

Iowa County, Iowa
Policy Manual

Title: Purchasing Card Policy	Reference #: AD001
Subject: Administration	Date Effective/Revised: 7/1/2016
Department: All	Approved By: Board of Supervisors

Use of the Purchasing Card

The purchasing card works like a personal credit card, except that all charges are paid in full by the County. It is to be used only for the purchase of goods and services in support of County business. The spending limit for each card issued is set at a maximum monthly amount and individual transaction amount as determined by the Board of Supervisors.

Cardholders should always treat the 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. The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.

The Iowa County Auditor will select a company to us to obtain the purchasing cards.

Requesting a Purchasing Card

A request for a card must be made by the Department Head and submitted to the Board of Supervisors. The Board of Supervisors reviews and approves all requests. All disapproved requests are returned to the Department Head indicating the reason for the disapproval.

The Board of Supervisors specifically authorizes the Iowa County Auditor to maintain a purchasing card to pay the monthly subscription for Microsoft Online.

Purchasing With the Card

The purchasing card may be used to purchase goods or services in person (at the point of sale), over the telephone, or over the Internet. When using your card over the Internet, be sure that you are using a secure site.

A cardholder must:

- ensure that the card is used only for legitimate County business purposes
- ensure that the card is used only by the cardholder; use by anyone other than the approved cardholder is strictly prohibited
- no cash transactions such as accepting cash in lieu of a credit to the purchasing card account or using the card to obtain a cash advance
- request tax-exempt purchase if available

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- obtain an itemized receipt in addition to the purchasing card receipt. Purchases without an itemized receipt will not be paid by the County and will be deducted from the employees next paycheck

If placing your order on the Internet, be sure to place orders through a secure Internet site.

Lost or Stolen Card

Report any lost or stolen card immediately to the Auditor or her/his designee.

Credits

The vendor should issue a credit to your card for any item they have agreed to accept for return. Under no circumstances should you accept cash in lieu of a credit to the purchasing card account.

Disputes and Billing Errors

Report any disputed charges or billing errors to the Auditor or his/her designee.

Misuse or Abuse of the Card

The term "misuse or abuse" shall mean the use of the purchasing card outside of the employee's authorized parameters. Misuse or abuse of the card includes, but is not limited to:

- using the card for personal or unauthorized purposes
- using the card to obtain a cash advance or cash in lieu of a credit to the purchasing card account
- using the card to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the County or the Code of Iowa
- allowing use of the card by another individual
- splitting a purchase or using another cardholder's card to circumvent the card purchasing limit of the card
- failing to provide your Department Head with required receipts
- failing to complete and submit the log of transactions within five (5) business days after the close of each billing cycle.
- failing to provide, when requested, information about any specific purchase

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- not adhering to all of the County Purchasing Card Policy and Procedures

Depending on the severity of the violation, the following actions may be taken:

- 1st Offense: When a card is accidentally used in violation of this policy, both the cardholder and the cardholder's Department Head will be notified of the infraction. The cardholder will be advised to use the card for business purposes only within the parameters established by these policies. The cardholder will also be advised that all card privileges will be suspended if further violations occur. The cardholder will be personally responsible for reimbursing the County for unauthorized purchases.
- 2nd Offense: All purchasing card privileges will be suspended for a period of three (3) months. The cardholder's Department Head will be notified of this violation and subsequent suspension of privileges. At the end of the three month period, the cardholder's Department Head may elect to reinstate the cardholder's privileges, with the approval of the Board of Supervisors. The cardholder will be personally responsible for reimbursing the County for any unauthorized purchases.
- 3rd Offense: Use of the purchasing card will be suspended permanently. The cardholder will be personally responsible for reimbursing the County for any unauthorized purchases.

These actions may be initiated at the discretion of the Auditor after consultation with the appropriate Department Head and the Board Chair. Further, the Department Head may ask the County Auditor to initiate any of the above actions at any time.

Fraudulent Use of the Card

The term "fraudulent use" shall mean the intentional use of the purchasing card with a deliberately-planned purpose and intent to deceive and thereby gain a wrongful advantage for oneself or anyone else other than the County. The following actions will be taken:

- termination of employment with the County

The Department Head will initiate action to terminate employment as soon as the fraudulent purchase is reported to him/her by the Auditor.

Employee Termination or Transfer

A cardholder who terminates employment with the County must return the purchasing card to the Auditor. Failure to comply will result in the withholding of the final payroll check from the employee until the card is returned.

A cardholder who transfers to a position within the County that does not require a purchasing card

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to perform the duties and responsibilities of the position must return the card to the Auditor. Failure to comply will result in progressive disciplinary action against the employee.

Audit of Individual Accounts

The Auditor may elect to audit a cardholder's account and log of transactions at any time and without notice. It is, therefore, important that cardholders maintain accurate records of all transactions at all times. The cardholder is responsible for the transactions identified on their card statement; when an audit of the cardholder's account is conducted, the cardholder must be able to produce receipts, and proof that the transaction occurred.

Documentation

The cardholder is responsible for maintaining adequate documentation to verify and explain all purchasing card transactions. To facilitate reconciliation and approval of statements, it is essential that cardholders obtain and retain vendor documentation for purchases, including

- itemized vendor sales receipts,
- itemized packing slips or shipping orders, and
- purchasing card detailed charge slips with item descriptions.

On an ongoing basis, the cardholder must maintain a log of transactions to document transactions made with the card, whether the transaction was made at the point of sale, by telephone or on the Internet. Adequate documentation, as described above, must be attached to the log for each transaction.

Each month, the cardholder will retrieve an electronic statement which lists charges made during the previous billing cycle. Upon retrieving the statement, it is essential that the cardholder perform the following:

- review the statement; compare back-up documentation (receipts, packing slips, charge slips, etc.) to the transactions listed on the statement
- reconcile each and every transaction to assure that it is correctly listed on the statement; it is, however, possible that transactions completed will not appear until the next statement
- reconcile each and every transaction on the statement to assure that it is correctly listed and that adequate documentation for each transaction is attached.

Upon reconciliation, the statement and all supporting invoices, packing slips, charge slips, etc

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should be forwarded to the Department Head within five (5) business days after the close of each billing cycle. The Department Head will review the statement by:

- ensuring that each purchase is an appropriate use of County funds,
- confirming that receipts and written explanations are attached for each listing on the statement,
- confirming that the attached receipts match the dollar amount of each listing on the statement,
- ensuring that the card is not used for personal purposes, and
- ensuring that the card is used and receipts are signed only by the cardholder.

After reconciliation by the Department Head, he/she must approve (by signing) the statement. By signing and approving the statement, the Department Head certifies the statement's compliance to the established policies and procedures governing the purchasing card program. The Department Head must forward the approved statement to the Auditor no later than the 10th of the month.