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| Procedure Part 4, Financial Administration Chapter 6, Procurement and Contracting Section 2 | Last Update: February 16, 2010 |
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References: County Policy Manual Resolution No. CC07-201, CC09-452

Purpose: To establish procedures governing the use of Procurement Cards (P Card).

Procedure: P Card

A. Procurement Card Program

The Jefferson County, Colorado Procurement Card (P Card) is a program currently offered through JP Morgan Chase Bank. The Jefferson County, Colorado Procurement Card (PCard) program was created to provide an efficient, cost effective alternative to the traditional, labor-intensive purchase transactions for goods and services such as purchase orders, petty cash and voucher requests, and field purchase orders. The card can be used to purchase those items requiring accelerated acquisition, and emergency purchases required to maintain operations.

B. P Card Program Administrator

The Jefferson County P Card Program Administrator is responsible for administering the P Card Policy and Procedure. The P Card Program Administrator works directly with JP Morgan Chase Bank in the maintenance of new and existing accounts. The P Card Program Administrator works with Department/Division Directors and Elected Officials to set up hierarchies. These hierarchies include editing and reporting functions as well as card limits and MCC merchant usage codes for each cardholder. The P Card Program Administrator also performs monthly reviews for verification of appropriate card usage.

For questions regarding the P Card program, please contact the current Jefferson County P Card Program Administrator, Marilyn Holycross, @ 303-271-8585.

C. Suggested P Card Uses

All cards issued have certain limits set by Department/Division Directors, Elected Officials, and Purchasing. Limits may take the form of dollars per transaction or per day, number of transactions per day per cycle, and supplier types. Regardless of the set limits, it is still the responsibility of the cardholder to use the card within the established parameters. The individual requirements of the Business Unit shall determine the finalized categories for acceptable and unacceptable uses of the P Card.

Examples of Acceptable Uses of the Card:

- Expense (overhead) operating supplies while out in the field or on an emergency basis
- Books, Dues, Memberships and Subscriptions
- Tools and Accessories
- Computer peripherals and accessories in accordance with county Capital Expense policy.
- Short term equipment rentals, **per established county master agreement** terms and conditions
- Small parts, hardware
- Special events materials (print jobs, supplies, decorations)
- Training expenses (including meeting rooms, materials, supplies and parking) Note-if there are terms and conditions relating to any training expenses, contract review by the contract manager is required.
- Catering

Examples of Acceptable Uses of the Card with Prior approval:

- Prior approval from Information Technology: Computer hardware, software or software licensing agreements.
- Prior approval from Purchasing Director: Capital purchases.

Examples of Unacceptable Use of the Card:

- Leases
- Personal use items
- Cash advances
- Special Service projects requiring A Statement of Work (SOW) or the protection of Jefferson County's established Terms & Conditions/Contract.
- Any goods or services expressly prohibited by county policy

D. Inappropriate Use of the Card for Company Business

Misuse of the card will result in the suspension/cancellation of the card, and possible disciplinary action pursuant to the existing Jefferson County Personnel Rules. Accidental misuse of the card will be reviewed by Purchasing to determine acceptability and accountability.

E. Cardholder Requirements

1. General Information

The Director of Purchasing, in conjunction with elected officials and department/division directors, or their designee, will establish monthly charge limits for each credit card issued. Individual limits will be established in accordance with the current county approval policy and P Card policy.

Each division, department, or office shall have a designated P Card Coordinator. The P Card Coordinator is responsible for printing monthly transaction reports for cardholder and supervisor review of the purchases to verify that they fall within the scope of P Card policy and procedure. If any purchases do not conform, the P Card Coordinator will immediately notify the P Card Program Administrator who will contact the Director of Purchasing and the appropriate Director or Elected Official to initiate corrective measures. Reviews will be performed by Purchasing on a monthly basis to verify appropriate card usage

2. Cardholder Application

A Jefferson County employee wishing to obtain a P Card must complete a "Procurement Card Request Form" (Exhibit A). The employee's department /division director, elected official or their designee, must approve the application. The completed application should be forwarded to the Jefferson County P Card Program Administrator. A credit card will be issued in the employee's name in approximately 10 working days. Monthly limits and restrictions are set when the card is issued. Jefferson County is responsible for making all payments to JP Morgan Chase and use of the P Card will not affect the employee's personal credit rating.

3. User Agreement

Each cardholder is required to sign the "Jefferson County Procurement Card Agreement" form. (Appendix B)

4. P Card Security

Each P Card should be kept in an accessible but secure location, and the account number guarded carefully. Do not post it any place that is accessible to others. The only person entitled to use the P Card is the person whose name appears on the face of the card. If a cardholder is going to be

absent from the office for an extended period, the cardholder's charge card privileges should be suspended. Contact the P Card Program Administrator for assistance.

5. Canceling

When an employee terminates, his/her P Card must be cancelled.

The Division/Department Director, Elected Official, or their designee, is responsible for collection of the card when employment is terminated. The person collecting the card is responsible for destruction of the card; **DO NOT** return the card to the P Card Program Administrator. Contact the P Card Program Administrator via phone for immediate card cancellation. A follow up e-mail is also required from the person collecting the card confirming destruction.

Jefferson County retains the right to cancel an employee's P Card privileges at any time. Cards will be collected and cancelled should any cardholder fail to follow policy and procedures, or fail to keep accurate records.

6. Card Renewal

A renewal card will be mailed automatically each year to the P Card Program Administrator who will then notify the employee or P card coordinator to pick up the card. All cards must be signed for by the cardholder or coordinator in the presence of the Program Administrator.

7. Customer Service

JP Morgan Chase P Card representatives are available Monday through Friday from

Customer Service: 800-316-6056

8. Lost or Stolen Cards

The cardholder should immediately notify JP Morgan Chase Bank if a card is lost or stolen. Representatives are available 24 hours a day. When reporting a lost or stolen card, the cardholder should identify the card as a P Card. Notify the Jefferson County P Card Program Administrator at the same time. The P Card Program Administrator is responsible for being familiar with the procedures for filing claims under the Master Coverage Liability Protection.

Lost or Stolen Cards: 800-316-6056

The P Card Program Administrator will send a Lost or Stolen Card Notification to JP Morgan Chase Bank via phone or e-mail. Time is of the essence. Jefferson County is not liable for any purchases made with lost or stolen cards once the bank is formally notified.

F. Potential Suppliers

If you are doing business with a supplier who does not accept credit cards and is interested in being a part of the program, contact the P Card Program Administrator for details regarding new vendor participation.

G. Cardholder Responsibilities

1. Placement of Orders

The P Card is used just like any other credit card. For fax, phone, and online purchases, the cardholder should get a confirmation number and included it in the purchase log. and the complete shipping instructions along with the cardholder's name, building, room number, and phone number are also included. Where possible, instruct the supplier to include a packing list with all shipments that itemizes the cost of the items and freight. If a supplier cannot include a detailed packing list, have them mail a separate itemized receipt directly to the cardholder. **NO INVOICE/S SHOULD BE GENERATED AND SENT TO JEFFERSON COUNTY ACCOUNTS PAYABLE.**

NOTE: JEFFERSON COUNTY, COLORADO MAINTAINS A TAX EXEMPT STATUS FOR MOST PURCHASES. IN SOME INSTANCES (PRIMARILY OUT OF STATE USE), THE TAX EXEMPT STATUS WILL NOT APPLY. PLEASE MAKE SURE THE SUPPLIER IS AWARE OF THIS STATUS SO AS TO DETERMINE IF A SALES TAX IS MANDATORY FOR THE SPECIFIC PURCHASE.

2. Card Rejection by a Supplier

If a supplier advises that a card approval has been denied, it is most likely a violation of one or more of the established levels of authority checks:

- a. The purchase exceeds the single transaction dollar limit.
- b. The established monthly dollar limit has been exceeded.
- c. The card is not authorized for the item being purchased.

The supplier will not have information related to the denial, nor does the cardholder have the authority to obtain the information from the bank. If a transaction is denied, the cardholder should contact the P Card Program Administrator for assistance. The Program Administrator will contact the bank; obtain the information regarding the denial, and coordinate resolution of the issue.

3. Record Keeping

All established county financial controls and practices for charging apply to the use of the P Card. Receipts **MUST** be obtained for all purchases to verify a legitimate business purpose for the transaction. If a receipt cannot be obtained, a letter of explanation stating the cost, and justification for the purchase **MUST** be submitted in its place. To facilitate the reconciliation and approval process, the cardholder is responsible for keeping all cash register receipts, packing slips, MasterCard receipts, etc. Each cardholder should also maintain a transaction log that includes the date of transaction, supplier name, item description, dollar value, freight charges, date received, source code, cost account and any other data required for audit purposes.

Please note that a credit card receipt that does not itemize purchases is not a valid receipt.

All card activity and monthly statements can be viewed on line and printed by the designated department/division cardholder or administrator. A monthly e-mail will be issued by the P Card Program Administrator when monthly editing can begin. The cardholder or administrator will: edit the statement to allocate costs appropriately, reconcile transactions, explanation statements, and log sheets (if applicable) and forwarded to Purchasing. Historical records may be subject to county audit to ensure compliance with the program..

4. No Receipt from Supplier

If a supplier fails to send a receipt, reasonable effort should be made to obtain one. If the receipt is still not obtainable, note "no receipt" on your P Card log next to that item. Be sure to create a letter of explanation to accompany that item through the reporting process. Lack of a receipt is only acceptable on a rare exception basis. Repeated failure to obtain receipts for will result in cancellation of cardholder privileges. If a supplier consistently neglects to provide requested receipts, then that supplier is not a good candidate for P Card use and all future business with that supplier avoided.

H. Reconciliation, Account Distribution, Approval

The P Card Administrator will work with the elected official, and department/division director to set up a hierarchy for the purpose of reporting and editing. As part of the hierarchy, an approving official is designated for each cardholder whose name appears on the original application form. At the end of each month, the P Card Program Administrator will distribute reports to all participating county entities' appointed coordinator. These reports will list all purchases made by cardholders within the department/division or office during the accounting month. The approving department/division director or elected official will review and approve each credit card purchase by reviewing and approving this report.

It will be the responsibility of the approving director or official to review all transactions made by their employees to ensure appropriate usage, cost account distribution and to ensure all purchases meet the requirements of the P Card Policy. If everything is acceptable, the approving director or official will indicate their approval by signing the report.

I. Shipping and Receiving

For telephone, catalogue and on-line orders, the cardholder must properly communicate shipping instructions to the supplier.

- Request the supplier to include a packing slip in the package detailing merchandise, freight and the last 4 digits only of the P Card number. The card number should not be visible from the outside of the package. Instruct the supplier not to send any invoices to the county's Accounts Payable Division. Any invoice required should be sent directly to the cardholder.
- Give the vendor a "Ship To" address complete with cardholder name, building or suite number and phone number of the cardholder.

The cardholder is responsible for ensuring receipt of all purchases as well as follow-up with the supplier regarding delivery problems, discrepancies, or claims for damaged goods.

For items that are sent out for repair, the P Card number should not be given out to the supplier until a firm price is received and agreed to by the cardholder. After services are acquired and approved by the cardholder, include the appropriate service code(s) for 1099 purposes when editing statements.

J. Resolving Errors, Disputes, Returns and Credits

All errors or disputed items on a cardholder's billing statement must be communicated directly to JP Morgan Chase Bank within 60 days of the statement date or the original transaction date.

1. Errors and Disputed Billings

If there is a charge that is not recognized by the cardholder, or if a charge appears to be incorrect, the cardholder should first contact the supplier to resolve the issue.

Disputed billings can also result from a failure to receive goods, shipment of defective merchandise, incorrect amounts, duplicate charges, fraud, altered charges, etc. If the cardholder is unable to resolve with the supplier, they should contact JP Morgan Chase Bank and submit a "Questioned Item(s) Report". The cardholder should promptly notify the P Card Program Administrator if unable to resolve with JP Morgan Chase.

2. Returns and Credits

All merchandise returns shall be handled by the cardholder. Contact the supplier for instructions and/or a Returned Materials Authorization (RMA) number. A credit should appear on the P Card bank statement within 30 days. It is the cardholders' or administrator's responsibility, to ensure all returns are properly credited. If the credit does not appear on the next statement, contact the supplier to see if the credit has been issued. If the supplier indicates the credit has been processed contact JP Morgan Chase to verify status of the credit.

K. Payment Process

A summarized, consolidated invoice will be sent to the county Accounts Payable Division on a monthly basis. All Jefferson County Business Units will also receive a copy of their monthly charges from the P Card Program Administrator.