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# **PURCHASING CARD POLICY**

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LAST REVISED: 02.14.22



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**DISCLAIMER OF LIABILITY FOR IMPROPER PURCHASING: THE CITY DISCLAIMS ANY AND ALL RESPONSIBILITY AND LIABILITY FOR ANY PURCHASE, EXPENDITURE, PROMISE OR AGREEMENT FOR EXPENDITURE ARISING FROM ANY PROCUREMENT MADE IN ITS NAME OR IN THE NAME OF ANY AGENCY, AUTHORITY, COMMISSION, OR OTHER GOVERNMENTAL BODY UNDER ITS AUTHORITY, BY AN UNAUTHORIZED PERSON OR ANY PERSON ACTING IN VIOLATION OF THIS PURCHASING POLICY OR OUTSIDE OF THE AUTHORIZATION OR DELEGATION AS PROVIDED BY THIS POLICY. THE EXPENSE OF ANY SUCH TRANSACTION SHALL BECOME THE PERSONAL LIABILITY OF THE INDIVIDUAL AT FAULT UNLESS OTHERWISE RATIFIED OR EXEMPTED BY MAYOR AND COUNCIL.**

## SECTION I – DEFINITIONS

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When used in this policy, the following words, terms and phrases, and their derivations, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

- A. CITY means the City of Stonecrest and, as the context warrants, those persons or bodies authorized to act on its behalf, including, but not limited to, the City Council, committees, boards and staff.
- B. CITY ETHICS POLICY shall mean Article X, Ethics, of Chapter 2, Administration, of the Code of the City of Stonecrest, Georgia.
- C. CITY FINANCE DIRECTOR/FINANCE DIRECTOR means the City Accountant as described in the City Charter, his agent, or the department head of the City Finance Department, if such a department is in existence.
- D. EMPLOYEE means an individual drawing a salary or wage from the City whether on a full-time or part-time basis. The term shall encompass all members of the City Council without regard to whether or not such individuals are compensated. For purposes of this Purchasing Policy the term “employee” shall include, any Vendor or any employee of such Vendor who has entered into a Contract with the City to provide administrative and department services contemplated in Section 2.12 of the Charter of the City.
- E. EMERGENCY PURCHASES means any procurement of Goods, Capital Assets, Services or Professional Services in the context of an Emergency.
- F. EMERGENCY means a situation that occurs suddenly and unexpectedly and demands immediate action to prevent delays which may vitally affect the health, safety or welfare of the public or City Employees and affects the continuation of services to the citizens, and/or serious loss or injury to the City. Emergency shall also mean a condition, malfunction, or occurrence in which the immediate procurement of an item (i.e. Good, Services, or Professional Service) is essential to comply with regulatory requirements.
- G. GOODS or COMMODITIES means supplies, apparatus, materials, equipment and other forms of tangible personal property used by a City department in the accomplishment of its responsibilities other than Capital Assets.
- H. GOVERNING AUTHORITY means the Mayor and City Council of the City of Stonecrest or its designee(s).
- I. OFFICIAL means any City elected or appointed person who holds office or any person appointed by the mayor and council of the City to serve on (1) the planning commission of

the City, (2) any board or commission of the City having quasi-judicial authority; and, (3) any authority created by the City, either individually or jointly with other local governments pursuant to Georgia law.

- J. PERSON means any business, entity, company, firm, individual, union, committee, club or other organization or group of individuals.
- K. PURCHASING is the process of securing real estate, capital assets, materials, services, repairs, leases and rentals necessary for the operation and support of the City. The renewal, renegotiations and changes to Contracts, leases and agreements are functions of purchasing.
- L. PURCHASING AGENT means the principal purchasing official of the City who is authorized and appointed to purchase a range of Goods, Capital Assets, Real Estate, Services, Construction Services, or Professional Services on a routine basis.
- M. REQUISITION means an internal document, provided by a department to the Purchasing Agent that contains the fund source, approvals, descriptions, quantities and other information about the Goods, Capital Assets, Real Estate, Services, Construction Services or Professional Services in order to proceed with the procurement. The Requisition becomes valid when properly completed and approved.
- N. SERVICES mean any performance of effort or labor, for which the City has contracted other than Professional Services or Construction Services. Services include, but are not limited to, janitorial, landscaping, and street striping.
- O. THE REQUESTING DEPARTMENT/DIVISION (User) is defined as the department which has the authority and responsibility for determining the need for an item or service, its related specifications, and need date. The User is responsible for funding the need and advising Purchasing of the approved funding and the specific budget account number. The User is responsible for authorizing the purchases of all materials, services, repairs, leases and rentals in which the negotiated price exceeds the approved funding.

## **SECTION II - GENERAL PROVISIONS**

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### **A. Authority**

The City of Stonecrest ("City") was created by Senate Bill 208, passed in the Georgia General Assembly during the 2016 Session and subsequently confirmed by referendum. Senate Bill 208 provided a charter for the City of Stonecrest (the "City Charter") to establish the government structure of the city, define boundaries, specific powers, functions, essential procedures, and legal control. The City Charter authorizes the city council by ordinance to establish procedures for a system of centralized purchasing for the city. As a part of the City's centralized purchasing the city council must authorize the issuance and specify policies regarding the use of government purchasing cards or government credit cards by public vote.

### **B. Purpose**

The purpose of this policy is to set requirements and standards for the City of Stonecrest, Georgia Purchasing Card Program. 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 employees using such purchasing cards. At no time should a city issued purchasing card or credit card be used for personal purchases regardless of the circumstances. Utilizing the purchasing card or credit card for personal use or for any item or service not directly related to official city business may result in disciplinary action including, but not limited to, felony criminal prosecution. All purchases utilizing a government purchasing card or government credit card must be in accordance with these guidelines and with state law.

### **C. Scope**

This purchasing card policy, as authorized by the City Charter, applies to the use of government purchasing cards or government credit cards used by employees authorized to be issued such government purchasing cards or government credit cards. The below list of employees have been authorized by the governing authority of the City to use such government purchasing cards or government credit cards and must abide by all of the applicable state laws and this purchasing card policy. Cardholders must be permanent or full-time employees whose jobs require the use of purchasing card. The cardholder must be bonded. Cards will not be issued in the name of a department or work unit (e.g. Facilities Management) to be shared by multiple employees. Only the employee whose name is shown on the face of the card is authorized to make purchases with the card, either in person, online, or telephone. Use by any other person, even if for official City business, is considered misuse of the card. If another employee is designated, the designee must complete purchasing and purchasing card training, be bonded and have a card issued in their name. The designee must abide by the same requirements as the City Manager or City Chief Financial Officer.

- a. City Manager or designee
- b. City Chief Financial Officer or designee

c. Department Director

#### **D. Public Inspection**

In accordance with O.C.G.A. § 50-18-71 where applicable any documents related to purchases using government purchasing cards or government credit cards incurred by employees shall be available for public inspection.

#### **E. Transaction Limits**

Transaction limits are hereby established to ensure 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 a department director card must be less than \$5,000.00. The established monthly card limit is based upon the city's budgetary constraints and is not to exceed \$25,000.00 per month for a department director; provided however the monthly transaction limit for the City Manager and Chief Financial Officer shall not exceed \$100,000.00. Any exceptions to the standardized limits must have express written approval by the municipal governing authority and must be added to this policy by amendment or addendum. Changes in spending limits shall be submitted to the Purchasing Agent along with the rationale for the change (increase or decrease) with a copy to the Finance Director and City Manager. Department directors may be issued a purchasing card with the appropriate justification from the department director, approval from the City Manager and Finance Director indicating the operation need, be bonded and attend purchasing and purchasing card training. The Finance Director will notify Council of all new Purchasing Card holders.

|                           | City Manager | Finance Director | Designee | Department Director |
|---------------------------|--------------|------------------|----------|---------------------|
| Single Transaction Limit  | \$25,000     | \$25,000         | \$5,000  | \$5,000             |
| Monthly Transaction Limit | \$100,000    | \$100,000        | \$25,000 | \$25,000            |

#### **F. Purchasing Guidelines**

- a. Purchasing Card Holders may not use a government purchasing card or government credit card for the following:
  - i. Any purchases of items for personal use.
  - ii. Cash refunds or advances.
  - iii. Any transaction amount greater than the transaction limits set for by this policy.
  - iv. Items specifically restricted by this policy, unless a special exemption is granted by the municipal governing authority.

- v. Alcohol or liquor of any kind. Such purchases should not be made with the purchasing card and may not be reimbursed by the city.
  - vi. Purchases or transactions made with the intent to circumvent the city purchasing policy, transactional limits, or state law.
  - vii. Participation in loyalty points programs is prohibited with the purchasing card.
- b. Purchasing Card Holders may use government purchasing cards or government credit cards to purchase goods and/or services not prohibited by this policy or state law. Such purchases include, but are not limited to:
  - i. Purchases of items for official city use which fall within the transactional restrictions of this policy.
  - ii. Purchase of lodging, fuel, food, non-alcoholic beverages, or education and training materials while on city business.
  - iii. Emergency purchases necessary to protect city property.

#### **G. Administrator**

The city designates the Purchasing Agent as the program administrator of government purchasing cards or government credit cards. Such administrator shall:

- a. Serve as a liaison between the city's cardholders and the issuers of such cards.
- b. Maintain the cardholder agreement for all cardholders.
- c. Provide instruction, training, and assistance to cardholders
- d. Maintain account information and secure all cardholder information.
- e. Keep cardholders up-to-date on new or changing information.



- f. Upon receipt of information indicating fraudulent use or lost/stolen cards immediately report it to appropriate parties, including the issuer.
- g. Ensure all card accounts are being utilized properly as set forth by state law and this policy.
- h. Define the city's policy and procedures for proper documentation and storage of receipts, logs, and approvals required under this policy.
- i. Identify any changes to named persons authorized to use a government purchasing card or government credit card.
- j. Shall immediately cancel the purchasing card upon employee's termination or resignation.
- k. Upon official notification of an impending departure from the City, the respective card holder's card limit shall be reduced to zero.
- l. Shall place purchasing card holder's card on an inactive status while employees are on leave.
- m. Shall not be assigned a purchasing card.

Any other duties assigned by the municipal governing authority.

## **H. Accounting and Auditing**

- I. The Administrator, in an effort to ensure compliance with city policy and state law, will conduct monthly and/or quarterly reviews and audits of all government purchasing card or government credit 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. By the last day of the month, a requisition form, all transaction receipts and supporting documentation must be emailed to the appropriate finance staff. The monthly and/or quarterly review shall happen within 10 days of the start of the new month or quarter and . reconciliation to the General ledger shall occur monthly. The internal auditor shall review approval process for compliance at interval described in the audit work plan. If reoccurring software subscriptions are paid with a purchasing card, the Information Technology manager shall maintain and provide to the finance department a listing of all monthly reoccurring charges. After completing the monthly/quarterly audit, the Administrator shall notify cardholders of any violations or questions the Administrator has that occurred within that previous month/quarter. Depending on the severity of the violation, the Administrator may suspend or revoke the use of the government purchasing card or government credit 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 municipal governing authority and the city attorney in writing within 5 business days

## **J. Violations**

Utilizing the purchasing card or credit card for personal use or for any item or service not directly related to such official city business may result in disciplinary action including, but not limited to, felony criminal prosecution. The use of a government purchasing card or government credit 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 government purchasing card or government credit card. Issuing or facilitating issuance of a purchasing card to an unauthorized person, possession of a purchasing card by an unauthorized person, and any other violation stated herein shall be subject to disciplinary action up to and including termination. The Administrator shall follow guidance from the code reference in sections C and D above.

**K. Agreement**

Before being issued a government purchasing card or government credit card under this policy and state law, all authorized users of government purchasing cards or government credit cards shall sign and accept below indicating that such user will use such cards only in accordance with the policies of the city and with the requirements of state law. The Cardholder shall be responsible for all charges associated with the purchasing card and will maintain possession with adequate safeguards in place to prevent unauthorized use.

\_\_\_\_\_  
Name Printed

\_\_\_\_\_  
Signature

Date: