shall establish the cardholder(s) for his or her department. A County official or department head shall complete a Procurement Card Account Application form for the individual in need of a card.

The department head shall be responsible for immediately notifying the Program Administrator of any employment status changes with cardholder(s) in his or her area.

The department head or designee shall be responsible for approving all purchases made by a cardholder in his or her area. The reconciliation documents must be submitted to the Program Administrator prior to the fifth (5<sup>th</sup>) day of each month. . Late submissions of approved statements to the Program Administrator may not be allowed. Procurement cards may be cancelled for employees or departments who do not submit payment information on a timely basis.

### **Procurement Card**

The procurement card will be used for COUNTY BUSINESS ONLY. NO PERSONAL USE, NO CASH ADVANCE, AND NO CASH REFUNDS SHALL BE TOLERATED. The aforementioned transactions shall be considered misappropriation of County funds.

Only the official or employee's name that appears on the card may use that card.

Several controls are available from the financial institution to the County and may be implemented for each person with a card. The County

official or department head shall establish the limits. The Program Administrator shall approve all requests.

The financial institution will replace lost or stolen cards. When an endeavor to exceed the limits established for a specific card is made, the transaction will be rejected when the merchant attempts to process the sale.

The County EIN shall be printed on the face of the card.

The signed purchase receipt will serve as the receiving document.

When applicable, all efforts should be made to consolidate purchases to maximize the monetary value of each transaction.

### **Billing**

A monthly statement shall be sent to each cardholder summarizing the charges made against his or her card.

The statements will be paid upon approval by the County Finance Director or designee.

### **Misuse of Procurement Card**

Violation of Procurement Card Policies and Procedures shall result in but not exclusive to discontinuance of procurement card purchasing privileges for the cardholder, and may result in discipline up to and including discharge, reimbursement to the County for unauthorized expenditures, and criminal prosecution.

**To the extent any County policies or resolutions conflict with this policy in whole or in part, they are hereby rescinded.**

### **Administrative**

**Procedures:** Reference County of St. Clair Procurement Card Purchasing Procedures dated 2/27/02.

### **Periodic**

**Review:** The Administrator/Controller or County Board of Commissioners shall review this policy as needed.

**Effective Date: 02/27/02**

**Amended Date: 05/16/07**

**Amended Date: 12/14/11**

**Amended Date: 12/08/16**