



POLICY AND PROCEDURES

SUBJECT: PURCHASING CARD (P-CARD) POLICY

DATE: March 11, 2019

PU-19-01

POLICY STATEMENT

The City's Purchasing Cards (P-Cards) are credit cards provided for transacting City business. P-Cards are issued in the names of individuals who are approved by the City to purchase certain goods and services solely for the benefit of the City. P-Card transactions must be supported with documentation along with support documenting a public purchase. Personal or improper use of the P-Card is strictly prohibited and may result in disciplinary action. If this Policy conflicts with another policy, the conflicting policy takes precedence.

POLICY PURPOSE

The use of P-Cards improves operational efficiency for the City by streamlining the payment process, however, the City is also exposed to potential risks, such as fraud, inaccurate general ledger account coding, violation of IRS regulations, and reputational damage to the City. This Policy is intended to implement adequate controls in order to minimize risks and safeguard the City's assets and reputation.

APPLICABILITY

- A. Elected Officials
- B. City Manager
- C. Department Directors
- D. Finance and Administrative Services
- E. Procurement Department
- F. P-Card Coordinator
- G. Employees who have been issued a P-Card

POLICY

- A. Potential Cardholders shall read and understand this Policy in full and complete training prior to being issued a P-Card.
- B. P-Cards shall only be issued to elected officials and to employees who are classified as regular full-time employees.
- C. Prior to the receipt of a P-Card, Cardholders shall be approved by the Department Director and by the City Manager or their designee.
- D. Prior to receipt of a P-Card, Cardholders shall acknowledge receipt of the Policy and signify understanding thereof by signing the Cardholder Agreement Form.
- E. Proper documentation, to include itemized receipts, itemized invoices, and other related documentation, shall be retained by the Cardholder to evidence proof and descriptions of



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purchases. Documents shall be uploaded as electronic images as a part of the P-Card reconciliation process.

- F. Cardholder designated spending card limit shall not be changed unless approved in writing by the Department Director or their designee. The "Purchasing Card Request Form" shall be completed, signed by the City Manager and submitted to the Purchasing Card Program Administrator to implement the change. Temporary increases are only valid until the end of the next billing cycle.
- G. P-Cards shall be used solely by the Cardholder whose name is embossed on the credit card. Cardholders are strictly prohibited from allowing other persons to use their card for any reason.
- H. Cardholders may make purchases on behalf of other employees within their Department. Cardholders shall be responsible and held accountable for all transactions on their P-Card.
- I. P-Cards shall be used for purchases of items and services pertaining to the conduct of official City business. A clear public purpose must be identifiable.
- J. P-Cards shall not be used to purchase specifically identified prohibited items or personal items of any kind. Such purchases shall require immediate reimbursement. Upon the findings of any further investigation, disciplinary actions may result in the termination of card usage and privileges up to and including termination of employment and/or criminal charges.
- K. The Purchasing Card Program Administrator shall cancel a P-Card of any Cardholder upon direction from management or the Department Director if suspicious activity is suspected or found, or upon their own discretion.
- L. The Purchasing Card Coordinator and the Director within each Department shall ensure the Policy is enforced and properly adhered to. In the event that there is a violation of the Policy, disciplinary action may ensue up to and including termination of employment.
- M. P-Card Lost or Stolen –Should a P-Card be lost or stolen, the Cardholder shall immediately notify the Issuer and the Purchasing Card Program Administrator of the lost or stolen card.
- N. P-Card Cancellation –Should a Cardholder no longer be employed with the City, immediate written notification must be given to the Purchasing Card Program Administrator to cancel card usage. Notification may be provided by the Department Directors, Managers, or the Department Purchasing Card Coordinator.

DEFINITIONS

- A. **Cardholder(s)** – Employees and elected officials who have been approved for issuance and use of a P-Card.
- B. **Cardholder Agreement Form** – A document signed by Cardholders to evidence that the Cardholder understands the guidelines and protocols associated with possession and use of the P-Cards.



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- C. **Directors** – Personnel who are classified as Department Director within the organization.
- D. **Illegible Receipt** – A proof of purchase document that is not readable. A replacement receipt from the vendor can suffice or a written statement substantiating the transaction that is attested to is permissible.
- E. **Issuer** – The designated financial institution that issues the P-Cards for City use. The Issuer uses the services of the networks and processors to facilitate card issuance, authorize transactions, and provide data.
- F. **Management/Managers** – Personnel who are classified as Department Directors or Managers within the organization.
- G. **Missing Receipt Form** – A document to be submitted when a Cardholder does not have possession of a receipt to evidence a purchase and cannot obtain a replacement receipt from the vendor.
- H. **Public Purpose** – A governmental action or direction that purports to benefit the City as a whole.
- I. **Purchasing-Card Reconciliation** – A process that is completed electronically to resolve card use in comparison to statement information. Scanned copies of itemized receipts, itemized invoices, documented justifications and coding actions are required to effectuate closure.
- J. **Purchasing Card Coordinator** – Personnel authorized to perform P-Card reconciliations activities.
- K. **Purchasing Card Program Administrator** – Personnel responsible for managing the Purchasing Card Program and ensuring that policy and procedures are adhered to on a city-wide basis.
- L. **Purchasing Card Request Form** – A document requesting approval of authorized changes to the use of a P-Card.
- M. **Purchase Order/Blanket Purchase Order (PO)** – An internal document generated to authorize a purchase transaction, which is provided to the Supplier and becomes a contract binding on both parties.
- N. **Receipt** – A written document that describes the purchase transaction and includes details of items received and the associated costs.
- O. **Sensitive Information** – P-Card primary account numbers, expiration dates and verification codes. This information shall never be uploaded into the system.
- P. **Supplier (i.e., vendors, merchants)** – A vendor who accepts the use of P-Cards for payment of goods and services.
- Q. **Travel Authorization Form** – A document completed by a traveler when traveling on official City business as stipulated in the Travel Policy.



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R. Unauthorized Transaction – An activity completed on a P-Card that is not authorized.

RESPONSIBILITIES

A. P-Cardholders are responsible for ensuring that:

1. The Cardholder Agreement Form and Purchasing Card Policies and Procedures are properly completed and signed.
2. Invoices and receipts are maintained in a digital format for upload to the P-Card system for reconciliation purposes and recording of P-Card transactions.
3. Purchases of goods and services are for the conduct of official City business and have a clear, identifiable public purpose.
4. Notification is provided to the Purchasing Card Coordinator and Issuer of any unauthorized transactions on the P-Card.
5. Protection of sensitive information is honored.

B. Purchasing Card Coordinators are responsible for ensuring that:

1. Authorization of an employee to possess and use a P-Card has been received.
2. An appropriate budget is established to cover all P-Card purchases within their Department or Division.
3. Should the employment of a Cardholder be terminated, the P-Card is immediately confiscated and returned to the Purchasing Card Program Administrator.
4. Request and approval of temporary card limits, cancellations or reissuance of P-Cards is submitted in writing to the Purchasing Card Administrator.
5. Purchases of goods and services are for the conduct of official City business and have a clear, identifiable public purpose.

C. Department/Division Managers are responsible in ensuring that:

1. Authorization of an employee to possess and use a P-Card has been received.
2. An appropriate budget is established to cover all P-Card purchases within their Department or Division.
3. The Purchasing Card Request Form is completed and spending limits have been established for the Cardholder as evidenced by the Director's signature of approval.
4. The Cardholder's purchases are for the conduct of official City business and have clear and identifiable public purpose. Designated managers shall review the monthly P-Card statements and approve the on-line reconciliations.
5. Should the employment of a Cardholder be terminated, the P-Card is immediately confiscated and returned to the Purchasing Card Program Administrator.



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6. The request and approval of temporary card limits, cancellations or reissuances of P-Cards is submitted in writing to the Purchasing Card Program Administrator.

D. Department Directors are responsible for:

1. The final review of the monthly P-Card statements and approval of the respective transactions on-line no later than the established monthly closing date of the 28th of each month.
2. Request and approval of temporary card limits, cancellations or reissuances of P-Cards is submitted in writing to the Purchasing Card Administrator.
3. Notification to the Purchasing Card Program Administrator of persons who are no longer employed with the City.

E. City Manager or City Manager designee is responsible for:

1. The approval/disapproval on all Purchasing Card Request Forms.

F. Purchasing Card Program Administrator and staff shall:

1. Establish policies and procedures and advise the City Manager of any recommended and/or approved changes.
2. Ensure Cardholders have received training and technical assistance.
3. Ensure a P-Card is provided to a Cardholder in person upon receipt of a properly executed and approved Cardholder Agreement Form.
4. Ensure the timely issuance and cancellation of a P-Card.
5. Generate P-Card reports for monitoring public purposes and exceptions.
6. Complete spending limits changes on a timely basis as approved by Directors.
7. Notify Directors of after hour or weekend purchases.
8. Train Cardholders and management on how to complete the review and approval of on-line reconciliations.
9. Timely reset locked accounts and passwords.
10. Set up security and workflow within the Issuers on-line.
11. Maintain original of all forms.

G. Finance Department shall:

1. Approve P-Card reconciliations.
2. Ensure that itemized receipts, itemized invoices, and any additional related documentation for proof and description of purchases or refunds and credits are provided. The documentation shall match the P-Card monthly statement.
3. Process payment or have complete 1099 reporting.



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4. Perform audits.
5. Maintain and enforce internal controls.

H. Internal Auditor shall:

1. Conduct yearly operational and compliance audits of the P-Card Policy.
2. Report findings to City Manager.

P-CARD SET UP & MAINTENANCE PROCEDURES

A. Request and Issuance of P-Card

1. A P-Card shall be requested via the Purchasing Card Request Form, and approved by the Director and the City Manager or their designee.
2. The Cardholder shall sign the Cardholder Agreement Form and the Policy Statement prior to receiving a P-Card. A copy of the Cardholder Agreement Form and the Policy shall be provided to the Cardholder. Original signed forms are maintained by the P-Card Program Administrator.

B. P-Card Maintenance

1. The Purchasing Card Request Form shall be completed in order to authorize any changes to a Cardholder's P-Card. Changes include name changes, changes in spending limits, and updated contact information.
2. Completed Purchasing Card Request Forms shall be approved by the Directors, the City Manager or their designee and submitted to the Purchasing Card Program Administrator to complete the changes.
3. If a password reset is required, the P-Card Administrator shall be notified and responsible for resetting the password.

C. P-Card Security

1. P-Cards shall be kept in a secured location.
2. P-Card numbers, names and three-digit codes shall not be included or provided on any form of documentation with the exception of processing P-Card transactions.
3. Cardholders are responsible for notifying the P-Card Program Administrator immediately if the P-Card is lost or stolen. If P-Card is lost or stolen after hours, Cardholder is responsible for reporting the lost or stolen card to the P-Card issuer.

P-CARD USAGE PROCEDURES

A. Making Purchases with the P-Card

1. Cardholders are authorized to use the P-Card only for official City business. Transactions placed on the P-Card should not conflict with the City's Finance Policies, Travel Policy, Ethics Policy, or any prohibited use outlined in the Policy.



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2. P-Card users must follow the Procurement Ordinance when purchasing goods and services. Purchases of items are allowed to be made using vendor websites if pricing is comparable and less expensive.

B. Prohibited P-Card Use

1. The following types of items shall not be purchased with the City's P-Card.
 - a) Personal purchases (non-official use)
 - b) Gasoline, fuel or oil for personal vehicles
 - c) Cash advances
 - d) Payments to individuals and employees
 - e) Goods or services not authorized by a Director or a P-Card Administrators
 - f) Alcohol, beer, wine and/or tobacco products
 - g) Good or services without a clear and identifiable public purpose
 - h) Gift Cards
2. Back ordering on all items purchased over the counter.
3. Shipping goods to a non-City address.

C. P-Card Use Exceptions

1. Gasoline, fuel or oil – Pre-approved travel in which a City vehicle is being used, or the use of a City vehicle for inter-local assistance where it is not feasible to return to the City fuel tank site for refueling.
2. Travel Expenses – All travel related transactions shall be made only after the Travel Authorization Form has been completed, authorized and approved by the Director.
3. Computer Hardware/ Software – The staff of the IT Department are the only personnel authorized to use P-Cards for computer hardware/software. Departments must contact the IT department in order for IT to facilitate the purchase of computer hardware/software.
4. Term Contracts – The Procurement Department has approved of Term Contract Vendors where P-Cards may be used in lieu of issuing a Purchase Order. This information is identified in the bid response from the awarded vendor.

D. Prohibited Transactions

1. In the event a prohibited item is purchased, the Cardholder shall provide either a credit receipt as evidence that the item(s) were returned for credit or a reimbursement to the City for the full amount of the purchased item including applicable sales tax.



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2. Cardholder shall reimburse the City within 5 business days from the date of the improper charge along with a statement to explain the reason for the violation and action(s) taken to prevent reoccurrence.

E. Disputed and Unauthorized Charges

1. Cardholder may dispute a purchased item(s) provided by a Supplier for numerous reasons such as being defective, incorrect, damaged, unauthorized, etc. The Cardholder shall reach out to the Supplier to dispute the charges and to remedy the error by purchasing the correct item or requesting credit for the dispute.
2. The disputed item is credited back to the P-Card and will reflect on the P-Card statement. In the event that the credit is not reflected within the monthly statement cycle, additional related supporting documentation shall be uploaded to the P-Card system.
3. Once the dispute is resolved and a credit is issued, the corresponding support must be uploaded to the P-Card system.

F. Credit/Exchange

1. Should a purchased item be returned for a credit, the Cardholder is responsible for obtaining and retaining a credit receipt from the Supplier for proof of the return.
2. Should a purchased item be exchanged, the Cardholder is responsible for returning the item to the Supplier and obtaining a proper replacement item. Documentation showing proof of exchange must be retained.

G. Travel

1. The Travel Authorization Form shall be completed and approved in accordance with the Travel Policy.
2. P-Cards shall be used for travel expenses such as lodging, airline tickets, ground transportation, car rentals, and any additional expenses as outlined in the Travel Policy.
3. Transactions that are made using the P-Card shall not conflict with the City's Travel Policy.

H. Sales and Taxes

1. The City is exempt from paying State of Florida sales and use taxes.
2. At the time of purchase, the Cardholder shall attempt to remove sales taxes from any charge in excess of \$150.
3. Purchases made outside the State of Florida are subject to the laws of the state wherein the purchases are made.

DOCUMENTATION

A. Receipts



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1. Cardholders are responsible for obtaining and retaining all related receipts, and any necessary additional documentation for proof and description of purchase.
2. Receipts shall indicate the goods and services purchased and the total amount charged.
3. Receipts shall be scanned and uploaded in the P-Card online reconciliation system along with an explanation of the purpose of the purchase.
4. Cardholders are encouraged to create a digital image of the receipt for the P-Card transaction immediately in order to avoid loss of receipts.
5. When receipts are illegible, cardholders are responsible for obtaining a receipt replacement or attesting to the amount by providing written documentation on the Missing Receipts Form with vendor information and a detailed itemization of the goods or services including the amounts associated with each item.

B. Lost Receipts

1. In the event a Cardholder is unable to locate a receipt for proof of purchase, the Missing Receipt Form shall be completed and uploaded to the P-Card system. Continual use of the Missing Receipt Form may result in the cancellation of the Cardholder's P-Card.

REVIEW AND RECONCILIATION PROCEDURES

A. Review and Reconciliation

1. P-Cardholders shall review the monthly statement for accuracy and attach all related receipts, return credits, and any necessary additional documentation for proof and description of purchase.
2. The P-Card online reconciliation process must be completed by the 28th of each month.
3. Self-approval of transactions are strictly prohibited.

SPENDING LIMIT LEVELS

A. Spending Limits

1. Cardholders are provided established spending limit. The limit shall remain in effect unless changed by the Director and the City Manager or their designee.
2. Spending limits shall be defined in one of the following four categories for the 30-day billing cycle:
 - a) Category One – \$3,500 (monthly limit)
 - b) Category Two – \$5,000 (monthly limit)
 - c) Category Three – \$15,000 (monthly limit)
 - d) Category Four – As determined and approved on a case-by-case basis (single purchase limit may be up to 10% based on City Manager approval).

B. Increase Spending Limits



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1. The Purchasing Card Request Form shall state whether the Cardholder's P-Card spending limit change is permanent or temporary.
2. Permanent increases to Category Four shall be justified with an appropriate explanation for the increase. Examples include:
 - a) Non-Capital Items – The consistent need to purchase non-capital supplies or services within the Policy guidelines.
 - b) Purchase of non-capital supplies and/or services that are used consistently.
3. Temporary authorized spending limit increases shall not extend beyond the end of the next billing cycle.

PURCHASING CARDS – DECLARED EMERGENCIES

The following mechanisms will be in place to provide accountability for disbursements in a declared emergency.

- A. P-Card limits will be increased, and are to be used only for emergency related expenditures.
- B. The issuance and activation of the cards will happen within 24 (twenty-four) hours of the emergency declaration.
- C. Lists of the individuals in each department that will need an Emergency P-Card will be furnished by the Directors.
- D. After it is determined that regular operations may resume, the Emergency Cards limits will be inactivated and regular P-Cards limits reactivated.

DISCIPLINARY ACTION PROCEDURES

A. Prohibited/Improper Use Action

1. Upon proper investigation, prohibited, improper or unauthorized use of the P-Card, may result in disciplinary actions against the Cardholder.
2. Disciplinary actions may include required reimbursement to the City for the total amount of the improper charges through payroll deductions, and/or direct payments rendered by the Cardholder.
3. Failure to submit documentation related to the Cardholder's activity within the time periods specified in the Policy, will result in suspension or termination of P-Card privileges.
4. If the City initiates legal proceedings to recover amounts owed by the Cardholder, the Cardholder agrees to pay court costs, reasonable attorney fees and other expenses incurred by the City.



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REPORTING AND AUDITING

- A. The Procurement Department shall be the primary reviewer of all purchases made with the P-Card.
- B. In addition to Departmental review, the Finance Department shall perform reviews of purchases along with periodic operational and compliance audits.
- C. The Purchasing Card Program Administrator shall provide each Department with a list of Cardholders within their Department/Division.
- D. Departments shall conduct quarterly physical inventory of P-Cards and report any discrepancies to the Purchasing Card Program Administrator.
- E. The Internal Auditor shall conduct at a minimum, annual operational and compliance audits to the Policy.

Departmental Sponsor: Procurement

Policy Review Date: 3/2021

References: N/A

Departments Affected: All Departments

Approved by:


Karen Hopkins



CITY OF RIVIERA BEACH PROCUREMENT CARDHOLDER AGREEMENT

I, _____ agree to the following regarding my use of the City of Riviera Beach Procurement Card:

1. I understand that under no circumstances will I use the Purchasing Card to make personal or non-work related purchases, either for myself or for others.
2. I understand that I will not request or receive cash from suppliers as a result of exchanges or returns but will follow the City's established procedures for crediting of returns.
3. I understand that I am the only individual authorized to use the Purchasing Card assigned to me. It is not transferable to any other individuals.
4. I understand that the City of Riviera Beach, Palm Beach County, Florida can terminate my right to use the Purchasing Card at any time for any reason. I agree to return the card to my department administrator immediately upon request from Procurement Services, transfer to another department, or termination of employment.
5. I have reviewed the Purchasing Card Standards and Procedures and understand the procedures and requirements for using the Purchasing Card. I understand that I cannot use the Purchasing Card for the restricted Commodities listed:

Cash Advances	Inventory Items
Gasoline, fuel, or oil	Telephone Charges
Items available through the office supply contract	
Any items or service available on a Price Agreement Contract	

6. I agree that I will obtain the card administrator's approval for purchases of the following commodities which require card administrator's approval:

Computer Services	Computers: hardware & software	Computer graphics Service
Safety Equipment	Telecommunications Equipment	Radio Communications
Fax Machines	AV/Photography Equipment	Records Mgmt. Equip. & Services
Medical Supplies	Security Related Items	Printing/Duplicating Services & Supplies
Furniture	Reference Center Materials	Travel (Administration approval required)
Food & Beverages		

7. _____ (Cardholder's Initials) I have read the City of Riviera Beach's Procurement Card Manual and will follow the established procedures for using the Purchasing Card. I understand that failure to do so may result in either revocation of my user privileges or other possible corrective actions, up to and including termination of employment.
8. _____ (Cardholder's Initials) I understand that any single purchase may not exceed \$2500.00. If at any time I am given purchasing authority to make any purchase exceeding \$2500.00, it will be at the sole discretion of the card administrator.
9. _____ (Cardholder's Initials) I agree that should I violate the terms of this Agreement and use the Purchasing Card for personal use or special private gain for myself or others that I will reimburse the City of Riviera Beach for all incurred costs or charges.

I have read the terms of this agreement and agree to abide by them.

Cardholders Name (Print)	Cardholder Signature	Department	Date
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XXXX-XXXX-XXXX-
Last 4 Procurement Card Number

Purchasing Director or His Designee

_____ (Cardholder's Initials)