

MEMORANDUM
COUNTY OF PLACER
PROCUREMENT DIVISION
2964 Richardson Drive
Auburn, CA 95603

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager

DATE: August 18, 2015

SUBJECT: Authorize the County's Procurement Card Program – Wells Fargo.

ACTION REQUESTED

1. Approve the new and updated Procurement Card Policy and Procedures documents.
2. Authorize the Purchasing Manager and the Auditor-Controller to take all actions necessary to implement the County's Procurement Card Program.

BACKGROUND

Placer County has utilized a credit card program since 1997. The current Cal-Card (Credit Card) Program is administered by US Bank and was last reviewed by your Board in November 2010.

Since its inception the Procurement Services Division has managed the County's Credit Card Program. The Credit Card Program allows and encourages departments to utilize credit cards for the acquisition of items that fall within the delegated purchasing authority. Currently 306 credit cards are being utilized Countywide with an annual volume of 7,466 transactions totaling \$1,063,210.

To further improve and enhance the use of the Credit Card Program, including streamlining County operations, the Procurement Division in cooperation with the Auditor-Controller's Office initiated a review of the County's Credit Card Program. The review focused on replacing the existing program from a paper intensive process to an online workflow solution with electronic document retention. A thorough review of various banking solutions that best met the County's requirements to create a fully automated system with proper controls and adequate workflow to ensure good checks and balances was conducted. Following this review and your Boards approval the Wells Fargo system was approved for a pilot program to determine if it would meet the County's needs.

The Wells Fargo solution enabled the Procurement Division, in consultation with the Auditor-Controller and County Executive offices, to initiate a pilot program that evaluated the migration from the existing paper intensive process to a fully automated system where all documentation including user transactions are stored electronically and readily available for auditing purposes without further impacting County storage or hardware expenses.

The implementation of the Procurement Card Pilot Program has been jointly administered through the Procurement Division and the Auditor-Controller's Office. The Procurement Card Pilot Program participants consisted of the Department of Administrative Services, Auditor-Controller's Office, Placer County Library, Health and Human Services, CDRA, County Executive Office, County Clerk-Recorder-Election's Office, and the Personnel Department. The Procurement Card Pilot Program allowed staff to thoroughly review the impact of the procedural changes resulting from this new program, provide recommendations regarding proper controls, and evaluate new workflow procedures.

Staff has conducted a pilot of over eighteen months and tested different time periods for reporting resulting in a recommendation of a twenty-eight day cycle for billing periods. The existing policy has been thoroughly reviewed and updated along with applicable procedures and are recommended for your Boards approval at this time.

With your Board's approval staff will continue to transition users over the next several months to the new system allowing for adequate training and implementation time for all of the remaining users. During this transition users will be accountable to either the existing policy and procedures or to the new policy as they are trained and transitioned. Upon completion of the transition the old policy and procedures will be eliminated. It is anticipated this will be completed prior to the calendar year end.

FISCAL IMPACT

There is no adverse fiscal impact anticipated with these actions. All of the fees associated with the pilot program have been waived for the duration. It is expected that there will continue to be direct productivity enhancements and organizational efficiencies from the implementation of these changes.

Attachments:

1. Procurement Card Policy
2. Procurement Card Procedures

cc: Andrew Sisk, Auditor-Controller
Jerry Gamez, Director of Administrative Services



PLACER COUNTY PROCUREMENT CARD POLICY

1.0 PURPOSE

To establish guidelines for authorization, distribution, and appropriate use of the Procurement Card for the acquisition of approved goods and services by County of Placer employees. The County of Placer acknowledges the necessity and efficacy of Procurement Cards as a purchasing tool to be utilized in lieu of petty cash, direct vouchers, sub-purchase orders, travel cash advances, emergency purchase orders, or purchase requisitions when the dollar amount for the purchase is within the delegated purchasing limit. This policy is provided to ensure departmental and personal responsibility, and to ensure proper use.

2.0 POLICY

County issued Procurement Cards are authorized for the purpose of conducting County business. Authorization to use the card is restricted to the Cardholder only and may not be delegated except as described in the Procurement Card Procedures Manual. The card is strictly for official County use and may not be used for personal purchases or under circumstances that would create a conflict of interest.

With Department Head approval, a Procurement Card will be issued to an employee for the purchase of goods and services on behalf of the County in accordance with all applicable policies and procedures. The Procurement Card is not intended to circumvent established procurement practices and related County Policies.

3.0 GENERAL PROVISIONS

It is the policy of the County of Placer to make appropriate use of County funds by streamlining the acquisition of goods and services to promote operational efficiencies through the use of the Procurement Card.

3.1. RESPONSIBILITY

Department Heads have the responsibility for the management and use of the Procurement Card within their respective departments in accordance with this policy and any department specific requirements.

Department Heads, or their designee, shall specify dollar amounts for each of their Cardholders, including both a single purchase limit and a 30-day credit limit.

3.2. ACCOUNTABILITY

Departments are responsible for maintaining management controls that include a current list of assigned cardholders with credit limits, designated approvers, and department program administrators. Management controls shall include an internal process where all purchases made with a Procurement Card receive appropriate review and approval.

Cardholders shall review their statement of transactions and provide the appropriate documentation for all purchases. All transactions must be submitted and reviewed by the Cardholder within the defined timeframe for each cycle period. The Cardholder is responsible for the security of their assigned Procurement Card. If the Cardholder loses or suspects fraudulent activity, they should immediately report the lost, stolen, or suspected fraud in order to minimize the risk to the County.

Cardholder accounts must be reviewed by an Approver in a supervisory or management role equal to or above the Cardholder's job position. Approvers shall review the Cardholder's transactions and confirm that appropriate documentation is provided, the purchase is appropriately budgeted, and in accordance with County policies and procedures. All transactions must include the applicable department accounting information and be reviewed by the Approvers within the defined timeframe for each cycle period.

All purchases on the Procurement Card are subject to audit at any time. The Procurement Card is a tool to improve County operations and may be removed from any Cardholder that does not comply with all applicable County policies and procedures. The Procurement Card is to be utilized for authorized purchases within the delegated purchasing limits and in accordance with the Purchasing Policy. Use of the Procurement Card for other than "Official County Business" or for prohibited items/services, as identified in applicable policy or procedures may result in disciplinary action.

3.3. MODIFICATIONS/TERMINATION

Department Heads or their designee may request modifications to an assigned Procurement Cardholder's specific dollar amounts including both the single purchase limits and the 30-day credit limit limits by notifying the Procurement Division. Modification requests may be temporary or permanent in nature.

The department is responsible for ensuring that the Procurement Card is collected from any employee that is no longer authorized to make purchases. In addition, the department shall notify the Procurement Division of this change. Any remaining reconciliation will be the responsibility of the Cardholder's Approver.



PLACER COUNTY PROCUREMENT CARD PROGRAM PROCEDURES MANUAL

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This manual contains the requirements and guidelines for the Procurement Card Program. Usage of the Procurement Card is governed by the applicable County Policies and Procedures.

1.0 OVERVIEW

1.1 INTRODUCTION

The Procurement Card Program provides an efficient method for authorized staff to make approved purchases of items and certain services that facilitate County business.

The Procurement Card is embossed with Cardholder's name and County identification. The card is strictly for Official County Use and may not be used for personal purchases.

1.2 ROLES

The following roles and descriptions are identified for the Procurement Card program.

A **Cardholder** is a person that has been granted the ability and responsibility to obtain goods or services for the County within the applicable County Policies and Procedures for their department.

A **Reconciler** is a person that has been delegated the ability to reconcile a Cardholder's transactions. The cardholder is still responsible to ensure that the reconciler has all of the needed receipts and information to appropriately handle the transactions.

An **Approver** must have a working knowledge of purchasing methods and be familiar with County procurement policies and procedures. Approvers must also have knowledge of the job responsibilities of their designated Cardholders and should be the Cardholder's supervisory chain of command or an equal or higher level official. An Approver cannot approve transactions for their own Procurement Card use. The Department Heads, or their designee, will be the Approvers within their departments. The County Executive Officer, or designee, will be the Approver for all appointed Department Heads and the Auditor-Controller. The Auditor-Controller will be the Approver for the County Executive Officer and for all Elected Officials.

A **Limited Program Administrator** is an individual within the department that can review transactions and validate and ensure the proper coding for the Open Statements from Cardholders. They also ensure that appropriate documentation is included for transactions for auditing purposes. The department Limited Program Administrator will have the ability to enter and override accounting entries during each cycle period. The department Limited Program Administrator will serve as the final point of review for all department accounting entries for Procurement card activity. Note: To ensure proper checks and balances in the system it is recommended that Limited Program Administrators not be Cardholders.

The **Program Administrator** will be the focal point for coordination of applications for County Procurement Cards, issuing cards, modifications to existing Cardholder accounts, and the termination of Cardholder accounts. In addition, the Program Administrator will be responsible for training Cardholders and related personnel on the proper use of the card and the Sponsoring Bank's online system.

1.3 ETHICS

Placer County Employees hold a public trust and their conduct must meet the highest ethical standards. Any employee who engages in the unauthorized use of the County Procurement Card may be subject to disciplinary action, up to and including termination. "Unauthorized use" means the use of the Procurement Card by any person who does not have authority for such use. Unauthorized use of a Procurement Card can constitute: fraud; willful misuse of public funds; and dishonesty. If the card is

used in an unauthorized manner, repayment must be coordinated with the Cardholders Supervisor/Manager and Fiscal staff. Repayment in full for unauthorized use must be made immediately.

The Procurement Card must not be used for purchases when the Cardholder has a personal interest or knowledge that would create a conflict of interest such as buying from a relative or close friend.

1.4 CONTROLS

Pre and post-purchase management controls shall exist for all Procurement Cards which ensure that the Procurement Card can be used only for specific purchases and within specific dollar limits. The controls shall enable both monitoring and auditing of the transactions.

The County shall implement standard Merchant Category Codes (MCC) controls for all Procurement Cards, which prevent Cardholders from using the card for prohibited uses such as cash withdrawals, liquor, betting, etc. The County has implemented standard MCC controls for all Procurement Card accounts.

County Department Heads or their designee shall specify dollar amounts for each of their Cardholders. The amounts are established when the Procurement Cards are ordered and may be changed by the Program Administrator when requested by the appropriate department staff. At the point of purchase, the Sponsoring Bank’s system will check the individual Cardholder’s dollar amounts and the type of merchant where the Cardholder is making a purchase before authorizing the transaction. If the established requirements are not met, the purchase will be declined.

The dollar amounts for each of the Cardholders should be established within the Procurement groups listed below.

Group A	Single Purchase Limit \$500	Monthly Credit Limit \$1,000
Group B	Single Purchase Limit \$1,000	Monthly Credit Limit \$3,000
Group C	Single Purchase Limit \$2,000	Monthly Credit Limit \$10,000
Group D	Single Purchase Limit \$4,000	Monthly Credit Limit \$25,000

A default Organizational Cost Account (OCA) must also be assigned to the Cardholder. The default OCA should be the most commonly used OCA for the Cardholder. The default OCA helps the Cardholder reconcile the transaction more easily.

Post-purchase management control is exercised as follows:

- The Cardholder retains receipts at the time of purchase. On a defined basis, the Cardholder/Reconciler reconciles receipts with the Sponsoring Bank’s online system. The Cardholder/Reconciler then uploads the receipts and approves the transactions online to be forwarded to the Approver. Hardcopies of the receipts and statement will not need to be forwarded to the Approver as they are available in the on-line system.
- The Approver confirms that the transactions and associated supporting documentation from each of the Approver’s assigned Cardholders are correct and that there is sufficient documentation and backup for all transactions.
- The Limited Program Administrator(s) will have the ability to review and update the transactions for proper coding which will be uploaded into the County’s Accounting System after the cycle period has ended.

Internal and external auditors may also conduct random audits of the Procurement Card transactions and departmental compliance with these procedures and policies.

Cardholders should not carry the Procurement Card while on vacation or when otherwise out of the office or away from job responsibilities for an extended period.

2.0 PROCUREMENT PROCESS

2.1 INTRODUCTION

The Procurement Card is to be used in accordance with current Purchasing Policy and should be used whenever possible in lieu of petty cash, direct vouchers, sub-purchase orders, travel advances, emergency purchase orders, or purchase requisitions when the dollar amount for the purchase is within the delegated purchasing limit or in accordance with the Purchasing Policy.

2.2 OBTAINING A PROCUREMENT CARD

The Department Head shall authorize the cardholder to make purchases on behalf of the County. Cardholders shall have a valid need to use a Procurement Card in the conduct of County business.

The Department Head or designee shall request a Procurement Card for any employee designated to have a Procurement Card. By submitting the request for a Procurement Card, the Department Head certifies that the new Cardholder is authorized to make purchases on behalf of the County in accordance with this manual and all other pertinent guidance and applicable policies and procedures. The request for a Procurement Card needs to include the following information:

- The employee's name, e-mail, physical address and ID number
- The employee's Dollar amounts from the available groups
- The approval path including if applicable the Reconciler, Primary Approver and Secondary Approver
- The OCA (and PCA if needed) for the Cardholder

2.3 CARD ACTIVATION/MODIFICATION/CANCELLATIONS/REPLACEMENTS

After the Program Administrator requests a new card through the Sponsoring Bank, the bank will provide the requested County Procurement Card within 10 working days. The card will be mailed to the Program Administrator who will notify the Cardholder. At card delivery, the Cardholder will be briefed on County Procurement Card Manual and will be required to sign a "Receipt of Procurement Card and Agreement Form". Cardholders, Reconcilers, Approvers and Limited Program Administrators will all receive training from a Program Administrator prior to assuming their Procurement Card responsibilities.

The Procurement Card will be activated when it is received from the Program Administrator. Procurement Cards must be signed to prevent unauthorized use. A toll-free number is provided on the back of the Procurement Card and online to contact the Sponsoring Bank's customer service representatives.

To cancel or modify a Procurement Card, the Department Head or designee should submit a request to the Program Administrator in the Procurement Services Division. If the change requires the issuance of a new Procurement Card, the Program Administrator, upon receiving the new card, will notify the Cardholder to pick up the card at Procurement. Upon receipt of the new card, Cardholder will be required to execute a new Receipt of Procurement Card and Agreement Form. The old card should be

given to the Program Administrator when the Cardholder picks up the replacement card. The Program Administrator will destroy the old card.

To cancel or modify the person designated as an Approver for a group or individual Cardholder the Department Head or designee must send a request to the Procurement Division's Program Administrator. The request should list the affected Cardholders and explain which Approver will approve for each Cardholder. No more than ten Cardholders should be assigned to any single Approver. The Program Administrator will make the change through the online system and the change will be effective in the next cycle period.

To change the person(s) designated as the Department's Limited Program Administrator, the Department Head or designee must submit a request identifying the outgoing Limited Program Administrator and provide the needed information to set up the replacement Limited Program Administrator. Contact the Program Administrator in the Procurement Division to determine the applicable information required.

2.4 PURCHASES

Authorization to use the Procurement Card is restricted to the Cardholder only and may not be delegated, except that Executive Secretaries or specifically designated staff may make travel reservations (airfare, hotel, rental car, conference fees, training registration fees, etc.) on behalf of the Cardholder using the traveler's Procurement Card for that traveler's arrangements only.

Each single purchase may be comprised of multiple items, but the total including freight, shipping, and tax cannot exceed the Cardholder's single purchase limit. Purchases must not be split to circumvent procurement regulations by swiping the card twice, or making the same purchase on subsequent days, etc.

Cardholders are responsible for ensuring that the most cost effective item that best meets the County's requirements is purchased.

Documenting sales/use tax for Procurement Card purchases not taxed or taxed incorrectly by the vendor is the responsibility of the Cardholder or assigned department staff. This information needs to be entered in the correct amount into the online system to ensure it is transferred into the County's Accounting System and meets the County's requirement for the Board of Equalization. **See 3.1 RECORDING SALES AND USE TAX section.** If this information is not entered during the cycle period then it will have to be added into the County's Accounting System through an alternative process. **See 3.3 LIMITED PROGRAM ADMINISTRATOR ACTIONS.**

2.5 PURCHASE APPROVAL PROCESS

Departments shall have a process in place where all purchases with a Procurement Card receive appropriate approval. The Departmental approval process must ensure that sufficient funds are available prior to approving Cardholder purchases. Supervisors or Approvers can assist the Cardholder in verifying that funds are available.

Cardholders shall discuss any Information Technology hardware or software purchases with the Administrative Services/IT Division prior to purchase to address possible compatibility issues.

2.6 STANDARD SALES TRANSACTIONS

The Cardholder will go to the place of business and obtain the commodity or service. A description of commodities purchased, quantity purchased, price per item, and the total amount including sales tax

and shipping charges should be included on the itemized receipt and included as the backup documentation for the transaction. A simple receipt that only reflects the total charges is not acceptable documentation for the transaction. If the receipt or invoice is not itemized, the Cardholder must fill out the “Missing Receipt” form and include all appropriate information that demonstrates compliance with the applicable County policy. Receipts for meals are not required, however the documentation included must demonstrate compliance with the applicable County meal policy.

2.7 TELEPHONE/ INTERNET ORDER

When placing a telephone or internet order, the Cardholder will request pricing and delivery information and ask for and verify that applicable County discounts have been applied. For all telephone or internet orders, save the confirmation page, the packing slip, receipts or acknowledgements for submission as backup documentation of the transaction. If a partial shipment is received from an internet or phone order, the Cardholder must verify on the statement that only the shipped items were billed. Any shipment of merchandise generated by the merchant and paid by the card shall be sent to the cardholder’s workplace.

For internet orders, the purchaser must always ensure that web-based transactions are conducted on secure sites to protect the Procurement Card information from unauthorized purchases.

The Cardholder shall never provide a Procurement Card number to a firm or individual who calls or e-mails.

2.8 EMERGENCY PURCHASES

The Purchasing Policy Manual provides procedures and reporting requirements for emergency purchases. The County Procurement Card may be used if it is the most effective tool to address the emergency need. If an emergency arises which the Cardholder believes necessitates use of the card, and the purchase amount exceeds the Cardholder’s single and/or monthly dollar amounts, the Cardholder must contact his/her appropriate Approver prior to using the card. If the Approver concurs, he/she will contact the Program Administrator who can increase the Cardholder’s dollar limits temporarily. Purchasing Policy requirements must be followed for all emergency purchases.

3.0 RECONCILIATION

3.1 CARDHOLDER ACTIONS

At the close of each purchase cycle period, each Cardholder with Procurement Card activity during the period will access the Cardholder’s Account online to reconcile the transactions. The Open Statement will show all transactions the Cardholder made during the cycle. If there are questions regarding the information on the statement, or there are transactions that are not reflected in the online system, contact the Program Administrator or the Sponsoring Bank.

Note: If no activity occurred for a Cardholder during a particular cycle, no statement will be generated.

After accessing the Open Statement, complete the following steps:

Note: All items on the statement must be either reconciled or disputed.

- 1) Reconcile the Open Statement with the receipts from the Cardholder’s transactions. These actions will include adding a detailed description and updating the coding for each transaction.

RECORDING SALES AND USE TAX

Sales and use tax should be verified on all purchases to ensure the amount charged is accurate. Guidelines can be found in the County's Accounting Policies and Procedures Manual. If the amount of sales and use tax is incorrect or missing, the description field will need to begin with ST and the sales tax amount due will need to be corrected or recorded in the Sales Tax Due field for that transaction.

RECORDING TAXABLE MEALS

Taxable meals must be comply with the County's Meals, Lodging, Travel & Transportation Policy. All taxable meals should be coded using OCA 320015. The description field should begin with TM and the employee(s)'s employee number and name (LAST, FIRST) followed by the amount of the taxable meal (if different from the amount of the charge.) If the taxable meal is for multiple County employees, then the charges need to be split and meal amounts listed individually with each entry. In addition, the amount of the taxable meal needs to be entered into the County's Payroll System with a Time Reporting Code "MEC" on the employee(s)' timesheet during the pay period of the meal, or as soon as administratively feasible thereafter.

- 2) Scan all corresponding receipts/invoices in the same order as they appear on the Open Statement. If there are lost receipts/invoices, and a duplicate copy cannot be obtained from the vendor, complete and include a "Missing Receipt" form with the documentation that demonstrates compliance with the applicable County policy. Receipts should contain itemized details of all items purchased. Receipts for meals are not required, however the documentation included must demonstrate compliance with the applicable County meal policy. If there are excessive instances of lost receipts or poor documentation, the Procurement Card may be revoked.
- 3) If you had a return or credit then include the documentation as noted in #2 above.
- 4) If an item is billed incorrectly on the Statement, attempt to resolve the issue with the vendor if possible. If this is not successful then flag the item as Disputed and enter the reason for the dispute and any steps you have taken to resolve the situation with the vendor. If the dispute reason is Unauthorized (Fraudulent) uses you do not need to contact the vendor before filing a dispute with the Sponsoring Bank.
- 5) Review and complete the Open Statement and submit the reconciled transactions and related documentation online within the required period. If the Cardholder is unable to review their statement within the required period, they must notify their Approver in advance.
- 6) If there are Procurement Card unallowable charges per the applicable policies (e.g. Meals & Travel, Procurement Policy or other related or applicable policies), the Cardholder shall provide payment, as reimbursement, to the Limited Program Administrator. The Limited Program Administrator will deposit the funds to offset the charge.

3.2 APPROVER ACTIONS

The Approver must review all Cardholders' Account reconciliations by the end of the cycle. The Approver is responsible for completing the reconciliation of the Cardholder's statement.

Approvers will be given a user ID and password to the Sponsoring Bank's online system and have the authority to access their assigned Cardholder's Statements.

After the Cardholder has reviewed and submitted their Open Statement, the Approver completes the following steps:

- 1) Review each Cardholder's purchases and verify these items are purchased in accordance with County policies and procedures. If for any reason the Approver questions a purchase, it is their responsibility to discuss the applicable purchase with the Cardholder.
- 2) The Approver is responsible for any Cardholder on leave or travel to ensure that their statement is reviewed and reconciled and that all appropriate documentation has been attached.
- 3) If the Cardholder cannot satisfy the Approver that the purchase was necessary and has a valid County business purpose, then the Cardholder must return the item and provide a Credit Voucher substantiating such return. Each department is responsible for resolving improper use of the Procurement Card for their Cardholders.
- 4) Review the Cardholder(s) Open Statement and approve the reconciled transactions online within the appropriate cycle period. If any Approver is unable to review their statement within the required period, they must notify their Secondary Approver in a timely manner to complete the reconciliation process.

3.3 LIMITED PROGRAM ADMINISTRATOR ACTIONS

Prior to the cycle closeout, the department Limited Program Administrator shall:

- 1) Ensure that all transactions have been properly coded and reconciled in the online system. Also ensure that any needed documentation is attached to each cardholder statement and that the online documentation represents a full and complete summary of all the needed and required documentation to validate the purchases. Failure to ensure that all items have been properly coded will result in the un-reconciled transactions being placed in a 2837 Object Level 3 Procurement Card Purchase/Clearing Account in the department's general budget and will require journal vouchers to be processed to clear these funds.
- 2) Ensure that the sales/use tax field is properly recorded as described above under RECORDING SALES AND USE TAX. The Limited Program Administrator is responsible for ensuring accurate Sales and Use Tax reporting for the department.
- 3) If there are transactions that need sales tax correction, you will need to scan only those receipts to PAS Requests. Please make the subject of the email include "Sales Tax" and name the scanned file with the cycle close date. Example: 2014-11-14.pdf
- 4) Ensure taxable meals are properly recorded as described above under RECORDING TAXABLE MEALS.
- 5) Not retain hardcopies offline to validate purchases. This is not acceptable for audit or record retention purposes.
- 6) Advise the Approvers/Cardholders of corrections made to the Cardholder Statements.
- 7) If sales and use tax was not captured correctly during the Open Statement Cycle, the Limited Program Administrator shall complete the "Procurement Card Supplemental Sales/Use Tax Recap Sheet" and send it to the Auditor-Controller's Office, PAS Requests mailbox. This form and instructions can be found on the County Intranet under the PAM, Policy Forms.

- 8) At the conclusion of each cycle period all transactions are locked and any corrections must be made through Journal entries.

4.0 SECURITY

4.1 IMPROPER/PROHIBITED PURCHASES

All purchases are subject to review and audit. The Auditor-Controller, Department Management and/or the Approver may determine a purchase does not meet the established purchase criteria or department requirements. In this event, the Cardholder will be responsible for returning the item(s) to the vendor for credit. Neither the Sponsoring Bank nor the merchant bears any responsibility for inappropriate purchases. If the Cardholder made an inappropriate purchase, the merchant will be paid and the department budget charged until the Cardholder returns the merchandise and the merchant agrees to take it back and issue a credit. If the merchant refuses to take the item back, the Cardholder may be held personally liable for the purchase.

Procurement Services Division and the Internal Audit Division of the Auditor-Controller's Office will routinely review Procurement Card purchases. The County Executive Office and/or the Purchasing Manager will be notified of any inappropriate purchases identified during these reviews. A consistent pattern of inappropriate charges by any individual Cardholder may result in the Cardholder's card privileges being suspended or revoked. Cash refunds are not allowed to be received by the employee from the vendor.

4.2 VIOLATION OF POLICIES and PROCEDURES

Intentional use of the Procurement Card for other than "Official County Business" will be considered as an attempt to commit fraud against the County of Placer. Proof of such fraud may result in immediate cancellation of a Cardholder's Procurement Card, and may necessitate a referral to the District Attorney and disciplinary action against the Cardholder. The Cardholder may be personally liable to the County for the amount of any non-approved purchases.

4.3 CARD RESTRICTIONS

County Procurement Cards are automatically restricted from transactions that do not have a value or benefit for government operations or actions. The Procurement Card is to be used for authorized transactions within the delegated purchasing limits.

Use of the Procurement card for prohibited items/services may result in discipline.

Cards may be used to purchase services such as online training or one-time equipment repairs at the vendor's location; however Cardholders must work with Risk Management to determine if insurance is required for services that will be performed on County property. In addition, the use of the County Procurement Card is strictly prohibited for the following items:

- Fixed assets;
- Cash advances;
- Construction, improvements and maintenance of facilities;
- Fuel charges for non-County owned/leased vehicles; (an exception will be made for rental car fuel related to documented long distance travel);
- Road projects;
- Vehicles;

- Purchases of supplies or other commodities for which a Blanket Purchase Order is currently in place and the terms and conditions of the BPO do not allow for Procurement card payment (the complete list of active BPOs is available in the "BPO Log" on the County Intranet;
- Purchases which are restricted under Procurement's Delegated Purchasing Policy section 8.2c;
- Other items prohibited by the Accounting Policies and Procedures Manual.

If you have any questions regarding the appropriate use of the Procurement Card, contact your Approver, your Department Management or the Procurement Services Division Program Administrator(s).

4.4 DISPUTES

If a dispute exists, the Cardholder and/or Department staff will first work with the vendor to get a refund or correction. If unresolved after working with the vendor, complete the Sponsoring Bank's online form.

The Cardholder has sixty (60) days from the post date to dispute an item. Otherwise, the transaction is treated as an authorized purchase and the department is responsible for payment.

All disputes are to be resolved between the Cardholder and the Sponsoring Bank, not County Procurement. After disputing an item, the Cardholder shall work with the Sponsoring Bank to resolve the dispute.

If items purchased with the Procurement Card are found defective, the Cardholder has the responsibility to return the item(s) to the merchant to obtain a replacement or receive credit on the purchase. If the merchant refuses to replace or correct the faulty item, then the purchase of the item will be considered to be in "Dispute".

The most common reasons for dispute are described below.

1) Unauthorized Transaction/Order

This reason should be used for internet, telephone or mail order transactions. If a sales slip is signed or imprinted with the Cardholder's card, this reason does not apply. If fraud is suspected, report it immediately to the Sponsoring Bank.

2) Duplicate Transaction

This reason is used when a transaction has been billed multiple times to an account. The Cardholder should provide the transaction details or the original billing, such as dollar amounts, transaction date, etc.

3) Cancelled Transaction

This reason is used when the order was placed and then cancelled. Indicate the date the order was cancelled.

4) Incorrect Amount

This reason is used when the amount of the charge is not the same as what was quoted or provided to the Cardholder.

5) Merchandise or Service Not Received

The Cardholder should attempt to resolve the dispute with the vendor. The Cardholder should detail this attempt and provide the date of expected delivery of service or merchandise.

6) Paid By Other Means

If the goods or services were paid by another means, a copy of the payment (copy of front and back of a check or other payment document) should be provided.

7) Credit Not Received/Posted

This reason may be used when the Cardholder has received a credit voucher or written refund acknowledgment from the vendor, but the credit has not been posted to the Cardholder's account within 30 days from the date on the voucher or acknowledgment. The Cardholder acknowledges participation in the transaction but the goods were returned or the service was canceled.

The Cardholder should state the amount of credit they are expecting and provide a copy of the Statement and credit voucher or acknowledgment letter.

8) Returned Merchandise

In the event merchandise was returned and a credit has not yet been posted, the Cardholder should describe the reason for returning the merchandise and the date the item was returned. A copy of the reference number on the statement, postal, UPS or other official receipt proving the merchandise was returned should be provided.

9) Unrecognized Transaction/Charge

In the event the Cardholder does not recognize the transaction the Cardholder should review their supporting documentation and ensure that a merchant (vendor) error has not occurred. The Cardholder should attempt to contact the merchant to obtain the needed information. If these actions are unsuccessful they should request that the Sponsoring Bank supply a copy of the sales receipt.

Check the box "copy request", on the Open Statement so that the Sponsoring Bank will order a copy of the sales receipt that is generally received within 30 days.

In the event the vendor's processing bank cannot provide a copy within allotted time frames, the Cardholder's account will be credited until such time as a valid draft is received. If the Sponsoring Bank provides the copy and the Cardholder determines that a valid dispute exists, then the normal dispute process should be followed to resolve the situation with the Sponsoring Bank.

If the charge or charges shown on the Cardholder's Account Statement are clearly fraudulent, immediately contact Sponsoring Bank's Customer Service department to report fraud.

4.5 LOST/STOLEN PROCUREMENT CARDS

If a Procurement Card is lost or stolen, it is the Cardholder's responsibility to:

- 1) Notify the Sponsoring Bank immediately by calling the toll-free number which is answered 24-hours per day, 7 days a week. The Sponsoring Bank will close the potentially compromised account, open a new Cardholder account, and mail a replacement card to the Program Administrator within two business days from the time the loss or theft is reported to the bank.

2) Immediately notify their Approver.

The Approver will notify the Program Administrator no later than two business days of loss. The notification should include date/time/location card was lost or stolen; and any purchase(s) made on the day the card was lost or stolen.

If the Cardholder does not notify the Sponsoring Bank and their Approver of the loss or theft of the card immediately, the Cardholder may be personally liable for purchases charged on the card.

4.6 EMPLOYEE DEPARTURES/TRANSFERS

If a Cardholder leaves the County, the Approver must notify the Program Administrator immediately and promptly return the departing employee's Procurement Card to the Program Administrator. If an employee transfers to another department, the Approver must notify the Program Administrator so the card can be deactivated.

The Department Head or designee must notify the Program Administrator immediately if an Approver or Limited Program Administrator leaves a department. It is important to designate a new Approver or LPA so that the Program Administrator can coordinate all related changes with the Sponsoring Bank and the online system.