



Laurens County Purchasing Card Program Policy
Approved by the Laurens County Council
NOVEMBER 13, 2018

LAURENS COUNTY PURCHASING CARD PROGRAM POLICY GENERAL POLICIES AND PROCEDURES

Policies and guidelines will be changed to meet the needs of the purchasing card program.

Introduction

Welcome to the Laurens County/State of South Carolina VISA Purchasing Card Program. Laurens County is participating in this program as a political subdivision of the State of South Carolina. The program is designed to help you better manage low-dollar routine purchases and to bring benefits to you in performing your job, the County and our vendors. Those individuals who have buying responsibility in departments are encouraged to be the departmental cardholder.

What is the Purchasing Card?

The Purchasing Card is a VISA credit card issued by Bank of America. It is a flexible purchasing tool that offers an alternative to the existing County purchasing processes and provides for an efficient and effective method of payment for items purchased under \$1,500. Purchases must follow the Laurens County Procurement Policy Ordinance. The card is to be used only for official County purchases.

The VISA Purchasing Card will enable you to purchase non-restricted commodities, by telephone or in person, directly from vendors. Some of the items that can be charged on the Purchasing Card are supplies, registration fees, and travel expenses. It will eliminate the need to issue check request forms for payment. Charges to your County accounts will be posted to the Bank of America Works Online Program. The VISA Purchasing Card will be issued in the employee's name and have SC County of Laurens embossed on the face of the Card.

The Purchasing Card program brings many benefits to:

1. Cardholders – You will be able to purchase items directly from vendors without having to prepare a Check Request form or submit invoices for payment. This will streamline the purchasing process and can improve the turnaround time on the receipt of your order. It will significantly reduce the administrative workload and processing costs related to the purchase and payment of goods.
2. The County – The Purchasing Card provides a cost-efficient, alternative method for purchasing low-dollar items. A built-in card feature makes the program easy to control and manage and reduces processing costs at all levels by reducing the number of Check Request Forms and checks issued. The Purchasing Card enables all departments to focus on high yield value added activities.
3. Vendors – The Purchasing card is welcomed by vendors who accept VISA. When they accept the card for County business purposes, vendors will not need to send monthly invoices to the County, and they will receive payment directly from the VISA provider within 48 hours.

Purchasing Cards are limited to certain types of allowable County business transactions.

A list of possible items and services which can/cannot be charged on the County Purchase Card is as follows:

ALLOWABLE CHARGES

All Supplies

Employee: Travel, i.e., hotel rooms or holding reservations, meals, auto rental

Airline Tickets

Registration Fees

Shipping Charges and Postage

Membership Dues

Subscriptions

Computer Software

Books

Printing

Postage

Utilities

Hardware

Telephone & Cell Phone Charges

Internet Providers

Medical Supplies

Lodging

Parking

Catering for County sponsored event

** Credits must be returned to cards

NON ALLOWABLE CHARGES

No services unless approved by Finance (due to IRS guidelines)

Out of town meals for County travel are not permitted to be charged without preapproval from the County Administrator

Gift Cards

Alcoholic beverages

Equipment

Cash Advances

Fuel unless approved by Fleet Manager

Purchases over \$1,500 without prior approval from Finance Director or Procurement Director

GENERAL PROCEDURES AND GUIDELINES

- Purchasing Cards cannot be used for cash advances or the purchase of items that can be used as cash, i.e. gift cards, gift certificates, etc.
- Purchasing Cards will only be issued to individuals, in the individual's name.
- Cardholder must be an employee of Laurens County.
- Purchasing Cards will not be transferable between individuals or County Budgets.
- A default County account number (department/fund) will be assigned to each Purchasing Card.
- Each Cardholder will be assigned to a Departmental Liaison.
- Departmental Approver may not approve his/her Billing Statement.

- Departmental Liaison may be assigned as an auditor for more than one department/fund.
- The Finance Office will assign a Purchasing Card Coordinator.
- Employee's Department Head/Business Officer must approve the request for a card, assign the default account number, assign the Departmental Liaison for the Cardholder and submit information to the County Purchasing Card
- Department Head approval delegates transaction authority to the Cardholder.
- Bank of America will be paid once a month from accounts payable account.
- Departmental bills will be mailed to directly to the cardholder.
- Liaisons will have the capability to enter account number for payment, identifying transactions subject to use tax.
- Departments will be responsible to assure credit card charges are accurate in the Bank of America Works Software. These transactions are then upload to the Smartfusion Financial Software and posted based on the account number in the Works software.

Emergency purchases of up to \$1,500 are permitted by the department head. Emergency purchases must be reported to the County Administrator and Finance Director within 48 hours.

PARTIES INVOLVED

Agency - Laurens County arranges with the card issuer, Bank of America, for the issuance of Purchasing Cards to approved County employees and agrees to accept departmental liability for the employees' use of the cards.

Cardholder - an employee of the County who is approved by his/her Department Head to use the Purchasing Card to execute purchase transactions on behalf of the County.

Card Issuer - Bank of America's services were contracted for by the State of South Carolina, to issue VISA Purchasing Cards to County employees, to bill the County for all purchases made on the cards, and to collect payment from the County on behalf of the vendors.

Department Head - County official who must approve employee's request for a Purchasing Card, assign Departmental Liaison, designate default account number for purchases on the Purchasing Card, and submit application to the County Purchasing Card Coordinator. Each Department Head will assign transaction authority to the Cardholder.

Departmental Liaison - an employee in each department that is responsible for proper use of the Purchasing Card within that department. Each Cardholder will be assigned a Departmental Liaison and the Liaison will be responsible for reviewing the transaction of individual Cardholders to make sure the transactions are classified as an appropriate county expense.

Purchasing Card Coordinator – the central coordinator located in the County’s Finance Office who coordinates the Purchasing Card program for the County and acts as the County’s intermediary in correspondence with the card issuer.

Vendor - the merchant from whom a Cardholder is making a purchase.

CARDHOLDER RESPONSIBILITIES

The Cardholder must only use the Purchasing Card for legitimate County business purposes. Misuse of the card will subject Cardholder to disciplinary action in accordance with County Policies and Procedures relating to disciplinary action and termination for cause. The Cardholder must:

- Ensure the Purchasing Card is used only for legitimate County business purposes.
- Maintain the Purchasing Card in a secure location at all times.
- Adhere to the purchase limits and restrictions of the Purchasing Card and ensure the total transaction amount of any single transaction does not exceed \$1,500, unless an exemption has been granted.
- Adhere to the Laurens County Procurement Policy Ordinance and other applicable County policies.
- Obtain all sales slips, register receipts, and agendas and provide same to Departmental Liaison for reconciliation, and allocation of transactions in the Works application.
- Approve the charges made to the Purchasing Card. The approval certifies that the purchase meets the County guidelines for approval for payment.
- Notify Departmental Liaison of the account number which should be charged on an individual transaction.
- Attempt to resolve disputes or billing errors directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved.
- Ensure that an appropriate credit for the reported disputed item(s) or billing error appears on a subsequent Cardholder Memo Statement.
- Not accept cash in lieu of a credit to the Purchasing Card account.
- Immediately report a lost or stolen card to Bank of America at 1-800-538-8788 (24 hours a day, 365 days a year).
- Immediately notify Departmental Liaison and/or County Purchasing Card Coordinator of a lost or stolen Purchasing Card at the first opportunity during business hours.
- Return the Purchasing Card to Departmental Liaison upon terminating employment with the County or transferring to a different Department within the County.
- Ultimate responsibility for use/misuse of cards rests with the cardholder.

DEPARTMENTAL LIAISON RESPONSIBILITIES

Each Department Head must designate one or more Departmental Liaisons for his/her department. The Department Head will assign a Departmental Liaison for each Purchasing Card application approved for his/her employees. The Departmental Liaison must receive training before any individuals in the department may receive a Purchasing Card. Responsibilities include:

- Collecting vendor receipts and purchasing card receipts from Cardholders and reconciling to Bank of America billing statements.
- Retaining all charge slips and receipts for audit by internal and external auditors.

- Require approval of charges made to the Purchasing Card. The approval certifies that the purchase meets the County guidelines for approval for payment.
- Entering and/or updating the account number information on Works software within five business days of the transaction.
- Attempting to resolve any disputes with vendor and/or Bank of America not resolved by Cardholder.
- Notifying County Purchasing Card Coordinator in 3 to 5 days of any unresolved disputes, noting the reason for dispute.
- Requesting the County Purchasing Card Coordinator to change default account for individual cards as needed and approved by Department Head.
- Notifying County Purchasing Card Coordinator of lost or stolen cards. Requesting County Purchasing Card Coordinator to cancel a Cardholder's card e.g. (terminated employees, transferring departments, loss of purchasing card privileges) as approved by Department Head.
- Collecting canceled cards from Cardholders and forwarding to County Purchasing Card Coordinator.

COUNTY PURCHASING CARD COORDINATOR RESPONSIBILITIES

The County Finance Office will assign a coordinator to be responsible for the over-all Purchasing Card program. Responsibilities include:

- County liaison with Bank of America.
- Utilizing Works Software from Bank of America.
- Reviewing department approved applications for completeness of required information.
- Having Cardholder sign Cardholder agreement, signifying agreement with the terms of the Purchasing Card program.
- Submitting completed application to Bank of America and receiving Purchasing Card from Bank of America.
- Training Departmental Liaisons before releasing Purchasing Cards.
- Training Cardholder before releasing Purchasing Card.
- Handling disputed charges/discrepancies not resolved by Cardholder or Departmental Liaison.
- Initiating changes of Purchasing Card default account number upon request of Department Liaison as approved by Department Head.
- Securing revoked Purchasing Cards and submitting information to Bank of America.
- Electronically notifying Cardholders and Departmental Liaison of Bank of America transactions needing approval and advising them of cut-off date for approvals. If transactions are not approved prior to cut-off date, cards will be suspended for a minimum of three months.
- Processing upload of bill for charging individual departments.
- Reviewing usage of Purchasing Card data for appropriateness.

The County Purchasing Card Coordinator is required to close an account if the Cardholder: (a) transfers to a County department, (b) moves to a new job in which the Purchasing Card is not required, (c) terminates County employment or (d) for any reason which will also subject Cardholder to disciplinary action in accordance with County Policies and Procedures relating to disciplinary action and termination for cause.

CARDHOLDER ELIGIBILITY

Criteria to receive a County Purchasing Card is as follows:

- Applicant must be a full-time or part-time permanent employee of the County.
- The Department Head must approve applicant's request for a Purchasing Card.
- Applicant must be assigned a Departmental Liaison selected by his/her Department Head.

CARDHOLDER LIABILITY

The Purchasing Card is a departmental corporate charge card which will not affect the Cardholder's personal credit, however, it is the Cardholder's responsibility to ensure that the card is used within stated guidelines of the Purchasing Card Cardholder Manual as well as County Policies and Procedures relating to the expenditure of County funds. Ultimate responsibility for use /misuse of cards rests with the cardholder. Failure to comply with the program guidelines may result in permanent revocation of the card, notification of the situation to management, and further disciplinary measures may include termination and criminal prosecution.

CARDHOLDER TERMINATION

The County Purchasing Card Coordinator is required to close an account if the Cardholder: (a) transfers to different County department, (b) moves to a new job in which the Purchasing Card is not required, (c) terminates County employment or (d) for any of the following reasons which will also subject Cardholder to disciplinary action in accordance with County Policies and Procedures relating to disciplinary action and termination for cause.

- The Purchasing Card is used for personal or unauthorized purposes.
- The Purchasing Card is used to purchase alcoholic beverages or any substance, material, or service violating policy, law or regulation pertaining to the County.
- The Cardholder splits a purchase to circumvent the limitations of the Laurens County Procurement Policy Ordinance.
- The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Laurens County Procurement Policy Ordinance.
- The Cardholder fails to provide Departmental Liaison with required receipts.
- The Cardholder fails to provide, when requested, information about any specific purchase.
- The Cardholder does not adhere to all of the Purchasing Card policies and procedures including but not limited to the Travel Policy and Guidelines.

LOST, MISPLACED OR STOLEN PURCHASING CARDS

Cardholders are required to immediately report any lost or stolen Purchasing Card to Bank of America toll-free at 1-800-538-8788 (24 hours a day, 365 days a year). The Cardholder must also immediately notify his/her Department Liaison and/or the County Purchasing Card Coordinator about the lost or stolen card at the first opportunity during normal business hours.

SPENDING CONTROLS

The Purchasing Card is to be used only for the purchase of items normally allowed for small purchases. Laurens County general spending parameters for each VISA purchasing card issued is set at \$1,500 per transaction. The purchasing Card must adhere to the County purchasing policies and procedures. The Finance Director in conjunction with the Department Head will adjust limits as determined by demonstrated need.

ERRONEOUS DECLINES

Should the Purchasing Card be erroneously declined by a vendor, the Cardholder should immediately contact the County Purchasing Card Coordinator for assistance. If purchase is being made outside of normal County business hours, the employee must find an alternate payment method or terminate the purchase and contact the County Purchasing Card Coordinator during normal County hours.

CREDITS

Vendors will issue all credits to the individual Purchasing Card account for any item they have agreed to accept for return. This credit will appear on subsequent statement. Under no circumstances should a Cardholder accept cash in lieu of a credit to the Purchasing Card account.

UNRESOLVED DISPUTES AND BILLING ERRORS

The Cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the Cardholder/Departmental Liaison should -

- Contact Bank of America at 1-800-352-4027 directly for assistance.
- Mail or fax to Bank of America at 1-888-678-6046 a signed "Dispute Form" to document the reason for the dispute if form is requested by Bank of America.
- Contact the County Purchasing Card Coordinator for assistance if an acceptable resolution is not obtained.
- The total amount billed by Bank of America will be charged to the individual departmental accounts and credits for disputed transactions will be posted to departmental accounts when the credit appears on the Bank of America billing.

SECURITY AND STORAGE

Purchasing Cards

Cardholders should always treat the County Purchasing Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded.

Program Documentation

The Departmental Liaison assigned to each Purchasing Card will maintain the Cardholder's vendor receipts/packing slips/charge slips. Once approved by the Department Head, the documentation is forwarded to the Accounts Payable Office. The County Purchasing Card Coordinator will maintain all other documentation concerning the Purchasing Card program. This documentation includes, but is not limited to, applications, Cardholder agreements, reconciliation of accounting statements, Works programs, and copies of transmittals and correspondence with Bank of America.

PURCHASING CARD SET UP, MAINTENANCE, AND CLOSURE

All contact with Bank of America for card set up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the County Purchasing Card Coordinator who is located in Finance Office.

Card Set Up

- County employee completes a County Purchasing Card application and submits to his/her Department Head for completion and approval.
- Department Head completes the application by providing the name of the Departmental Liaison and default account number to be assigned to the card.
- Department Head signature approval delegates transaction authority to the Cardholder.
- Approved application is to be sent to the County Purchasing Card Coordinator.
- County Purchasing Card Coordinator reviews application for completeness and submits application to Bank of America in format approved by Bank of America.
- Upon receipt of the Purchasing Card from Bank of America, the County Purchasing Card Coordinator will conduct a training session with the Cardholder or offer a tutorial on the Purchasing Card prior to issuing the card.
- Cardholder signs Cardholder Agreement signifying agreement with the terms of the Purchasing Card program.

Card Maintenance

Purchasing Card Coordinator will use all available tools of Bank of America's Works software for the maintenance of cards.

Closure

· Lost or Stolen Cards

Cardholder must immediately report the lost/stolen card to Bank of America at 1-800-538-8788. Cardholder must also notify the County Purchasing Card Coordinator who will follow up with Bank of America.

· Terminated or Transferred Employees

Departmental Liaison is to secure Purchasing Cards from terminated employees and employees who transfer to another County department. The Departmental Liaison will immediately notify the County Purchasing Card Coordinator by phone of the termination or transfer. A request for closing the Cardholder account will be submitted to Bank of America by the County Purchasing Card Coordinator within 2 days of receiving the notification. All Purchasing Cards are to be returned to the County Purchasing Card Coordinator for disposal.

· Other Card Revokes/Closures

County Purchasing Card Coordinator will notify Bank of America immediately of all revocations and closures.

RECONCILIATION, APPROVAL & ALLOCATION OF BILLING

Receipt and Payment of Bank of America Billing

- Bank of America will mail a billing statement to the County within seven (7) days after the close of the billing cycle of each month.
- Finance Director will review bill for any obvious errors in charges or unposted payments. If none are noted, payment in full will be made to Bank of America.

Allocation of Purchasing Card Charges to County Departments

- A default County account number will be assigned to each Purchasing Card issued.
- Within one business day of the receipt of the transactions, an email will be sent to the Departmental Liaison from Bank of America that there is a transaction awaiting approval.
- Weekly the County Purchasing Card Coordinator will remind Cardholders and Departmental Liaisons of the availability of transactions awaiting processing.
- Departmental Liaisons are required to approve all charges made to the Purchasing Card. The approval certifies that the purchase meets the County guidelines for approval for payment.
- Departmental Liaisons will charge account number.
- Departmental Liaisons will identify transactions requiring payment of use tax.
- Departmental Liaisons will process electronic bill in advance of the designated default cut-off date established by the County Purchasing Card Coordinator.
- Departmental Liaisons will assemble and forward Cardholders statements, charge slips and receipts to Accounts Payable Office for documentation for audits performed by internal and external auditors. Receipts for purchases must be maintained for 5 years.
- County Purchasing Card Coordinator will process upload of the departmental charges to accounting for charging individual departments.
- The total amount billed by Bank of America will be charged to the individual departmental accounts and credits for disputed transactions will be posted to departmental accounts when credit appears on the Bank of America billing.
- County Purchasing Card Coordinator will reconcile the detailed billing statement to amount paid Bank of America.

AUDIT

Laurens County's internal control procedures and guidelines are as follows:

Cardholder will:

- Submit vendor receipt/packing slip and charge slip to Department Liaison. If order is by telephone/fax, the Cardholder should supply a copy of the order blank or a description of order to Departmental Liaison.
- Approve the charges made to the Purchasing Card. The approval certifies that the purchase meets the County guidelines for approval for payment.
- Assign alternate account number for purchases to be charged if different than the default account number assigned to the Purchasing Card.
- Provide comment in Bank of America Works Software on every transaction.

Department Liaison will:

- Match Cardholder receipts to billing.
- Require approval of charges made to the Purchasing Card. The approval certifies that the purchase meets the County guidelines for approval for payment.
- Enter alternate account number when applicable.
- Enter analytical for cost sharing to grants when applicable.
- Process charges in Bank of America Works for the department in advance of the default deadline for approvals established by the County Purchasing Card Coordinator.
- Forward all receipts to the Accounts Payable Office for any audit by internal and external auditors. Receipts for purchases are to be maintained according to the records retention schedule from the South Carolina Department of Archives.

County Purchasing Card Coordinator will:

- Process upload of departmental charges to accounting for charging individual departments.
- Upload to individual County department/funds is to be for the total amount of the billing.
- Make periodic audits of card use and charges for appropriateness through the use of Works on-line reporting system. Areas to be monitored include, but are not limited to compliance with Laurens County Procurement Policy Ordinance, compliance with Purchasing Card regulations, and compliance with County regulations. Non-use of card usage will be monitored.

ACCOUNTABILITY

Monitoring & Review Process

Purchasing Card transactions are subject to the monitoring & review process of Procurement Services. Cardholders and/or liaisons may be requested to provide additional explanations for questioned transactions.

VIOLATIONS OF THE PURCHASING CARD PROGRAM POLICY

Violations of purchasing card program policy or guidelines may be self-reported, detected by cardholder liaison or in the County or departmental monitoring/compliance programs.

Violations of program policy or guidelines will result in notification of violation to the cardholder and Department Head.

Any of the following action(s) will be the result based on the severity of the violation:

- Inquiry to the cardholder for explanation of the use of the purchasing card for a questionable transaction.
- Suspension of the purchasing card until assurances have been made by the Department Head that measures have been taken to avoid a reoccurrence of the violation by the cardholder and cardholder has attended training on the purchasing card policies and guidelines

Termination of the purchasing card

Disciplinary action in accordance with the County Policy and Procedures relating to disciplinary action and termination for cause.

Repayment of the transaction with personal funds

Actions for purchasing card transactions which are violations of the Laurens County Procurement Policy Ordinance will be handled as an unauthorized procurement.

Unauthorized Procurement

An unauthorized procurement is an act obligating Laurens County in a contract by any person not authorized to do so in accordance with Laurens County Procurement Policy Ordinance:

- Personal purchases not used for County business but paid for with County funds.
- Any single purchase over \$1500.00 not listed on the exemption list nor requisitioned through Procurement for mandatory competitive bid solicitations.
- Split orders with a single vendor where the monetary total exceeds \$1500 and not listed on the exemption list nor sent through Procurement for mandatory competitive bid solicitations.
- Non-compliance of using State of S.C. established contracts when applicable.

When a transaction has been determined to be an unauthorized procurement and payment has already been made, the following steps need to be taken by the employee who made the purchase.

The employee who made this purchase will have to send a letter of explanation to the Director of Finance stating the facts and circumstances surrounding the purchase of the items and what corrective actions are being taken to prevent this from happening again. The letter should be routed through the appropriate administrative channels.

When a transaction has been determined to be an unauthorized procurement and payment has not been made, the following steps need to be taken by the employee who made the purchase.

The employee who made this purchase will have to send a letter of explanation to the Director of Procurement, stating the facts and circumstances surrounding the purchase of the items and what corrective actions are being taken to prevent this from happening again, action taken against the individual committing the act, and documentation that the price is fair and reasonable.

The letter should be routed through the appropriate administrative channels. Once this unauthorized procurement has been reviewed and ratified, a purchase order will be issued.