

		Policy 501.04.11 Purchasing Card Program			
Owner:	Finance Director	Approving Position:	Common Council	Pages:	10
Issue Date:	3/27/2013	Revision Date:		Review Date:	
Special Instructions:					

I. PURPOSE

The City of Whitewater is providing an alternate approach to purchasing goods and services by offering a Purchasing Card Program to select City employees, administered by JPMorgan Chase Bank. The Purchasing Card Program is designed to make it easier and more cost effective for City personnel to make purchases of goods and services from any supplier that accepts MasterCard. Purchasing cards will not replace the normal purchasing policies and procedures established in the City's Procurement Policy. This program is simply an alternate method of payment.

These policies and procedures are intended to provide guidelines to cardholders in utilizing their purchasing cards, and all cardholders should carefully read this document. A cardholder's signature on the Cardholder Agreement Form indicates that the cardholder understands the intent of the program and agrees to adhere to these guidelines.

II. GUIDELINES

III. PROCEDURE

A. PROGRAM ADMINISTRATION

1. The City's Purchasing Card Program is administered through JPMorgan Chase Bank, under a contract negotiated through V.A.L.U.E., a cooperative purchasing organization of government agencies in southeastern Wisconsin of which the City is a member. The City's purchasing card Program Administrator is Karen Dieter, Finance Support Services Manager. The Program Administrator's responsibilities include the following:
 - a. Authorization, set-up, and issuance of all purchasing cards.
 - b. Authorization and execution of changes to cardholder limits.
 - c. Conduct cardholder training.
 - d. Primary contact for cardholder questions.

Purchasing Card Program

B. GENERAL INFORMATION

1. The City issues purchasing cards to designated employees. Elected officials are not included in the purchasing card program.
2. The cardholder's name is embossed on the card, as well as the City's logo.
3. No person other than the person to whom the purchasing card is issued is authorized to use the assigned purchasing card.
4. The card is to be used for official City business only.
5. Use of the card for personal items is not permitted.
6. The purchasing cards are issued to the City of Whitewater by JPMorgan Chase and assigned to specific users.
7. JPMorgan Chase is provided with a cardholder's name, date of birth, social security number and the employee's phone extension for verification purposes only.
8. Card activity is not reported on a cardholder's personal credit report, and, likewise, activity on the card is not used to compute a cardholder's credit score with reporting agencies.
9. Activity from this program is reported on the City's credit report.
10. The purchasing card is as easy to use as any other MasterCard credit card and is just as widely accepted. The only difference between a credit card and a purchasing card is that the latter is a corporate liability charge card with certain restrictions and limitations imposed on the cardholder.
11. Card privileges may be rescinded at any time at the discretion of the Program Administrator if policies and/or procedures are not followed by the cardholder.
12. Purchasing cards must be kept in a secure place.
13. Although the purchasing card is issued in the cardholder's name, the card remains the property of JPMorgan Chase Bank and the City of Whitewater.
14. Account access information should not be kept in the same location as the purchasing card.
15. Prior to making a purchase with a vendor, the cardholder must perform reasonable due diligence to assure that the company is reputable. This includes looking for the "SSL" lock logo online and assessing the company's credibility prior to giving out card information over the phone.
16. If a fraudulent transaction is suspected, the cardholder must notify JPMorgan Chase (use the phone number on the back of the card) and the Program Administrator immediately. This notification must never take longer than five days.
17. All charges made on City purchasing cards are billed directly to the City on a monthly summary invoice. This process minimizes paperwork and streamlines the payment process.

Purchasing Card Program

18. Account numbers are assigned to a transaction by the cardholder or administrative staff when reconciling the monthly transactions using JPMorgan Chase's Smart Data Online (SDOL) web-based program.
19. When a purchasing card is issued, it must be endorsed immediately.
20. Each cardholder will be required to review and verify their purchasing card transactions on a monthly basis. Please refer to the "Cardholder Recordkeeping Requirements" section below.

C. CARDHOLDER LIMITS

1. MCC Limits

- a. The cardholder will only be able to use the purchasing card for specific Merchant Category Codes (MCCs) assigned for each user group, based on necessity specific to each group.
- b. If the cardholder attempts to use the purchasing card for an MCC not set up, the transaction will be denied.
- c. The City's Program Administrator can adjust the MCCs assigned to each cardholder.
- d. High risk (a.k.a. "sin" codes) cannot be allowed without ongoing additional review and audit by the Program Administrator.

2. Credit Limit

- a. A reasonable limit will be imposed on each cardholder for the maximum amount the cardholder is authorized to spend in any given billing cycle.
- b. Note: The billing cycle for the City's purchasing card program is the period ending on the 10th day of each month.

3. Single Purchase Limit –

- a. A reasonable limit will also be imposed on each cardholder for the maximum amount that a cardholder is authorized to spend on any single purchase.

4. International Transactions/Cash Advances –

- a. These types of transactions are disallowed by the program. If international transactions are necessary, contact the Program Administrator for a temporary modification.

D. Change Request

1. To request a change to an existing cardholder's limits or MCC group please call the Program Administrator.
2. To add a new cardholder, complete the "New Card Request" form and submit it to the Program Administrator.
3. A copy of all forms can be found on the shared network drive under "\\Finance\P-Card Forms and Docs".

E. UNAUTHORIZED USES

Purchasing Card Program

1. In addition to the controls discussed above that disallow certain purchases, the following purchases are expressly forbidden under this program. Purchases that:
 - a. Are split into multiple transactions to stay within your limits
 - b. Are split across days to stay within your limits
 - c. Are split amongst cardholders to stay within your limits
 - d. Are made to avoid or circumvent the purchasing process
 - e. Are not immediately available at time of credit card use.
 - f. No back-ordering of merchandise is allowed. Back-ordering will cause the City to pay for goods before they are received.
2. A cardholder that makes unacceptable or unauthorized purchases or carelessly uses the Pcard may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged in conjunction with the misuse. The cardholder will also be subject to disciplinary action, up to and including termination.

F. PURCHASING PROCEDURES

1. Making City purchases for goods and services' using your purchasing card is as simple as using any other MasterCard credit card.
2. Following are the procedures for making purchases using your purchasing card:
 - a. General Guidelines
 - 1) Efforts should be made to use vendors who accept the purchasing card where appropriate in order to maximize administrative cost savings and the rebate earned.
 - 2) Only the cardholder named on the purchasing card can authorize a purchase on his/her card. The cards cannot be loaned to another person. The card can be used to make purchases for another employee in your department.
 - 3) Purchases utilizing your purchasing card can be made in person, by phone, or over the internet from any vendor that accepts MasterCard. For security reasons, fax orders should be avoided as you do not know who at the other end has access to your card information. Card information should not be provided to a vendor unless reasonable due diligence has been performed to assure the company is reputable (including looking for the "SSL" lock logo when making purchases online).
 - 4) Whether paying for orders in person, by phone, or over the internet, the cardholder is responsible for obtaining and retaining proper documentation of all transactions, i.e., receipts, invoices, or other documentation showing the item(s) purchased and the amount paid. See the "Cardholder Recordkeeping Requirements" section below for information on submitting your receipts/documentation to the Finance Department for processing.
 - 5) **All City purchases are exempt from Wisconsin sales tax.** It is the cardholder's responsibility to ensure that sales tax is not paid on any purchases that he/she makes

Purchasing Card Program

using a purchasing card. If sales tax is charged, the cardholder is responsible for working with the vendor to get the tax reimbursed. If a vendor requires a copy of the City's tax exempt certificate, a scanned copy is available on the shared network drive under "\\Finance\P-Card Forms and Docs", our tax exempt number is also located on the back of the laminated card that was issued to you.

- 6) A purchasing card purchase may be declined at the point of sale if the purchase falls outside of any of the parameters listed in the "Cardholder Limits" section. If a transaction is declined, the cardholder should cancel the transaction and contact the Program Administrator to determine the reason for the declined transaction.
 - 7) Any returns or credits on purchases paid for by a purchasing card must be credited to that cardholder's account (no cash refunds). The cardholder should obtain and retain the appropriate documentation.
- b. Reporting Lost, Stolen, or Damaged Cards:
- 1) If your purchasing card is lost or stolen, contact JPMorgan Chase immediately at 1-800-316-6056 and notify the Program Administrator as soon as possible.
 - 2) If a card becomes damaged and needs to be replaced, the cardholder must notify the Program Administrator and return the damaged card to the Finance Department.
 - 3) Once the damaged card has been returned to the Program Administrator a replacement card will be requested from JPMorgan Chase.
- c. Disputed Items:
- 1) If there is a discrepancy on your monthly statement, contact the vendor immediately to try and resolve the matter. If successful, make a note on the monthly statement and be sure to verify the correction on the following month's statement.
 - 2) If you cannot resolve the discrepancy with the vendor, contact the Program Administrator.
- d. Unauthorized Account Usage:
- 1) The cardholder is responsible for keeping track of how the card is used and for its safekeeping. Just like any credit card, the cardholder should protect against fraudulent use of the card.
 - 2) If the cardholder detects or suspects that his/her card has been used fraudulently, he/she should contact JPMorgan Chase immediately at 1-800-316-6056 and notify the Program Administrator immediately. This notification must never take longer than five days.
- e. Card Deactivation:
- 1) Upon termination of employment of a cardholder, the purchasing card must be returned to the Program Administrator prior to the employee's last day of work. The purchasing card will be deactivated immediately.

Purchasing Card Program

- 2) A purchasing card may be deactivated if the Program Administrator determines that the cardholder has continuously violated the policies and procedures set forth in this manual.

G. CARDHOLDER RECORDKEEPING REQUIREMENTS

1. Cardholders must keep all original sales documents (receipts, packing slips, cash register tape, credit card slips) from purchases made on their purchasing card. These documents will be required to be submitted to the Finance Department with the cardholder's monthly expense report printed from the Smart Data Online application, as described in this section.
2. The City's monthly billing cycle runs through the 10th day of each month. At the end of each billing cycle, most cardholders will receive a reminder email notification to review and approve posted transactions for that billing period. The email notification is meant to be a friendly reminder and does not eliminate the need to submit the paperwork timely if the email is not received.
3. Each cardholder will be required to login to the Smart Data Online application via the Internet and review all transactions that he/she is responsible for. The review process includes matching receipts and other documentation to the Transaction Summary, providing an expense description for each transaction, assigning a general ledger account number to each transaction, and approving his/her transactions. The paperwork and data entry function can be delegated to another individual in the department; however, the cardholder is still ultimately responsible for the transactions and is required to review and approve the expense report.
4. Once the cardholder's review process has been completed, print a monthly expense report, sign and date the report, attach all original sales documents, and submit to the Finance Department. The Finance Department will review the charges, account numbers, and documentation for accuracy and sign the expense report. The authorized expense report packet should be sent to the Finance Department for review within 1 week of the billing cycle end. This is a short time-frame but necessary to ensure that proper documentation is obtained prior to the payment due date.

H. SMART DATA ONLINE

1. Smart Data Online is a JPMorgan Chase/MasterCard online system that allows cardholders, supervisors, and Program Administrators to monitor and manage purchasing card accounts and transactions. Detailed instructions on the use of the Smart Data Online system are included in the next sections of this manual. In addition to the instructions provided in this manual, JPMorgan Chase provides an online training course for Smart Data Online. This training course can be accessed through the Links section on the first screen that you see after logging into the system (see below). Click on the "Access the JPMorgan Chase Training Tool" line and follow the instructions. An account holder guide can also be printed from Smart Data Online. This document includes more details regarding the various aspects of the online tool.

IV. REPORTING

V. JOB AIDS

DRAFT

Purchasing Card Program

JPMorganChase

Account Details Financial Reports User

CITY OF OCONOMOWOC
MISTY DODGE

Welcome Back - MISTY DODGE
Last Visit: 06/20/2007 17:08:46 GMT

Summary Information
Most Recent Posting Date

Links
NEW! - Use the Purchase Optimizer™ tool to get the most from your card program
[Upcoming Educational Webinars](#)
[Access the JPMorgan Chase Training Tool](#)
[SDOL 8.1 Changes - Web Training](#)
[SDOL 8.1 Release Notes - Company Admin](#)
[SDOL 7.2.0 Export Fields Reference Guide](#)
[MasterCard Home Page](#)
[Have questions or comments? Email us](#)

User Documents
[Account Holder Guide](#)

News
06/14/2007 We cordially invite you to attend an informative educational webinar on Hierarchy. Establishing a hierarchy in Smart Data OnLine is essential for reporting as well as ensuring your users have the appropriate scope of view. For July's webinar we will discuss best practices in structuring your organization within SDOL. In addition you will see how to manage your hierarchy as well as move cardholders throughout. Understanding hierarchy will allow you to optimize your Smart Data OnLine site. Click on the "Upcoming Educational Webinars" link on this homepage to the left for complete details. If you have questions contact our CAS Help Desk at (877) 967-1100.
06/12/2007 SDOL Release 8.1 was implemented on Sunday 6/10/07. Major Enhancements in this release include:
· Improvements to the Hierarchy display supporting programs that have a large number of hierarchy levels or cards
· Enhancements and design changes to the Transaction Summary page improving usability
· Enhancements to the Split Transaction page allowing allocations to be performed on the same page as the split
· Improvement to the creation and display of non-card transactions and related account code allocation
· A new user type named "Non-Card Account" has been added to allow employees without company issued cards to enter cash expenses or expenses charged to personal credit cards. Full release notes and a recorded webinar session demonstrating these enhancements are now available under the 'Links' section on this homepage. If you have any questions, you can call our CAS Help Desk at 877-967-1100.

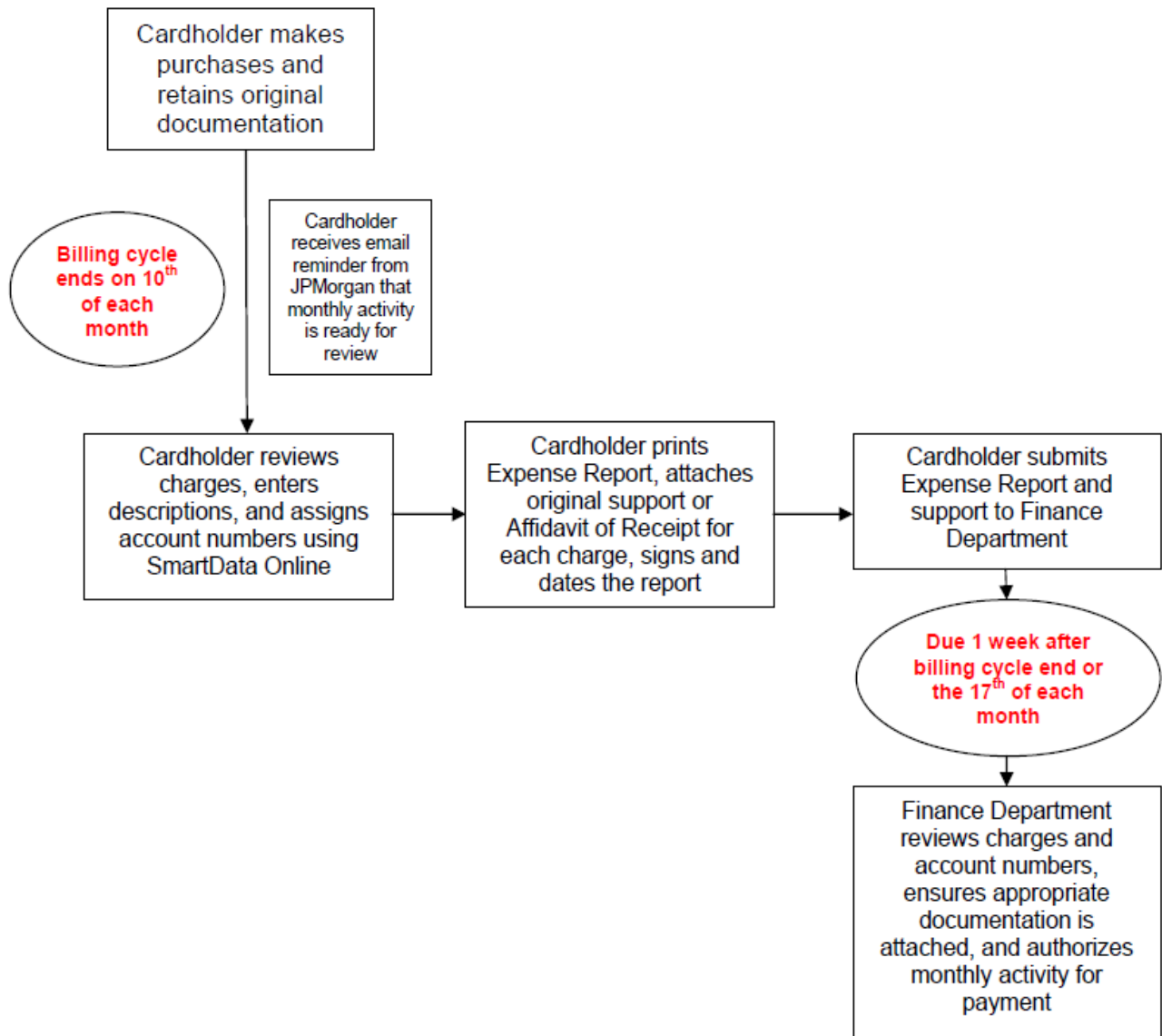
Online Testing

User Manual

Note: The online training course includes audio, so turn on/up your speakers. If you have any questions, please contact the Program Administrator.

Purchasing Card Program

CITY OF WHITEWATER PURCHASING CARD PROGRAM APPENDIX 1 – PROCESS



Purchasing Card Program

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The following forms are available in the internal forms directory:

- **Affidavit of P-Card Receipt:** Each purchase needs to have supporting documentation attached (i.e. receipt). The Affidavit of P-Card Receipt should be used when documentation is not available for a transaction. Excessive use of this form may result in revocation of the cardholder's purchasing card privileges.
- **New Card Request:** This form should be completed when requesting a card for a new cardholder. The form includes lines to indicate the restrictions on the card requested.

Definitions:

Cardholder: An employee that has been issued a purchasing card and is authorized to make purchases in accordance with these procedures.

Program Administrator: Individual responsible for issuing cards, providing training, and responding to questions related to the p-card program. (Currently Karen Dieter and Mary Hennessy as backup.)

Purchasing Card Program

CITY OF WHITEWATER PURCHASING CARD PROGRAM FREQUENTLY ASKED QUESTIONS

1. When should I use my Purchasing Card?

In general, use your purchasing card to purchase goods or services from any vendor that accepts credit cards.

2. Can a co-worker use my Purchasing Card?

No, only the cardholder named on the purchasing card can authorize a purchase on the card. However, the card may be used to make purchases for an employee in your department.

3. What if my Purchasing Card is declined when making a purchase?

Your purchasing card purchase may be declined if the purchase you are making falls outside the parameters set-up for your card. Cancel the transaction and contact the Program Administrator as soon as possible.

Note: Be aware of the cardholder limits for your card to avoid a situation where your purchase might be declined.

4. What do I do if my card is lost or stolen?

If your purchasing card is lost or stolen, contact JPMorgan Chase immediately at 1-800-316-6056 and notify the Program Administrator immediately.

5. Who should I contact to resolve a disputed transaction?

If a discrepancy appears on your monthly statement, contact the vendor to resolve the matter. If you cannot resolve the discrepancy with the vendor, contact the Program Administrator.

6. What do I do if I need to return an item purchased with my purchasing card?

Contact the vendor directly and make arrangements for the return. Make sure that the returned item is credited to your purchasing card account. Cash refunds are not allowed under any circumstances!

7. What do I do if I was mistakenly charged sales tax on a purchase made with my purchasing card?

Contact the vendor directly and have the sales tax amount credited back to your account. If necessary, obtain a copy of the City's tax exempt certificate from the City's shared network drive under "Finance\P-Card Forms and Docs".

8. What do I do if unauthorized charges appear on my account?

If you detect or suspect that your card has been used fraudulently, contact JPMorgan Chase immediately at 1-800-316-6056 and notify the Program Administrator as soon as possible. **Under no circumstances** should the notification take longer than five days.

9. What do I do to have my cardholder limits or MCC group changed?

Complete a Cardholder Request for Change Form, have your Department Head approve it, and submit it to the Program Administrator. Upon approval you will be notified when the requested changes become effective.