



PURCHASING CARD POLICIES & PROCEDURES MANUAL

June 2024

INTRODUCTION

Welcome to the City of St. Helens Purchasing Card (P-Card) Program. The City is participating in a program designed to be a convenient way to better manage materials and equipment purchases, and reduce the processing and printing of AP checks.

This Policy replaces the Purchase Card Policy approved on June 7, 2017.

The Purchasing Card enables you to purchase non-restricted commodities, in person, by telephone/fax or online, directly from the vendors. It will reduce the need for issuing low dollar purchase orders, blanket purchase orders, and processing payment vouchers.

The success of the Purchasing Card Program and its continuing use depends on your participation and cooperation. Please be sure to read and follow the Program guidelines as specified within this Manual.

BENEFITS

Cardholders: You will be able to obtain materials and supplies directly from your vendors without using a purchase order. This streamlines the purchasing process and can help improve turnaround time on receipt of your order. It significantly reduces the workload and processing costs related to the purchase and payment of supplies.

City of St. Helens: The Purchasing Card Program provides a cost-efficient, alternative method for purchasing materials and supplies, and equipment. Built-in card features make the Program easy to control and manage and reduces processing costs at all levels by reducing the number of requisitions, purchase orders, invoices, and checks. The Purchasing Card enables all departments to focus on higher yield value added activities.

Vendors: The Purchasing Card will be welcomed by vendors who accept VISA.

THE PURCHASING CARD

The Purchasing Card (P-Card) is a Visa credit card issued by Wells Fargo Bank. It is a fast and flexible purchasing tool which offers an alternative to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for supplies. The Purchasing Card is to be used for official City purchases only.

The Purchasing Card will be issued in the name of the cardholder with "City of St. Helens" clearly indicated on the card.

The Purchasing Card must always be treated with the greatest care. Cardholders are expected to keep the Purchasing Card in a secure location and guard the Purchasing Card account number and PIN carefully.

The Purchasing Card 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 Policies and Procedures Manual as well as City Policies and Procedures relating to the expenditure of City funds. Failure to comply with Program guidelines may result in permanent revocation of the card and notification of the situation to management.

PARTIES INVOLVED

City: City of St. Helens, who arranges with the card issuer, Wells Fargo Bank, for the issuance of purchasing cards to approved employees and agrees to accept liability for the employees' use of the cards.

Cardholder: An employee of the City, who is approved to maintain a purchasing card to execute purchase transactions on behalf of their department.

Proxy: Person authorized by the Cardholder to reconcile transactions in the City's Purchasing Card portal in a timely manner.

Manager: Person that must approve all transactions for a card or group of cards.

Card User: An employee of the City who receives approval to use the Purchasing Card on behalf of the department.

Card Issuer: Wells Fargo Bank services were contracted for/by the City, to issue Visa Purchasing Cards to City employees, to bill the City for all purchases made on the cards, and to collect payment from the City on behalf of the vendors.

Purchasing Card Coordinator: The person who coordinates the Purchasing Card Program for the City.

CARD ISSUANCE

Purchasing cards will only be issued to individuals, in the individual's name, (there will only be department cards in special cases).

The cardholder must be an employee of the City.

Each cardholder must sign and accept the terms of the Purchasing Card Agreement in the presence of the Purchasing Card Coordinator. This affirms the Cardholder's understanding of the purchasing card procedures.

GENERAL GUIDELINES

- The Purchasing Card is to be used for official City purchases and legitimate business purposes only.
- Personal purchases are not allowed under any circumstance.
- **Do not use for** work boots, clothing, etc. that are a reimbursable fringe benefit.
- The Purchasing Card is not transferable.

Commented [GB1]: PW request for clarification

Commented [GB2R1]: PD concern conflicts with police MOU. If uniforms are taxable fringe benefit, then need to be reimbursed through payroll. If not taxable fringe benefit, then p-card okay.

LIMITS

All Purchasing Cards have transaction and monthly spending limits. Limits may vary for each Cardholder and will be established by the Finance Director upon approval by the City Administrator. The standard limits for City Purchasing Cards are:

Regular Employee

- \$2,500 Per Transaction (any transaction over this must be approved by Department Head) *
- \$5,000 per Month

Department Director or Division Manager

- \$5,000 Per Transaction (any transaction over this must be approved by the Finance Director or City Administrator) *
- \$10,000 per Month

Note: Limits include all extra charges (freight, etc.).

*Plan your purchases – limits may be increased on a temporary basis. Requests for limit increases must be submitted on the Limit Increase Form. Limit increases must be approved by the appropriate Department Director or City Administrator. Once approved, same day processing of approval is dependent upon the availability of the Purchasing Card Coordinator.

RESTRICTIONS

The Purchasing Card shall not be used to purchase:

- Gift Cards (except for certain annual programs)
- Food (see exceptions) *
- Cash Advances
- Fuel (unless a City fuel card is not available)

APPROPRIATE EXPENDITURES

General Fund dollars are generated from taxpayer revenue. It is the responsibility of each Department to ensure that taxpayer dollars are used for appropriate purposes. Examples of items that are not allowable for purchase with General Fund dollars include:

- Gifts
- Meals
- Alcohol
- Entertainment

Food Purchases*

All food purchases must be for City-related events only. Food purchases are allowed from a restaurant or a grocery store. You will be required to reimburse the City for any improper purchases made on your card. The following rules apply:

- You may not purchase food on your P-Card in conjunction with travel expenses.
- The P-Card may be used to purchase food only for city-sponsored events.
- Use for occasional (annual/biannual) meals for department staff meetings or luncheons ~~must be pre-approved by the City Administrator prior to each occurrence~~ may be allowed. However, purchases of food or refreshments for

regular weekly or monthly department meetings are not allowed. The standard City guidelines for all food purchases must be followed.

- Meetings with other agencies should occur during scheduled working hours at agency place of business and ~~occur during normal business hours; not during meal periods and/or~~ occur at eating/drinking establishments requiring purchases of food or drinks.
- A detailed receipt showing all restaurant/grocery purchases, agenda/flyer for the event/meeting, is required to be attached to the p-card report. Purchase of alcoholic beverages is strictly prohibited.

*Exceptions are for the City Administrator or Community Development Director only, unless otherwise preapproved by the City Administrator.

Commented [GB3]: Revised by PW request.

Travel

When travel has been approved, a City P-Card can be used for hotel reservations and airfare, if applicable. The conference registration confirmation must be uploaded with the receipt for hotel reservation or airfare purchase. Travel expenses which must be purchased on the cardholder's P-Card (with required approval) can only be charged to discretionary accounts that are accessible to the cardholder in CEO Portal (Wells Fargo web-based card management system). The P-Card should not be used to purchase meals.

Services

Payments for services must be pre-approved by the Finance Division and require receipt of a W-9 from the vendor before payment is made.

CARDHOLDER RESPONSIBILITIES

The Cardholder must only use the Purchasing Card for legitimate, City business purposes. Misuse of the Purchasing Card may subject the Cardholder to disciplinary action in accordance with City Policies and Procedures relating to disciplinary action and termination for cause and revocation of card privileges. The Cardholder must ensure that:

- The Purchasing Card is used only for approved City purchases. Do not use the Purchasing Card for any personal purchases with the intent of reimbursing the City.
- Persons entrusted with the Purchasing Card shall understand the procedures; that cards are properly secured; and that purchases are made within budgetary limits.
- Funds are available prior to authorizing any purchases.
- Cash advances are not authorized and are not permitted with the Purchasing Card.
- The Purchasing Card is used only for purchases for the City/department to which the card is assigned.
- A single transaction is not split into several transactions to avoid the prescribed spending limits. This is specifically forbidden and may result in termination of the card. Multiple purchases to a single vendor may not exceed the single

transaction daily limit. Do not ask vendors to split transactions. Do not split transactions between other user cards.

- When returning or exchanging items purchased with the Purchasing Card, the cardholder must not receive cash back. Any credit balance after a return or exchange must be applied to the Purchasing Card account.
- Entertainment expenses are not charged with the Purchasing Card.
- Gift certificates are not purchased with the Purchasing Card.
- The Purchasing Card is ~~mainly~~ **should be used** to purchase supplies and materials from local vendors **whenever possible**.
- The Purchasing Card number is not included on any unsecured Internet websites.
- ~~Items to be purchased are stocked by the vendor. Back Orders and Partial Shipments are not authorized.~~
- The Purchasing Card is always maintained in a secure location.
- Transactions are verified by the Cardholder (or Proxy) using Wells Fargo CEO Portal.

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Commented [GB5]: PW request for removal

OTHER RESPONSIBILITIES:

- Any employee who is issued a Purchasing Card must return the card upon leaving the employment of the City.
- A detailed sales slip/invoice is required for all Purchasing Card Purchases. A credit card receipt does not satisfy this requirement.
- If an original sales slip/Invoice is not available, Cardholder will be required to complete a lost receipt form and receive approval from Department Head.
- Attempt to resolve disputes or billing errors directly with the vendor and notify the Purchasing Card Coordinator if the dispute or billing error is not satisfactorily resolved.
- Purchases for the prior month should be coded, receipt uploaded, and approved by the 10th of each month. If the 10th falls on a weekend, the due date is the Monday following the 10th.

PURCHASING CARD COORDINATOR RESPONSIBILITIES

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

- City 's contact with Wells Fargo.
- Submitting completed application to Wells Fargo and receiving Purchasing Card from Wells Fargo.
- Training Cardholders before releasing Purchasing Card.
- Having Cardholder sign Purchasing Card agreement, signifying agreement with the terms of the Purchasing Card program.
- Handling disputed charges/discrepancies not resolved by Cardholder.
- Securing revoked Purchasing Cards and submitting information to Wells Fargo.
- Maintaining charge codes and MCC templates.
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CARD TERMINATION

The Purchasing Card Coordinator is responsible to close an account if a Cardholder:

1. Transfers to a new position in which a Purchasing Card is not required.
2. Terminates City employment.
3. For any of the following reasons which may cause termination of card privileges:
 - o The Cardholder fails to provide all required receipts.
 - o The Cardholder fails to provide, when requested, information about any specific purchase.
 - o The Cardholder does not adhere to all the Purchasing Card Policies and Procedures.
 - o The Cardholder does not reconcile purchases by the 10th of each month. If the 10th falls on a weekend, the due date is the Monday following the 10th.
4. The following may also subject the Cardholder to disciplinary action in accordance with City Policies and Procedures relating to disciplinary action and termination for cause:
 - o The Purchasing Card is used for personal or unauthorized purposes.
 - o The Purchasing Card is used to purchase alcoholic beverages or any substance, material, or service, which violates policy, law or regulation pertaining to the City.
 - o The Cardholder splits a purchase to circumvent the limitations of the City Procurement Code.
 - o The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the City Procurement Code.

Commented [GB6]: Changed word from "will" to "may"

Commented [GB7R6]: Also added some clarification requested by PW & separated disciplinary from card termination causes.

DISCIPLINARY ACTIONS

~~**First Offense:** An email will be sent to the cardholder and department head and the Finance Director and City Administrator will be copied.~~

~~**Second Offense:** An email will be sent out to the cardholder and department head and the Finance Director and City Administrator will be copied. At this time, your card will be **suspended for 3 months**.~~

~~**Third Offense:** After suspension, if you violate the policy again, your p-card will be **cancelled**. An email will be sent to the cardholder and department head and the Finance Director and City Administrator will be copied.~~

Commented [GB8]: PD requests removal. Agreed

USING THE CARD

Use of the Purchasing Card will be monitored and controlled by the Cardholder.

- A. Cardholder
 1. Make purchases and charge payments to the Purchasing Card.
 2. Obtain a detailed receipt.
 3. Write GL account number to be charged on the receipt.
 4. Sign the receipt.

► **IN-PERSON PURCHASES**

- ✓ When a purchase is made in-person, the Cardholder must obtain the customer's copy of the charge slip and the detailed receipt.
- ✓ The Cardholder verifies that the receipt and the charge slip are the same amount. If receipt is incorrect the Card User will request a credit charge slip plus a correct charge slip.
- ✓ The card and the receipts must be maintained by the Cardholder with the GL account code and purpose written on the receipt.

► **TELEPHONE PURCHASES**

- ✓ When ordering by telephone, indicate that you wish to pay with a procurement card.
- ✓ The Cardholder must confirm that the vendor will charge the card when the item is shipped so that the receipt of the item occurs during the same billing cycle as the charge.
- ✓ No backorders will be allowed after the billing cycle. Be sure to give your correct delivery address along with any attention lines and give them the card number and expiration date. Under no circumstances should an order be delivered to a personal address.
- ✓ All telephone orders must be confirmed with an itemized receipt that should be faxed/emailed to the Cardholder and the GL account code written and purpose should be written on the receipt.

► **INTERNET PURCHASES**

- ✓ Be sure security is in place before making any internet orders.
- ✓ Follow the directions for the purchase.
- ✓ Verify correct ship to address. Screen print the order for your records.
- ✓ Screen print must provide item descriptions, pricing, shipping, etc.
- ✓ The GL account code and purpose should be written on the receipt and maintained by the Cardholder.

PROCESSING TRANSACTIONS

1. The Cardholder, or Proxy, will process the transaction within Wells Fargo CEO Portal and allocate charges daily in timely manner and no later than the 5th day of the month for the prior month transactions.
2. The Cardholder, or Proxy, will upload a copy of the receipt(s) to Wells Fargo CEO Portal to be attached with the charge.

Commented [GB9]: Clarification and eliminated "daily".

Cardholder: After each use of the Purchasing Card the Cardholder must verify that the transaction is correct, assign account numbers, upload receipt(s), and sign-off on the transaction. Cardholders should consider processing their transactions daily.

RECONCILING MONTHLY STATEMENT/APPROVAL

The timely reconciliation of statements is an essential part of the Purchasing Card program. Failure to reconcile the statements will result in the loss of the Purchasing Card privileges.

1. At the end of each month, the Cardholder (or Proxy) will make sure that all transactions for the month have been coded with the correct account number in Wells Fargo CEO Portal.
2. The Cardholder (or Proxy) will review all transactions from Wells Fargo CEO Portal to all receipts. All transactions must have a detailed, itemized receipt.
3. The Cardholder (or Proxy) must retain hard copies for your records.

MISCELLANEOUS INSTRUCTIONS

LOST OR STOLEN CARDS

The Cardholder must report lost or stolen cards immediately by contacting Wells Fargo using the customer service number (TBD). The Cardholder must also notify the Purchasing Card Coordinator as soon as possible.

DECLINED CARDS

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

CREDITS / REBATES

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 in a subsequent statement. Under no circumstances should a Cardholder accept cash in lieu of a credit to the Purchasing Card account. Rebates for City purchased supplies are the property of the City and must be deposited back to the appropriate City account. Documentation must be obtained and submitted to the Purchasing Card Coordinator.

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 should contact the Purchasing Card Coordinator for assistance.

Note: The total amount billed by Wells Fargo will be posted to department accounts and credited to same when the credit appears on the Wells Fargo billing.

FORMS AND INSTRUCTIONS

The following pages contain the various forms that will be required in the use and administration of the City Purchasing Card program:

A. Purchasing Card Agreement

All employees who are issued a card must read the Purchasing Card Agreement, accept its terms, sign, and return the agreement prior to receiving a Purchasing Card.

B. Statement of Disputed Items

Disputes should be resolved with the vendor. If a dispute cannot be resolved with the vendor, document the dispute on the Statement of Disputed Items Form and forward it to the Purchasing Card Coordinator immediately.

C. Lost or Missing Receipt

If a detailed receipt has been lost, Cardholder should request duplicate from the vendor. If vendor is unable to duplicate the receipt, Cardholder is required to complete a LOST Receipt form, signed by Cardholder and department manager, and uploaded to Wells Fargo CEO Portal in place of the receipt.