

PROCUREMENT CARD POLICY *FOR ELECTED OFFICIALS*

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Section 1. General

The Georgia General Assembly established guidelines and penalties into the Official Code of Georgia Annotated (O.C.G.A.) which provides that no municipal corporation shall issue government purchasing cards or government credit cards to Elected Officials on or after January 1, 2016, until the governing authority of the municipal corporation, by public vote, has authorized the issuance and has promulgated specific policies regarding the use of such Procurement Cards for Elected Officials of such municipal corporation.

The purpose of this policy is to establish the responsibilities, controls and authorizations for the application, issuance and processing of the Procurement Card (P-Card) Program for Elected Officials of the City of Monroe. The policy is not intended to replace current State of Georgia statutes but is intended to comply with such state laws and establish more efficient guidelines for Elected Officials using such Procurement Cards. The following policy and any accompanying procedures establish the minimum standards which must be adhered to and monitored when making purchases using a P-Card. At no time should a city issued Procurement Card or credit card be used for personal purchases regardless of the circumstances. Utilizing the Procurement Card for personal use or for any item or service not directly related to such official's public duty may result in disciplinary action including, but not limited to, felony criminal prosecution. All purchases utilizing a Procurement Card must be in accordance with these guidelines and with state law.

Section 2. Definitions

Authorized User – employee with written consent by a Cardholder to use a specific City of Monroe Procurement Card. It is recommended that each authorized user sign a Procurement Card Agreement Form prior to any use of the Procurement Card.

Cardholder – an employee who is assigned an individual Procurement Card for use to execute transactions on behalf of the City of Monroe by his/her Department Director.

Card Issuer – issuing bank servicing the Procurement Cards to City of Monroe employees.

Procurement Card Administrator – employee of the City of Monroe charged with review and approval authority for the Procurement Card Program.

Procurement Card Agreement (Form A) – agreement signed by the Cardholder and Procurement Card Administrator that outlines the responsibilities and duties regarding the use of the Procurement Card.

Single Purchase – A single transaction is defined as one or more items purchased from the same vendor at the same time on the same day. Any intentional circumvention of this policy including split purchases is strictly prohibited.

Section 3. Policy. It is the policy of the City of Monroe to control and monitor all purchases of products, goods and services through the use of a Procurement Card as stated in this policy. This Purchasing Card Policy, as required by state law under O.C.G.A. 36-80-24(c), applies to the use of Procurement Card used by Elected Officials authorized to be issued such Procurement Cards. All purchases shall follow strictly developed guidelines set forth in the Purchasing and Procurement Card Policy, and be within acceptable funding through previously approved budgets. All purchases use the Procurement Card are to be administered by the following:

- A. Authorized Elected Officials. The following section provides which Elected Officials are to be authorized to be issued Procurement Cards.

1. Mayor
 2. City Council member
- B. Public Inspection.** In accordance with O.C.G.A. § 36-80-24(b) any documents related to purchases using Procurement Cards incurred by Elected Officials shall be available for public inspection.
- C. Transaction/Dollar Limits.** Transaction limits are hereby established to insure compliance with state purchasing laws, maintain proper budgetary controls, and to minimize excessive use of any individual credit line. Individual monthly card limits cannot exceed those established by the municipal governing authority. The established single transaction limit for each card must be less than \$3,000.00. The established monthly card limit is based upon the City's budgetary constraints and is not to exceed \$10,000.00 per month. Any exceptions to the standardized limits must have express written approval by the City of Monroe and must be added to this policy by amendment or addendum.

Section 4. Purchasing Card Usage. State law provides that the required policy must include a description of purchases which are authorized for use of such cards and those purchases which are not authorized for use of such cards.

- A. Excluded Usage and Charges.** No set of policies can contemplate or list every possible scenario. This list should be used as a guide, not authorization for purchase if not represented in the examples provided.
1. Any purchases of items for personal use.
 2. Alcoholic beverages of any kind.
 3. Personal vehicle charges.
 4. Cash refunds or advances.
 5. Gifts, tickets or other personal items for any employee or their family members.
 6. Long term leases or equipment rentals.
 7. Meals unless specifically related to City sponsored events.
 8. Property leases including short term or long-term storage.
 9. City authorized cell phone payments.
 10. Employee classes not related to their employment with the City of Monroe.
 11. Sales Tax.
 12. Purchases or transactions made with the intent to circumvent the city purchasing policy, transactional limits, or state law.
 13. Any purchases made for grant funded projects require Finance Department approval prior.
- B. Acceptable Usage and Charges.** Elected Officials may use Procurement Cards to purchase goods and/or services not prohibited by this policy or state law.
1. Purchases of items for official city use which fall within the transactional restrictions of this policy.
 2. Purchase of lodging, fuel, food, non-alcoholic beverages, or education and training materials while on city business.
 3. Emergency purchases necessary to protect city property.

Section 5. Roles and Responsibilities. The following section provides the different roles and subsequent responsibilities of each of those roles as it pertains to the City of Monroe Procurement Card Program:

- A. Cardholders.** Cardholders are responsible for record keeping and the weekly transactions including obtaining and submitting receipts for the purchases with each week's online statement. The Cardholder of a Procurement Card must sign the Procurement Card Agreement (*Form A*) in order to be issued the card. This agreement must be on file with the Procurement Card Administrator. The cardholder is also responsible for timely submission of the original detailed receipts to the Department Procurement Card Liaison no less than weekly.
- B. Procurement Card Administrator.** The Procurement Card Administrator is responsible for issuing and managing the Procurement Card Agreements. Procurement Card Agreements must be signed by the Employee/Cardholder prior to the issuance of the Procurement Card. The Procurement Card system tracks the cardholder name, date issued, card number and spending limits. The Procurement Card Administrator will only grant system access to Authorized Users who are assigned responsibility for keeping track of the Procurement Cards issued. The Procurement Card Administrator is also the liaison between Cardholders and the issuers of such cards. The Procurement Card Administrator is also responsible for training all Cardholders and holding Procurement Card meetings to update current cardholders of any changes to the Procurement Card Program.
- C. Finance Department.** The Finance Department is responsible for reconciling the Procurement Card statement received directly from the bank to the Procurement Card entries entered in the system and approved by the Department Procurement Card Liaisons. Any disputes or discrepancies must be investigated immediately and resolved. The Finance Department will only grant system access to Authorized Users who are accountable for general ledger coding of the Procurement Card transactions.
- D. Finance Director.** The Finance Director is directly responsible for auditing the City of Monroe Procurement Card program. All violations will be addressed with the offending Cardholder. Violator's Procurement Card accounts can be deactivated, reimbursements enforced and/or face termination.

Section 6. Procurement Card Program Control. The following provides information detailing the control and conditions with which the Procurement Card Program is to be administered:

- A. Safekeeping.** Access to the Procurement Card Program system's database is restricted to only authorize personnel and any misuse is strictly prohibited and will be subject the employee facing immediate termination and possible prosecution. The Procurement Card is the property of the City of Monroe and as such should be retained in a secure location.
- B. Authorization.** The Cardholder is solely responsible for all transactions. Delegating the use of the Procurement Card is permissible only to Authorized Users. It is required that each Authorized User read and sign a Procurement Card Agreement Form, prior to usage of the Procurement Card.
- C. Card Cancellation.** All cards must be immediately cancelled when a Cardholder terminates employment with the City of Monroe or assumes another position that does not require the use of the Procurement Card in that department. The Human Resources Department notifies the Procurement Card Administrator weekly upon employee termination(s) or transfer(s). The Department Procurement Card Liaison must obtain the Procurement Card from the Cardholder,

cut and return the Procurement Card to the Purchasing Division. If any employee is taking a leave of absence, then the Procurement Card should be placed on an “inactive” status during the leave; via notification to the Procurement Card Administrator. The Procurement Card may be reactivated upon the Cardholder’s return only upon written request from the Cardholder’s Department Director.

- D. Receipt Documentation.** All charges on the Procurement Card require an original detailed receipt from the vendor as support for the transaction. If the charge is invoiced to the Cardholder, then the invoice should be sent directly to the Cardholder’s responsible Department. Receipts must include at a minimum: 1) vendor name, 2) amount, 3) date of transaction, and 4) description of the items purchased. Receipts that do not include this minimum documentation are not acceptable.
1. All travel and event purchases charged on the Cardholder’s account must adhere to the terms outlined by the City of Monroe Travel Policy.
 2. All transaction forms and supporting documentation must adhere to the Georgia Record Retention Policy. This documentation must be available for audit and review for seven (7) years after the date of purchase.

All receipts will be scanned into a PDF format and attached to the transaction in the Works program. This must be completed prior to the final approval of the transaction by the Finance Department. Departments will then attached the receipts to the Procurement Card Transaction Form and file receipts by month/year for audit purposes. The Department Director may add comments to the transaction in Works to identify the purpose for which the Procurement Card was used so that a complete history of the transaction is available in Works (example – 2014 Professional Dues in APWA for Department Director).

- E. Procurement Card Statement Distribution.**
1. Internet inquiry access to all Cardholders.
 2. Master copy sent to Finance Department by the financial institution providing a breakdown of charges by Cardholder name and Department.
- F. Dates/Deadlines.** Although it would be best if supporting documentation was provided on a daily basis, each Department Procurement Card Liaison should receive the Cardholder’s supporting documentation no later than Monday morning for the previous week’s activity. If the information received is incomplete, the Department Procurement Card Liaison must send a notice to the Cardholder via email or appropriate departmental communication tool as a reminder. If the documentation is still not received by the Department Procurement Card Liaison after two (2) weeks, then the Department Procurement Card Liaison must send a notice to the Cardholder’s appropriate Department Director for follow up. If there is still no response after the notice to the Cardholder’s appropriate Department Director within two (2) weeks of the 2nd notice, then the Department Procurement Card Liaison must send a request to the Procurement Card Administrator for the Cardholder’s account to be deactivated. Undocumented charges must be immediately refunded to the City of Monroe by the cardholder and no further transactions will be allowed. In order for the Cardholder to be reinstated, the City Administrator or his/her delegate will assess the Cardholder’s history and determine if reinstatement is warranted.
- G. Lost Procurement Card.** If a card is lost or stolen, immediately notify the following:
1. Card Issuer

2. Department Procurement Card Liaison
3. Procurement Card Administrator

Section 7. Accounting/Auditing. The Procurement Card Administrator, along with the Finance Director, in an effort to ensure compliance with city policy and state law, will conduct monthly/quarterly reviews and audits of all Procurement Card transactions. The review is designed to ensure compliance, identify non-compliance issues and misuse, and through corrective measures assist the city with improving compliance. The monthly/quarterly review and audit should happen within fifteen (15) days of the start of a new month/quarter. After completing the monthly/quarterly audit the Procurement Card Administrator shall notify Cardholders of any violations or questions that occurred within that previous month/quarter. Depending on the severity of the violation, the Finance Director may suspend or revoke the use of the Procurement Card after notification to the Cardholder and to the municipal governing authority, but only after consultation with the City Attorney. Any unresolved violations should be reported to the City of Monroe and the City Attorney in writing within five (5) business days.

Section 8. Procurement Card Violations

- A. The following is a list of violations of the Procurement Card Policy. Repeated violations can result in the deactivation of Cardholder accounts and penalties including possible termination of employment.
 1. Unacceptable purchases.
 2. Unacceptable documentation.
 3. Missed deadlines for submitting the procurement card supporting documentation.
 4. Unresolved credits or disputes.
 5. Intentional circumvention of the policies of the City of Monroe, specifically including the Purchasing and Travel Policies.
 6. Splitting transactions to avoid the single transaction limit.

The use of a Procurement Card may be suspended or revoked when the Administrator, after consultation with the city attorney, determines that the cardholder has violated the approved policies or state law regarding the use of the Procurement Card. The Procurement Card shall be revoked whenever a Cardholder is removed from office with the city and shall be suspended if such Elected Official has been suspended from office.

CITY OF MONROE
PROCUREMENT CARD AGREEMENT

The City of Monroe is pleased to issue you a Procurement Card (P-Card) under our Procurement Card Program. This agreement outlines your responsibilities and duties regarding the use of the Procurement Card. The Procurement Card is a tool that can be used as an alternate method of procurement and payment. It is important to understand that this in no way relieves you of your responsibility to follow the instructions outlined in the Purchasing Policy. All normal approval processes still apply when using the Procurement Card.

The cardholder participating in the P-Card program agrees to the following terms and conditions:

- I agree not to use the P-Card for any personal or non-business related purchases whether the purchase is for me or someone else. I authorize the City of Monroe to take whatever steps are necessary to collect an amount equal to the total of the improper purchases, including but not limited to declaring such purchases an advance on my wages to the extent allowed by law. If I am no longer employed by the City, then I agree to pay legal fees incurred by the City upon initiating legal proceedings to collect the improper purchases.
- I agree to immediately report a lost or stolen card to Bank of America at 1.800.300.3084 (24/7), my Department Director and the Procurement Card Administrator (770.266.5406) at the first opportunity during normal business hours. I understand that failure to notify the above of the theft, loss or misplacement of the card could make me personally liable for any fraudulent use.
- I agree that the P-Card is not transferable. I am the only authorized user of the card, unless another user is specifically designated. I understand that as the Cardholder, I am solely responsible for all transactions not disputed within 30 days.
- I agree the City of Monroe may terminate my right to use the card at any time and for any reason. I agree to return the card to the City of Monroe immediately upon request or termination of employment.
- I agree that any of my purchases using the P-Card are subject to audit.
- I agree to follow the established procedures as stated in the City of Monroe Purchasing Policy, Procurement Card Policy and all other applicable City policies and procedures. I agree not to circumvent the established policies when using the P-Card.
- I agree to present the City of Monroe Tax Exempt form with all purchases on my P-Card to ensure a vendor does not include Georgia State Sales Tax on my P-Card purchases.
- I agree to submit all supporting documentation timely and completely.
- My signature below acknowledges that I have read the Procurement Card Policy and confirm my understanding of the procedures, terms and conditions for using the Procurement Card.

Cardholder Name & Signature

<i>Signature of Cardholder:</i>	
<i>Print Name:</i>	
<i>Title:</i>	<i>Procurement Card Number:</i>
<i>Department:</i>	<i>Date:</i>