

SECTION 14 PROCUREMENT CARD PROGRAM

14.01 PURPOSE

- A. It is the intent of the procurement card program to provide users with an effective and efficient way to purchase low-dollar routine maintenance and supply items, and to simplify and expedite the process of paying numerous vendors for these purchases while insuring compliance with purchasing policies and the policies and procedures of other internal service providers.
- B. The program is intended to provide documentation of small purchases at the department level.
- C. The program is intended to eliminate record keeping for vendors and expedite payment for small purchases.
- D. The program is intended to eliminate numerous credit application forms and related records required to set up and maintain charge accounts with infrequently used vendors who provide small repair and maintenance parts and services.
- E. The use of procurement cards shall be in compliance with other Purchasing, Information Technology, and Fleet Services policies and procedures. It is the responsibility of each cardholder to comply with these policies.

14.02 ROLES AND RESPONSIBILITIES

- A. The conduct of all City employees shall meet the highest ethical standards, and that standard is a part of the City's procurement card program. All participants in the program are responsible for conducting themselves in such a way as to exemplify the public trust that they hold.
- B. The Director of Finance is a program administrator and may appoint an additional program administrator within Finance Administration. The Purchasing Manager is a program administrator and may appoint an additional program administrator within the Purchasing Division.
 - 1. It is the responsibility of the Purchasing Division program administrators to coordinate the card application process and to keep a record of all cardholders.

2. It is the responsibility of the Purchasing Division program administrator to plan, coordinate, and present training sessions and to keep a record of those who complete training.
 3. It is the responsibility of the program administrators to handle issues with the card provider and cardholders regarding compliance with program policies.
 4. The Finance Administration program administrators will audit transactions and issue notices of policy violations. The Purchasing Division program administrator will be advised when notices of policy violations are issued and will keep a record of violations.
 5. It is the responsibility of the Purchasing Division program administrator to handle issues with the card provider and cardholders regarding changes in cardholder status.
 6. It is the responsibility of the Purchasing Division program administrators to provide policy and procedure revisions to each department/division program coordinator.
- C. Payment Administrators: The payment administrator will be appointed by the Assistant Director of Finance. A second payment administrator shall be appointed to act on behalf of the payment administrator in his or her absence. The role of payment administrator is an accounting function.
1. It is the responsibility of the payment administrator to transfer transaction records from the bank file to the City financial system.
 2. It is the responsibility of the payment administrator to process payments in accordance with the program policies and the contract between the City and the card provider.
 3. It is the responsibility of the payment administrator to handle questions concerning payment procedures and transaction reports.
 4. It is the responsibility of the payment administrator to report all variances from policies and procedures to a program administrator.
- D. Department/Division Program Coordinator: Each work area having a cardholder shall have a department/division program coordinator appointed by the department head. Department heads shall also designate a person in each of these work areas to act on behalf of the department/division program coordinator in his or her absence.

1. The department/division program coordinator is the primary contact person for the program administrator, the payment administrator, and the card provider for all accounts in the department/division/work area that he or she represents.
2. It is the responsibility of the department/division program coordinator to promptly distribute statements and information concerning charges to the cardholders in his or her work area.
3. It is the responsibility of the department/division program coordinator to verify that all charges have been reallocated to the proper operating accounts within five calendar days after the close of each billing cycle for each account for which the department/division program coordinator is responsible.
4. It is the responsibility of the department/division program coordinator to reconcile the transaction reports for accounts in his or her department/division/work group for which the department/division coordinator is responsible and to return it to the payment administrator in accordance with the procedures established to comply with the contract between the City and the card provider.
5. The department/division program coordinators shall have the authority to resolve disputes in accounts within their department/division/work groups.
6. It is the responsibility of the department/division program coordinator to report any discrepancies between the transaction report and transaction receipts to the payment administrator in accordance with the procedures established to comply with the contract between the City and the card provider.
7. It is the responsibility of the department/division program coordinator to notify a program administrator when a cardholder in his or her department/division/work group is no longer eligible for the program or will no longer be participating in the program.
8. It is the responsibility of the department/division program coordinator to report any variances from program policies to a program administrator.

E. Cardholder:

1. It is the responsibility of each cardholder to know and to comply with program policies and procedures as well as those of his or her department/division.
2. It is the responsibility of each cardholder to ensure that funds have been properly budgeted and are available to pay for the items and/or services being purchased.
3. It is the responsibility of each cardholder to keep informed about policy and procedure revision information.
4. It is the responsibility of each cardholder to verify that the quantity and quality of the items and/or services purchased are in compliance with the agreement, whether verbal or written, with the vendor.
5. It is the responsibility of each cardholder to notify the vendor, when applicable, that the purchase is tax exempt and to ensure that such taxes are not added to the prices of items and/or services purchased.
6. It is the responsibility of each cardholder to instruct the vendor to include the required information on the shipping document.
7. It is the responsibility of the cardholder to indicate in writing on the transaction receipt or an attachment thereto the program for which items or services are purchased when the purchase is for prizes, awards, retirement gifts, and similar programs.
8. It is the responsibility of the cardholder to indicate in writing on the transaction receipt or an attachment thereto the names of the persons and the business purpose of the meal when purchasing meals for others.
9. It is the responsibility of the cardholder to promptly turn in receipts to his or her department/division coordinator for processing or, if the cardholder processes his or her own transactions, to reallocate all transactions to the proper operating accounts within five calendar days after the close of each billing cycle
10. It is the responsibility of each cardholder to report any discrepancies between the transaction report and transaction receipts to his or her department/division coordinator in accordance

with the procedures established to comply with the contract between the City and the card provider.

11. It is the responsibility of each cardholder to report any variances from program policies to the Program administrator.
12. It is the responsibility of each cardholder to resolve all disputes on his or her account in accordance with the program guidelines.

14.03 APPLICATION AND CARD ISSUANCE

- A. Permanent City employees and City officers may apply for a procurement card by submitting a completed application to a program administrator in the Purchasing Division.
 1. The agreement must be signed by the applicant.
 2. If the applicant is an employee other than a department head or the City Manager, the application must be approved by the applicant's department head. If the applicant is a department head, the application must be approved by the City Manager. If the applicant is the City Manager, the application must be approved by the Director of Finance. If the applicant is a City official, the application must be approved by the City Council.
 3. The application will include the proposed account authorization/spend profile for the card.
 4. The application will indicate whether the proposed card can be used for travel expenses.
- B. Each applicant shall attend a training session prior to issuance of a card. Each card applicant will be provided with a copy of the policies at the mandatory training session.

14.04 SECURITY

- A. Procurement cards are the property of the City of Ames.
- B. It is the responsibility of the cardholder to keep the card and related account information in a safe location.
- C. Cardholders shall immediately report lost or stolen cards to a program administrator. If a card is lost or stolen during non-business hours, the cardholder shall immediately report the loss or theft to the card provider

and report the loss/theft to a program administrator immediately on the first business day thereafter.

- D. Cardholders shall return cards to the program administrator when employment with the City is terminated.
- E. Cardholders shall either properly destroy expired cards and cards that have been replaced or return them to a Purchasing Division program administrator.

14.05 TRANSACTION DOLLAR LIMITS AND EXCLUDED ITEMS

- A. Department heads will establish transaction limits for cardholders in their respective departments.
- B. Purchases are limited to a single transaction limit of the lesser of \$2,500 or the transaction limit set by the department head in the spend profile except as otherwise provided herein.
 - 1. Single transaction is defined as one or more items bought at the same time from the same vendor on the same day.
 - 2. Transactions may not be split into multiple transactions in order to circumvent this policy.
 - 3. The \$2,500 single transaction limit does not apply to the purchase of goods and services that are excepted from the requirement for a purchase order (refer to Section 2.02) except as provided herein (refer to 14.05 B.)

14.06 UNALLOWABLE PURCHASES

- A. The procurement card shall not be used for the following types of transactions:
 - 1. Cash advance.
 - 2. Purchase of alcoholic beverages.
 - 4. Travel-related expenses related to spouses or other non-covered persons.
 - 5. Items for personal use that would not be reimbursable by the City.
 - 6. Rental or lease of land or buildings.

7. Rental or lease of motor vehicles unless pre-approved in conjunction with travel expenses.
- B. The City procurement card shall not be used for personal identification or as a personal credit reference.
- C. Commodities and services related to fleet equipment shall not be purchased with a procurement card except by the Fleet Services Department unless otherwise pre-authorized by the Director of Fleet Services or designee.
- D. Hardware, software, and services related to the City's computer systems shall not be purchased with a procurement card except by the Information Technology Division.
- E. Materials and services related to the City's telephone systems shall not be purchased with a procurement card except by the Information Technology Division.
- F. Personal expenses processed on a City procurement card are considered to be in violation of the program policies and are subject to disciplinary action up to cardholder termination. Transaction receipts may not be divided to allow for a different method of payment for personal expenses; each transaction shall have a separate receipt showing the total transaction amount.

14.07 USE OF CARD AND TRANSACTION RECORDS

- A. Receipts and Invoices: An original receipt or invoice from the vendor, or other verifying document must support each purchase transaction.
- B. Internet Transactions: Cardholders shall confirm the security of proposed Internet order sites prior to placement of orders.
- C. Conference, Training, and Travel Transactions: Cardholders shall confirm budget approval prior to using cards for conference, training, or travel purposes.
- D. Telephone Orders: Cardholders shall confirm the security of proposed telephone orders prior to placement of orders.
- E. Pickup/In-Person Orders: Cardholders may use cards in accordance with the policies at places of business accepting the cards.
- F. Delivery Address: All delivery locations shall be official City facilities.

- G. Cardholder Transaction Report: Except when there are no transactions for a cardholder during a billing cycle, a cardholder transaction report shall be submitted for each cardholder showing a summary of each transaction during each billing period.

14.08 PAYMENT

- A. Signature Authority: The signature of a person with the appropriate level of purchasing authority as designated by the department head must be included on the request for payment.
- B. The payment administrator will process payments in accordance with the program policies and procedures, and the contract between the City and the card provider.

14.09 DISPUTED CHARGES

- A. It is the responsibility of each cardholder to resolve any discrepancies between the transaction report for his or her card and the transaction receipts.
- B. All department/division program coordinators shall have the authority to resolve disputes on behalf of cardholders in their respective work areas. This is intended to ensure timely resolution of disputes in work areas where cardholders' work schedules do not permit them to directly contact the card provider and/or vendors.

14.10 TRAINING

- A. Each card applicant shall attend policies and procedures training prior to issuance of a card.
- B. Prior to issuance of a renewal card, each cardholder shall receive a current copy of policies and procedures relating to card use. Training sessions will also be available. The renewal card shall be issued only after certification by the cardholder that he/she has reviewed and understands the policies and procedures.
- C. Department division program coordinators, cardholders who reallocate transactions, and others who having procurement card program responsibilities shall attend policies, systems, and processes training as applicable relating to their role prior to system access. They shall attend subsequent training sessions as appropriate to fulfill their roles and responsibilities within the program.

14.11 PROGRAM VIOLATIONS

- A. Unallowable purchases: The payment administrator shall report all unallowable purchases to a Program administrator.
- B. Unacceptable documentation: Cardholders will provide required documentation upon notification to do so by the payment administrator.
- C. Late submission of procurement card reconciliation documents and/or failure to resolve disputes: Refer to Section 14.02 D. and E.
- D. Failure to submit a completed Travel and Expense Report with procurement card transactions within ten working days of returning to work. Refer to Section 9.07.
- E. Consequences for unallowable purchases, unacceptable documentation, late submission of transaction/reconciliation documents, failure to resolve disputes, and/or failure to submit a completed Travel and Expense Report shall be as follows:
 - 1. First Offense: A written notification will be issued to the cardholder indicating the violation. Upon receipt of such notification, the cardholder will provide a written statement of explanation.
 - 2. Second Offense: The account will be suspended (closed) for thirty calendar days and the cardholder's department head will be notified.
 - 3. Third Offense: The account will be closed and the cardholder's department head will be notified. The cardholder will not be eligible to participate in the program for one year. If unacceptable documentation occurs after a reinstatement under this provision, the account will be permanently closed.
- F. Standards of Conduct Violations: Conduct not complying with City standards will be reported to the cardholder's department head. In addition to card revocation, violations may result in disciplinary action up to and including termination.
- G. In addition to temporary and/or permanent de-activation of the card, consequences of violations may include payroll deduction for unallowable purchases and expenses that were not reconciled and/or disciplinary action.

End of Section

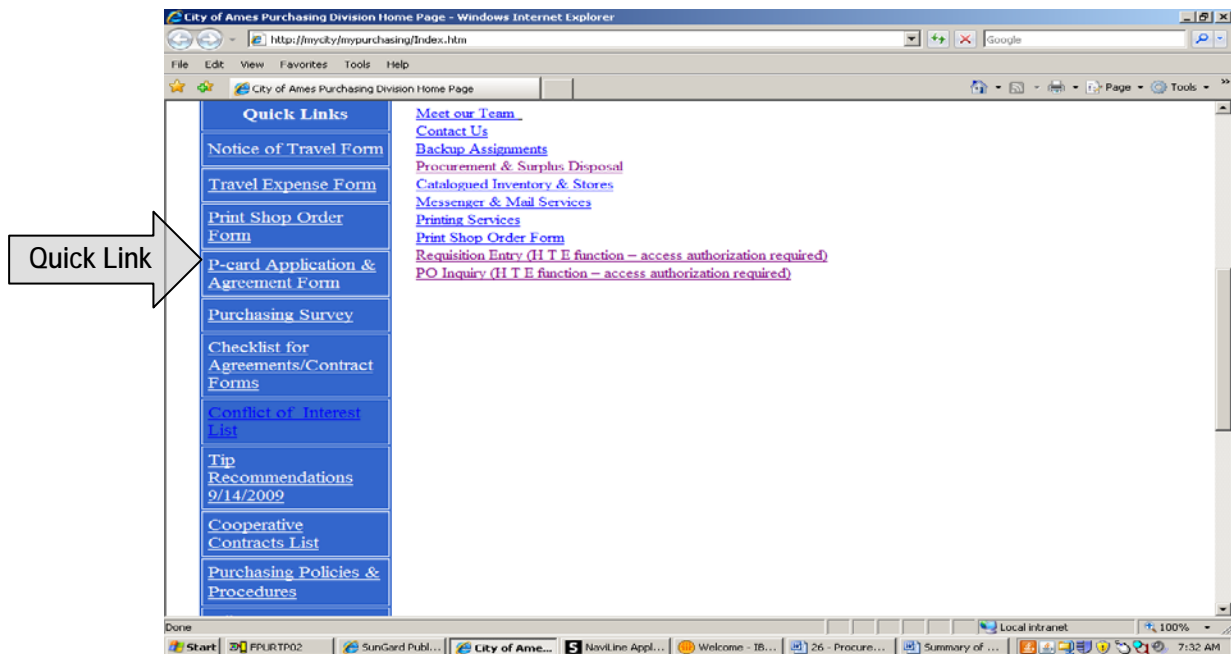


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SECTION 26 PROCUREMENT CARD PROGRAM PROCEDURES

26.01 PROCUREMENT CARD APPLICATION AND ISSUANCE

- A. Permanent City employees and officers may apply for a procurement card.
- B. Applications may be obtained from the “Quick Links” section of the Purchasing Division Intranet site (<http://mycity/mypurchasing/Index.htm>). It is also available in the Purchasing folder on the “coashared on ‘Netapp01’ - the T drive.



- C. Completed applications, including the appropriate authorization spend profile, will be submitted to a Program Administrator in the Purchasing Division.
 - 1. The application will indicate whether the proposed card can be used for travel.
 - 2. The application will indicate the default expense account number.
 - 3. The application will indicate whether the applicant should have access to related software systems. Department/division coordinators and those who process their own transactions will use the SungardHTE p-card module for transaction processing and reporting. Some Finance Department applicants will also need access to the bank’s software system.

- D. Application approval:
 - 1. Applications for employees other than Department Heads and City Manager must be approved by the employee's Department Head.
 - 2. Applications for Department Heads must be approved by the City Manager.
 - 3. An application from the City Manager must be approved by the Director of Finance.
 - 4. Applications for City officials must be approved by the City Council.
- E. Employees and officials will be notified of program training sessions.
 - 1. Applicants shall attend a policies and procedures training session prior to issuance of a card. Applicants will be provided with a copy of the policies at the mandatory training session.
 - 2. Before receiving renewal cards, cardholders are required to review policies and procedures relating to card use and to certify that they have reviewed and understand those policies and procedures. Refresher training sessions will be offered.
 - 3. Department/Division Program Coordinators, cardholders who reallocate transactions, and others who having procurement card program responsibilities will also attend policies, systems, and processes training as applicable relating to their role prior to system access. They will attend subsequent training sessions as appropriate to fulfill their roles and responsibilities within the program.
- F. Prior to receiving a card, the applicant will submit a signed agreement form to the Program Administrator.
- G. Cardholders will submit a signed renewal agreement prior to receiving renewal cards.

26.02 ROLES AND RESPONSIBILITIES

- A. The Finance Director and the Purchasing Manager are Program Administrators. Each may appoint an additional Program Administrator.

1. Questions concerning the following program aspects should be referred to a Program Administrator in Purchasing, telephone extensions 5127 or 5126.
 - a. Card application and issuance.
 - b. Training.
 - c. Program policies and procedures.
 - d. Changes in cardholder status.
 - e. Card limits and authority.
 - f. Card declines.
 2. Program Administrators in Finance Administration audit transactions and issue notices concerning policy violations. Questions concerning these notices should be referred to Duane Pitcher, extension 5113, or Carol Collings, extension 5122.
- B. The Assistant Director of Finance will appoint the Payment Administrator. Questions concerning the following program aspects should be referred to Cyndi Rose, extension 5280.
1. Statements/transaction reports from the card provider.
 2. Payment procedures.
- C. Each Department Head will appoint a Department/Division Program Coordinator for each work area within his or her department. Cardholders should refer questions concerning the following program aspects to their Department/Division Program Coordinator: Department Heads shall also appoint a backup Department Division Program Coordinator for each group in accordance with Section 14.02 D to insure continuation of tasks for which this role is responsible.
1. Account information for accounts in the specific work area.
 2. Reconciliation of the transaction reports for the specific work area.
 3. Disputes in accounts within the specific work area.
 4. Discrepancies between the transaction reports and transaction receipts for cardholders in the specific work area.

- D. Changes to accounts, except account closing, require the same authorization as new accounts.
1. Changes in an account, including a change in spending authority profile, require approval as in Section 26.01 D. The application form is used to initiate a change, but only the cardholder name and what is to be changed needs to be completed.

**PROCUREMENT CARD PROGRAM
APPLICATION/ENROLLMENT, AGREEMENT, AND ACCOUNT CHANGE FORM**

Employee/Officer Name _____ Title _____ Employee ID _____
 Department _____ Division _____ Default Account Number _____6038
 Telephone No. _____ Email _____

Requested Action: New Application Change
 Proposed Roles: Cardholder Supervisor
 Dept/division coordinator Backup to Dept/division coordinator

Program Access: HTP-card in 0414
 Works *** Yes No

Profile No.	Single Transaction Limit	Daily Limit	Cycle (Monthly) Limit	Travel Allowed
1	\$ 500	\$ 1,500	\$ 2,500	Yes
2	\$ 500	\$ 1,500	\$ 2,500	No
3	\$1,000	\$ 2,000	\$ 5,000	Yes
4	\$1,000	\$ 2,000	\$ 5,000	No
5	\$1,500	\$ 2,500	\$ 5,000	Yes
6	\$1,500	\$ 2,500	\$ 5,000	No
7	\$2,000	\$ 3,000	\$ 6,000	Yes
8	\$2,000	\$ 3,000	\$ 6,000	Yes
9	\$3,000	\$10,000	\$15,000	Yes
10	-	-	-	-

Approve by: _____ Date _____
 Department Head _____
*Temporarily closes/suspends account

2. Either the supervisor or the department/division coordinator should notify a Program Administrator in Purchasing if a cardholder is leaving City employment or transferring to another work group.
 - a. The account will be closed at the end of the cardholder's last work day.
 - b. The transaction file will be left open until closing of the last cycle in which the cardholder had transactions.

E. Refer also to Policy Section 14.02 D. Roles and Responsibilities.

26.03 SECURITY

- A. It is the responsibility of each cardholder to keep his or her card and card information in a safe location. Cards should be kept in the security sleeves provided. Carrying a card permanently together with personal

cards is discouraged because of the possibility of its use in place of a personal credit card.

- B. The cardholder shall immediately report a lost or stolen card to a Program Administrator. If the card is lost or stolen during non-business hours, the cardholder must report the loss/theft immediately on the first business day thereafter.
- C. Cards shall be returned to the Program Administrator when employment with the City is terminated or when cards are no longer active. Supervisors should collect cards from cardholders when cardholders leave the City's employ, transfer to another department/division, or no longer need a p-card. Ref. also 26.02 D.
- D. Expired and obsolete cards should be shredded or returned to Purchasing.

26.04 USE OF CARDS

- A. Receipts and Invoices: An original receipt or invoice must support each purchase transaction. The amount of the receipt shall correspond to the amount of the transaction; receipts shall not be split in order to circumvent the transaction limit or to use another method of payment for part of the transaction.
 - 1. If the vendor sends the receipt or invoice separately from the goods or services purchased, the invoice or receipt should be sent directly to the cardholder's department.
 - 2. If for some reason the cardholder does not have documentation of a transaction, the vendor should be contacted to request a duplicate receipt.
 - 3. Supporting documentation (the receipt/invoice) shall include the following information:
 - a. Vendor name.
 - b. Date of transaction.
 - c. Amount of transaction.
 - d. Delivery location when applicable.
 - e. Itemized descriptions of the items and services purchased.

- (1) If the receipt only includes the total purchase amount, the cardholder shall attach a detailed invoice, packing slip, or other document with the detailed information.
- (2) If an itemized receipt is not available the cardholder shall attach a written record of the items and services purchased.
- (3) For meals, the itemized ticket must be included along with the summary receipt that shows meal cost, tip, etc.

B. Internet Transactions: Cardholders shall confirm the security of proposed Internet order sites prior to placement of orders.

1. Cardholders shall obtain a receipt or detailed documentation of each Internet transaction.
2. Cardholders shall furnish receipts and records of Internet transactions with transaction reports.

C. Conference, Training, and Travel Transactions: Cardholders shall confirm budget approval prior to using cards for conference, training, or travel purposes (refer to Sections 9 and 22). Questions concerning budget guidelines should be referred to the cardholder's supervisor or to the Accounting Division of the Finance Department.

1. Transaction receipts for travel shall be delivered to the Accounting Division and a copy of the itinerary furnished with the invoice and transaction report.
2. Copies of transaction reports and supporting documents shall be furnished to the Finance Department with the Travel and Expense Report form.
 - a. Cardholders are reminded that the completed Travel and Expense Report form is to be filed with the Accounting Division within ten days after return to work.
 - b. Failure to submit a completed Travel and Expense Report with procurement card transactions within ten working days of returning to work is a violation of the p-card policies. Refer to Sections 9.07 and 14.11.D.

D. Telephone Orders: Cardholders shall confirm the security of proposed telephone orders prior to placement of orders.

1. Cardholders shall obtain a receipt or a detailed documentation of each telephone transaction.
 2. Cardholders shall furnish receipts and records of telephone orders with transaction reports.
- E. Food Items: Cardholders may use cards for food items in accordance with purchasing policies and the policies of this program.
1. Cardholders shall obtain a receipt and/or a detailed documentation of each transaction.
 2. Cardholders shall furnish receipts and other records of transactions with transaction reports.
 3. Transaction reports for food items not included on a Travel and Expense Report must indicate the business purpose for which the food was purchased (e.g. overtime meal, ABC committee meeting, etc.).
 4. When purchasing meals for others, the cardholder shall indicate on the transaction receipt or an attachment thereto the names of the persons and the business purpose of the meal.
 5. The name and affiliation of any non-employees or officers must be documented unless the food is purchased for an official reception or similar event where more than twenty people are expected to be in attendance.
 6. The detailed receipt showing items purchased must be included with the transaction report.
 7. ***No food for non-covered persons or alcohol should ever be on a p-card receipt. Cardholders should not assume they can reimburse the City!***
- F. If a merchant is given a p-card in error and the mistake is not realized until after the card has been swiped, ask the merchant to do a credit as soon as the error is discovered. Then perform the transaction correctly. This can occur if a p-card is mistakenly used for a personal purchase, or if the purchase does not meet the parameters for use of the p-card and should be invoiced under a purchase order.

1. ***Cardholders should not assume they can reimburse the City!***
When a charge goes through the system, it appears as a charge paid by the City even if a reimbursement is made.
2. This is a program violation. Refer also to Policy Section 14.10 and Procedures Section 26.10.

26.05 PROCESSING TRANSACTIONS

- A. Transactions are downloaded from a bank file daily, except from the closing of a bank cycle on the 16th of the month until completion of processing of the cycle transactions. If transactions are processed promptly, this is completed by the first working day after the 21st of the month.
- B. Charges are posted to a default account number and the element/object 6038, which is a purchase card clearing account.
- C. Either the cardholder or the Department/Division Program Coordinator will process transaction, including reallocation to the correct account number.
 1. Reallocation should be completed by the end of the billing cycle (the last cycle transactions are downloaded on the 16th) whenever possible.
 2. Processing of transactions is to be complete by the close of business on the 20th of each month.
 3. If the cardholder will not return from travel or there is another factor that makes completion of processing not possible by the 20th, the person responsible for processing the cardholder's transactions should contact the Payment Administrator prior to the 20th to make special arrangements in order to request assistance and avoid a violation.
- D. Refer to Appendix 26-1 for transaction processing instructions.

26.06 RECONCILIATION OF CHARGES

- A. The total of the transactions posted during the cycle should be the same as the total amount of the transaction receipts for the cardholder.
- B. The Department/Division Program Coordinator may be responsible for reconciliation of statements for the cardholders in a particular group. If a cardholder processes his or her own transactions, the cardholder should reconcile his or her statement.

- C. If an item was returned to the vendor but the credit is not received during the same billing cycle as the charge, the item must be expensed to the department during the current period; the charge should be reversed when the credit appears.
- D. If a transaction appears that was not authorized by the cardholder, it should be immediately reported to a Program Administrator and a dispute form filed with the bank.

26.07 CARDHOLDER STATEMENT/TRANSACTION REPORT

- A. There shall be a report for each cardholder with transactions during a billing period. The report shall show a summary of each transaction during each billing period. This is prepared by the person who processes the transactions in the SungardHTE system.
- B. Use the “statement of account” report for the transaction report. Refer to Appendix 26-2 for preparation of this report.
- C. If individual receipts have not been signed, each cardholder should sign the statement report. The cardholder’s signature verifies receipt of the materials and/or services shown on the receipt or statement; it is not an authorization for payment.
- D. Receipts shall be attached to the transaction report/statement.
- E. The signature of a person with the appropriate level of purchasing authority as designated by the Department Head must be included on the report/statement.

26.08 DISPUTED CHARGES

- A. Cardholders are responsible for the reconciliation of discrepancies between account statements and receipts.
 - 1. If a cardholder wishes to dispute a charge on an account, either the cardholder or the Department/Division coordinator must immediately contact Bank of America by submitting the dispute form via Fax.
 - a. Dispute forms are available from a Purchasing Division Program Administrator. This form must be completed and signed by the cardholder and the Department/Division Coordinator. The completed and signed form must be submitted to Bank of America within sixty days of the

transaction date in order to proceed with the dispute process.

- b. A copy of the dispute form should be sent to the Payment Administrator.
 - c. If the dispute cannot be resolved before the processing deadline, the items in dispute should be expensed to an operating account. If a credit is issued in response to the dispute, the credit should be a reverse expense to the same operating account.
2. The cardholder will follow procedures of the card provider to obtain receipts and provide any additional information necessary to settle the dispute.
 3. The card provider will notify the cardholder of the resolution. A copy should be provided to the Payment Administrator.
 4. If the dispute is resolved in favor of the cardholder, a credit will be applied to the account.
 5. If the dispute is resolved in favor of the vendor, forward the supporting documentation to the Payment Administrator so it can be filed it with the original charge. If applicable, a request can be submitted to the Accounting Division to journal entry the expense from the account to which it was originally expensed to the appropriate expense account.
- B. Each Department/Division Program Coordinator has the authority to resolve disputes on behalf of cardholders in a specific group, although the cardholder must also sign the dispute form. Delegation of this process is intended to ensure the timely resolution of disputes in work areas where cardholders' work schedules or locations do not permit directly contacting the card provider and/or vendors. This does not relieve the cardholder of any responsibility in resolving disputes.

26.09 AUTHORIZATION/REQUEST FOR PAYMENT

- A. Before the 21st of the month, each Department/Division Program Coordinator will submit the statements/reports for the work group, together with receipts and other supporting documentation to the Payment Administrator. The signature of a person with the appropriate level of purchasing authority as designated by the Department Head must be included on the statement/report as the request for payment.

- B. The total amount authorized for payment should total the statement amount including credits.

26.10 PROGRAM VIOLATIONS

- A. Unallowable Purchasing - If the Card is Used in Error:
 - 1. If a cardholder gives a merchant a p-card in error and does not realize the mistake until after the card has been swiped, the cardholder should have the merchant do a credit as soon as the error is discovered. Then the transaction should be completed correctly.
 - a. This would occur if a p-card is mistakenly used for a personal purchase. This can be avoided by keeping the City card in the Bank of America “sleeve” that has been provided to cardholders.
 - b. This would occur if the purchase does not meet the parameters of the program policies.
 - 2. **Cardholders should not assume that the charge can be made followed by reimbursement to the City!** Cardholders should understand that when a charge goes through the system, it is a charge to the City and is subject to all of the same conditions as a legitimate charge.
 - 3. If the cardholder is not able to have the incorrect charge credited before it is processed, it is considered an unallowable purchase. This is a program violation. Refer to Section 14.10.
- B. Unacceptable Documentation: If a cardholder does not provide the required documentation upon notification by the Payment Administrator to do so, it is a program violation. This would occur if the cardholder fails to provide receipts or invoices showing the detail of the charges.
- C. Late Submission of Transaction Records: If a cardholder fails to complete the reallocation process or does not have the proper documents submitted to the Payment Administrator by the 21st of the month, it is a program violation.
- D. Failure to Submit Travel and Expense Report: If a cardholder fails to submit a completed Travel and Expense Report form with procurement card transactions within ten working days after returning to work, it is a program violation.

- E. Failure to Resolve Disputes: It is the responsibility of cardholders to resolve disputes and to submit the appropriate forms to Bank of America when applicable. The dispute form must be filed with Bank of America within sixty days of the transaction date.
- F. Consequences for unallowable purchases, unacceptable documentation, late submission of transaction records, failure to submit a Travel and Expense Report, and failure to resolve disputes are as follows:
1. With the first occurrence, the cardholder will provide a written statement of explanation to the Finance Director, and a copy to the Purchasing Manager.
 2. The second time, the account will be suspended/closed for thirty days and the cardholder's Department Head will be notified.
 3. The third time, the account will be closed and the cardholder's Department Head notified. The cardholder will not be able to apply for a new card for at least one year.
 4. If a program violation occurs after a reinstatement, the account will be permanently closed and the cardholder will no longer be eligible for the program.
- G. It is the responsibility of cardholders to conduct City business in a manner consistent with City standards. If a cardholder fails to comply with City standards of conduct, the account will be closed and the occurrence will be reported to the cardholder's Department Head. Disciplinary action may result.

END OF SECTION

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