



**BOARD OF COUNTY COMMISSIONERS
INDIAN RIVER COUNTY, FLORIDA**

Purchasing Policies and Procedures

Manual Updated August 16, 2022

9. PURCHASING CARD PROGRAM

The Purchasing Card Program is administered by the Director of the Office of Management & Budget and is designed to improve efficiency in processing small dollar purchases from any vendor that accepts the credit card. This program allows cardholders to purchase approved commodities and services directly from vendors. Each purchasing card is issued to a named individual, and Indian River County is clearly shown on the card as the governmental buyer of the goods/services.

9.1 AUTHORIZATION

The purchasing card system simplifies the procurement/disbursement process. Procurement responsibility is delegated to the ordering department enabling an authorized cardholder to place an order directly with the vendor.

When the purchase authorization is requested by the supplier at the point of sale, the purchasing card system validates the transaction against preset limits established by the employee's department and approved by the Purchasing Card Administrator. All transactions are approved or declined (electronically) based on the purchasing card authorization criteria established. The authorization criteria may be adjusted periodically as needed and may include, but are not limited to, the following:

- A. Number of transactions allowed per day.
- B. Number of transactions allowed per month.
- C. Single purchase limit (not to exceed \$1,500 – capital items may not be purchased on credit cards).
- D. Monthly spending limit (not to exceed \$2,500.00, or \$5,000 for travel P-Cards).
- E. Approved merchant category codes.

The authorization process occurs through the electronic system that supports the purchasing card processing services under the agreement established between Indian River County and the financial services provider.

9.2 RESPONSIBILITIES

The following is a summation of the responsibilities of the individuals and organizations involved in the purchasing card system:

- A. Cardholder
 - 1. Hold and secure purchasing cards.
 - 2. Order materials and services.
 - 3. Inform vendor of tax-exempt status prior to processing sale transaction.
 - 4. Obtain all sales receipts and forward to the Department Purchasing Card Representative for authorizing approval.
 - 5. Identify disputed charges.

- B. Department Purchasing Card Representative.
 - 1. Review charges daily and sign authorizing the charges.
 - 2. Assign and/or verify the appropriateness of account numbers.
 - 3. Assist department cardholders with disputed items.
 - 4. Obtain signature from Department Head.
 - 5. Forward all charge receipts and necessary documentation to Finance daily. Ensure that all receipts for a given month are forwarded to Finance no later than five working days after month end.
 - 6. Collect cards from cardholders that end or transfer employment and notify the Purchasing Card Administrator.
 - 7. Notify the Purchasing Card Administrator of terminated employees immediately.

- C. Department Head or his/her designee.
 - 1. Request purchasing cards for designated employees.
 - 2. Set departmental and cardholder spending limits within established guidelines.
 - 3. Designate Department Purchasing Card Representatives.
 - 4. Review and sign charge receipts.

- D. Purchasing Card Administrator
 - 1. Approve requests for purchasing cards submitted by Department Head.
 - 2. Coordinate issuance and cancellation of cards.
 - 3. Coordinate program policy issues.
 - 4. Participate in ongoing program reviews.
 - 5. Participate in resolving billing disputes.
 - 6. Coordinate and maintain internal controls.
 - 7. Maintain procedures and cardholder guides/manuals.
 - 8. Conduct periodic operational and compliance audits.

- E. Finance
 - 1. Receive approved charge receipts from all cardholders.
 - 2. Confirm that all charges are authorized by Department Head or his/her designee.
 - 3. Reconcile consolidated statement, and notify departments and Purchasing Card Administrator when approved charge receipts are not received.

4. Pay all monthly charges from consolidated statement.
5. Process accounting data.
6. File and store statements, receipts, etc.
7. Upon request, provide weekly or monthly statements to the Department Head or his/her designee.
8. Report failure of departments to promptly turn in receipts to the Purchasing Card Administrator, as well as any other violations of the Purchasing Card Policy.

F. Purchasing Division

1. Pursue supplier discount opportunities
2. Evaluate purchasing card feedback from suppliers and cardholders.
3. Provide training to all new cardholders and refresher training classes as needed.

9.3 PROCEDURES

A. Assignment and Control of the Purchasing Card

1. Requests for and issuance of purchasing cards

a. Purchasing cards will be issued to individual employees, County Officers, and elected officials who frequently purchase goods/services in single purchase amounts of less than \$1,500.00.

b. The purchasing card will have the employee's name and employee ID# issued by the County, the County's name, the County's tax exemption number, and the expiration date. No credit records, social security numbers, etc., of the cardholder will be maintained.

c. All requests for purchasing cards must be made by the Department Head by using the Purchasing Card Request/Certification/Receipt form submitted to the Budget Office.

d. All requests for new cardholders or for changes to current cardholders will be made by ~~completing updating~~ the top portion of the approved and submitting a Purchasing Card Request/Certification/ Receipt form, and submitting it to the Purchasing Card Administrator after it has been signed by the Department Head.

e. When the Purchasing Card Administrator receives a purchasing card from the issuing card company for a cardholder, the cardholder will be required to personally take receipt of the card and sign the Purchasing Card Acceptance and Cardholder Agreement. The Purchasing Division will provide training and a copy of the Purchasing Card Procedures Guide to the cardholder.

f. The Purchasing Card Administrator will notify the requesting department and the Finance Office upon the issuance of all purchasing cards.

2. Lost or Stolen Purchasing Cards

a. If a purchasing card is lost or stolen, the cardholder or department representative must immediately notify the financial service provider and the Purchasing Card Administrator.

b. The cardholder will be responsible for reporting all information necessary to reduce the liability to the County for a lost or stolen card.

3. Termination or Transfer of Cardholder

a. When a cardholder ends employment, leaves office, or is transferred to another department, the Department Head (as applicable) must notify the Purchasing Card Administrator immediately, collect the purchasing card, cut it in half, and submit the card to the Purchasing Card Administrator.

b. If the department is unable to collect the purchasing card when an employee terminates, the Department Head must immediately notify the Purchasing Card Administrator. The Purchasing Card Administrator will ensure that the card is cancelled.

B. Limitation on Use of Purchasing Cards

1. Cardholder Use Only. The purchasing card may be used only by the cardholder whose name is embossed on the card. No other person is authorized to use or maintain a record of the card. Any individual discovered to be using another person's issued card is subject to disciplinary action, up to and including termination.

2. County Purchases Only. The purchasing card is to be used for County-authorized purchases only. The purchasing card cannot be used for any personal use. Any such use will require immediate reimbursement and may result in disciplinary action, which may include dismissal.

3. Dollar Limitations

a. The Department Head (as applicable) approving the assignment of a purchasing card will set two limits for each cardholder; a single purchase limit and a 30-day limit. The maximum limits shall be \$1,500.00 for a single purchase and \$2,500.00 during the 30-day billing cycle (\$5,000 during the 30-day billing cycle for the department Travel p-card). A Department Head may set limits lower than this if necessary. Requests for spending limit changes must be initialed and authorized by the Department Head (as applicable) and submitted to the Purchasing Card Administrator. Elected officials and County Officers shall be entitled to the maximum amounts set forth in this policy as it may be amended from time to time.

b. A purchase may include multiple items, but the total cannot exceed the cardholder's single-purchase limit. Payment for purchases shall not be split to stay within the single purchase limit.

4. Other Conditions

a. Sales taxes (including tourist taxes in the State of Florida) may not be charged by the vendor (with the exception of out-of-state travel). If requested, provide the vendor with the County's sales tax exemption certificate.

b. If an item is not immediately available, no back ordering is allowed.

5. Prohibited Uses of Purchasing Cards

a. Vendors that will accept Purchase Orders

b. Gasoline or oil for County vehicles only (unless cardholder is approved for travel expenses)

c. Vehicle repairs or similar services

d. Travel expenses, unless cardholder is approved by the Purchasing Card Administrator for travel expenses.

e. Training expenditures requiring a travel authorization form, unless cardholder is approved by the Purchasing Card Administrator for travel expenses.

f. Cash advances

g. Inventory stock items

h. Food/Restaurants, unless the cardholder is specifically approved for this use by the Purchasing Card Administrator

i. Capital Items (\$1,000 or more)

j. When department annual needs for like items/services or purchases from the same vendor exceed \$1,500.00 annually.

k. Any additional goods/services specifically restricted by the Purchasing Division or the department.

l. Telephone calls

m. Personal items

n. Invoices for previously purchased/ordered/received goods and/or services

o. Any services requiring licensure with the State/Building Division and/or liability insurance as required by the Administrative Policy.

p. Registration for courses, including online courses, unless a travel voucher is submitted with receipt through Budget.

6. Travel Expenses

a. Some cardholders may receive approval from the Purchasing Card Administrator to charge travel related expense to their purchasing cards.

b. Expenses for registration, hotel rooms (lodging) and related parking and resort fees, car rentals and airfare are allowed for such cardholders.

c. All travel related expenses must be for official County business and must be made in accordance with Section 112.061, Florida Statutes.

d. All cardholders must follow County policies on travel expense in addition to the Purchasing Card Policy. (e.g., completing Travel Approval Prior to Trip Form before making any charges on the Purchasing Card).

e. With the exception of each Department's dedicated Travel P-card, Only travel expenses for the cardholder are authorized. Charges shall not be made for any other employees or travelers other than the cardholder.

f. One checked bag is allowable.

g. All out of state travel must be preapproved by the County Administrator, per the Travel Policy.

h. The departmental travel P-cards will have a limit of \$5,000 per month, and may only be used for the purpose of hotel reservations.

C. Procedures for Making and Paying for Purchases

1. Online and Telephone Orders

a. The cardholder shall ensure a copy of the receipt is obtained. Packing slips are not sufficient documentation.

b. Receipts should identify the merchandise purchased. If the merchandise is not sufficiently identified on the order confirmation or receipt provided by the merchant, the cardholder should describe the merchandise sufficiently enough for the Department Director to determine that the purchase was for County purposes.

c. The receipt will be forwarded to Finance with the proper authorization signatures on a daily basis, and **no later than five business days after the purchase.**

2. Missing Documentation

Where supporting documentation is missing, the cardholder must contact the vendor and request a duplicate receipt. If the cardholder is unable to obtain documentation, a description of the purchase must be attached. Continued incidents of missing documentation may result in the cancellation of the employee's purchasing card and/or disciplinary action.

3. Payment and Invoice Procedures

a. The purchasing card company will provide one consolidated statement for all cardholders to Finance. This Statement of Account will list all transactions processed during the previous 30 days.

b. Finance will review the statement and receipts, noting any errors and notifying the departments of any discrepancies. The department will determine whether to dispute the item in question. If the item is disputed, follow the procedures below. All items must be resolved within five (5) working days of notification by Finance.

D. Disputes. If items purchased with the purchasing card are defective, the cardholder must return the item(s) to the vendor for replacement or credit. If the service paid for with a purchasing card is faulty, the vendor must be notified and asked to correct the situation or provide a credit. If the vendor refuses to replace or correct the faulty item or service, the purchase will be considered in dispute.

E. Review of Purchases by Departments

1. Because of their knowledge of the job responsibilities and requirements, Department Heads or designees are required to review each purchasing card expenditure (item purchased, amount and vendor) to ensure the goods/services were necessary and for official use.

2. When the Department Head is not satisfied that the purchase was necessary and for official use, the cardholder must provide either a credit voucher proving the item(s) were returned for credit or a personal check for the full amount of the purchase. Checks must be sent to Finance with an explanation and account number to credit. A copy of the check and explanation must be forwarded to the Purchasing Card Administrator.

3. Serious or repeated misuse of the purchasing card will result in the revocation of the card. Employees incorrectly using their purchasing card will be disciplined by the Department Head/ manager as necessary.

4. To help the departments in their reviews, management reports will be available from the Purchasing Card Administrator or Finance.

F. Abuse/Violations

1. Participation in the Indian River County Purchasing Card Program is a convenience that carries responsibilities along with it. Although the card is issued in a cardholder's name, it is County property and should be used with good judgement. Improper use of the card can be considered misappropriation of County funds which may result in disciplinary action, up to and including termination. Cardholders are expected to comply with internal control procedures in order to protect County assets. This includes keeping receipts, providing the receipts to Finance within three business days, resolving discrepancies and following proper card security measures.
2. The Department Purchasing Card Representatives and Department Heads should notify the Purchasing Card Administrator if a cardholder abuses the program or violates the procedures.
3. The Purchasing Card Administrator will conduct operational and compliance audits to determine if the program is being abused or procedures are being violated.
4. Misuse of the Purchasing Card may result in disciplinary or other appropriate action. In instances where violations, abuse or misuse of the Purchasing Card rise to level of a serious violation, the issue will be reported to the supervisor, and disciplinary action, up to and including dismissal, may result, in accordance with County policy.
5. Abuse, misuse, and violations include, but are not necessarily limited to the following:
 - a. Use of card for unauthorized or prohibited items/services (See 9.3.B.5).
 - b. Multiple transactions to circumvent Purchasing procedures.
 - c. Failure to provide proper documentation, receipts, invoices, etc. within five business days.
 - d. Purchase of Capital Outlay items.
 - e. Purchase from vendors which create a conflict of interest.
 - f. Personal charges.
 - g. Allowing another person to use the card.
 - h. Failure to report a lost or stolen card in a timely manner.
6. The following steps will generally be taken to address misuse/abuse/violations:
 - a. First Offense: Cardholder and supervisor will be notified verbally of the violation.
 - b. Second Offense: Cardholder will receive written notice of violation through his or her supervisor.

c. Third Offense: Purchasing Card privilege will be revoked and additional disciplinary action may be taken by the department.