

Utah County Purchasing Card Policy and Procedures

All transactions charged to purchasing cards shall be made in compliance with adopted Utah County policies and procedures. Utah County purchasing cards shall not be used to avoid or bypass adopted purchasing policies or procurement rules. Employees should exercise good judgment and act responsibly when using a County-issued purchasing card. Purchasing cards are to be used only by authorized Utah County Government employees including Utah State University Extension employees under its contract with Utah County.

Purchasing cards should be used as often as possible when making approved purchases. Employees are discouraged from using personal funds to pay for County expenses. The County will only reimburse employees who use personal funds to pay for legitimate County expenses when their Department Head provides written approval of the purchase.

1. Requesting a Purchasing Card

To request a purchasing card, the department must complete the Purchasing Card Request Form and send the completed form to the Purchasing Agent. Before the card is issued, both the department head and card custodian(s) must complete cardholder training with the Purchasing Agent and sign the Purchasing Card Custodian Agreement Form.

Cardholder training provides information about: (1) how to process card payments in the finance system, (2) the types of purchases that can and cannot be made, (3) reconciling statements and maintaining records, and (4) a general overview regarding the purchasing card program.

Distribution of purchasing cards should be limited to those employees who have a compelling business need. Purchasing cards (and credit cards) should not be provided to employees and officers who have only an occasional or infrequent use. The sharing of cards is discouraged as it further weakens oversight and control.

2. Responsibility for the Purchasing Card

The department head is ultimately accountable for the physical control and use (expenditures, budgets, accounts, etc.) of any purchasing cards assigned to his/her department.

3. Custody of the Purchasing Card

The department head may serve as custodian of the purchasing card or may designate another employee to act as the custodian. The custodian is responsible for all activities involving the card including its safekeeping, creation of purchase orders, and the obtaining of proper documentation for expenditures. The Department Head may designate another employee to create purchase orders and obtain proper documentation before the purchase is submitted for payment. The custodian shall maintain a Purchasing Card Log Form to track who has possession of the card at any time. The custodian remains responsible for the card until a Transfer of Custodianship Request Form is processed.

The purchasing card is the property of Utah County and must be kept secure at all times. If a card is lost or stolen, the custodian shall immediately notify the bank to cancel the card using the bank's lost or stolen notification phone number as shown on the card. After the card has been canceled, the custodian shall immediately notify the Purchasing Agent.

Prompt action in these circumstances can reduce the County's liability for fraudulent charges.

4. Sales Tax

When payment is made utilizing the card, sales tax shall not be paid. As a governmental agency, Utah County is exempt from paying sales tax. Card users shall advise vendors of the County's exempt status and ask vendors to omit charges for sales tax. A sales tax exemption certificate is available from the Purchasing Agent. Card users shall give the sales tax exemption form to vendors when purchases are made. Receipts should be checked immediately after a purchase to verify that sales tax has not been charged. If sales tax has erroneously been charged, card users should seek a refund of the tax from the vendor. In those rare cases where payment of sales tax is unavoidable, approval to pay the tax must be obtained from the County Clerk/Auditor. If the Clerk/Auditor finds that the payment of sales tax is the result of employee negligence, the employee may lose the privilege of using the purchasing card and/or the sales tax may become the responsibility of the employee or the department head to repay using personal funds.

5. Limits and Restrictions

Each purchasing card is assigned monthly, daily, and per-transaction credit limits as determined by the Utah County Purchasing Agent. A single purchase cannot be split into multiple transactions to bypass card limits. If the authorized credit limits become insufficient to meet departmental needs, an increase may be requested by the Department Head if documented evidence warrants the increase. To request a change to a credit limit, the department must complete the Utah County Purchasing Card Credit Limit Change Form and send the completed form to the Utah County Purchasing Agent.

The purchasing agent may allow temporary, per-transaction limit-increases for purchases that are included on an approved purchase order.

Purchasing cards have been set up to block some transactions based upon a supplier's Merchant Category Code ("MCC"). If the purchasing card is presented to a supplier whose MCC is blocked, the transaction will be declined. If the purchasing card is declined and the card custodian or Department Head believes the declination should not have occurred, the custodian or Department Head must notify the Utah County Purchasing Agent. In some cases, the Purchasing Agent or the Commission can add categories to the cardholder's profile if the category is necessary to make official County purchases.

6. Card Payments

Card payments shall be made through the purchase order process. For purchases over \$2,500, a purchase order must be approved before the purchase is made, unless otherwise authorized by the Purchasing Agent. This will help ensure that County procurement policies are being followed prior to the purchase being made.

A requisition for all undisputed charges should be created as soon as possible, but no later than two weeks after the purchase, using the vendor "PCARD-WELLS FARGO CARD", vendor#19512.

Adequate descriptions must be included in the requisition so that it is clear what was purchased and why. Multiple items may be included on one line for a requisition if they are being charged to the same GL account and Object Code.

Once the requisition is created, the custodian should go to the Wells Fargo website and access the appropriate statement. The requisition number (or PO number) should be entered on the corresponding line of the statement, along with any relevant descriptions.

Once the items are received, a signed Authorization for Payment form must be submitted to Accounts Payable along with all itemized receipts. The Purchasing Log should be maintained with the department's records in accordance with the State General Retention Schedule. Receipts for purchases that are not included on the requisition should not be submitted; they should be held to submit with the appropriate requisition.

These policies do not apply to payments made directly by Accounts Payable when the purchasing card is used as a means of payment for previously approved purchase orders.

7. Transaction Receipts

Custodians must verify that card users always submit an itemized receipt with card payment requests. The receipt must include, at a minimum, the vendor name, quantity purchased, unit cost, description of purchase, and the transaction date. The receipt should also show that no sales tax was charged. Any amount charged to a card which is not supported by an itemized receipt shall not be approved. An employee who requests payment without an itemized receipt may lose the privilege of using the purchasing card and/or the amount charged may become the responsibility of the employee, to be repaid using personal funds.

In accordance with the County's accounts payable procedures, if no itemized receipt is submitted for a purchasing card charge, a Missing Receipt Form must be completed, signed, and dated by the cardholder and their department head. The Missing Receipt Form is available under the Help menu in the finance system. The form must be submitted with the card payment request. Excessive requests for exceptions may result in the loss of purchasing card privileges.

If the employee's or County's records don't agree with the card statement, the custodian shall, within 30 days after the close of the applicable monthly statement, contact the supplier to try and resolve the discrepancy. If the supplier agrees that an error has been made, the supplier will issue a credit to the card. If the supplier does not issue a credit to the card, the custodian shall, within 30 days after the close of the applicable monthly statement, dispute the charge using the bank's online credit card reporting application.

8. Unauthorized Uses

Cards shall **NOT** be used for:

- 1) Personal, non-official expenses of any kind, for any reason.
- 2) Purchases considered an inappropriate use of public funds.
- 3) Cash, gift cards, gift certificates, or other cash equivalents.
- 4) Travel expenses (UMB card should be used for travel expenses in accordance with the Utah County Travel Policy.)
- 5) IT and communications equipment should not be purchased directly by the requesting departments with the purchasing card. Computer hardware must be purchased through the IT Department and communications equipment should be purchased through Public Works using the intragovernmental accounts.
- 6) Professional services without a current County Agreement. For professional services not under a County Agreement, the purchasing card may be used for purchases cumulatively totaling no more than \$500.00 annually per vendor. For professional services with a current County Agreement, the purchasing card can only be used after the professional services have been performed.

Purchases from a supplier who charges a convenience fee, international/foreign transaction fee, or other additional fee(s) shall only be made after receiving written approval from the Purchasing Agent.

Any employee found using a card for one of these unauthorized uses may be subject to the employment disciplinary process, in accordance with Utah County Human Resources Rules

and Regulations.

9. Audits/Reviews

Purchasing cards and related processes are subject to audits and reviews by the office of the Utah County Clerk/Auditor or its agent.

10. Individual Credit Rating

The purchasing card program will not impact personal credit ratings when used according to these policies and procedures.

11. Cutoff Periods

The Wells Fargo statement cycle ends on approximately the 14th day of each month.

Items purchased with the purchasing card must be received on or before December 31 to be charged to that year's budget. Items received after December 31 will be charged to the next year's budget. Vendors shall not be contacted to change shipping and/or delivery dates to be prior to December 31 if items were delivered after December 31. Any such request to a vendor is inappropriate and any employee making such a request is subject to the employment disciplinary process.

12. Purchasing Card Process

- 1) An employee needing to use the card will check the card out from the card custodian and sign the Purchasing Card Log Form. The purchaser is responsible for any activity that occurs while he/she has temporary custody of the card. The custodian must account for all cards at the end of each day.
- 2) The purchase is made online or directly with the vendor (making sure that sales tax is not charged).
- 3) The purchaser returns the card to the custodian. The custodian will acknowledge the return of the card by signing the Purchasing Card Log Form. The purchaser must submit an itemized receipt. When payment is issued, the custodian will review the receipt to ensure that purchases were made in compliance with the Utah County Purchasing Card Policy & Procedures. The custodian will indicate on the Purchasing Log Form whether any transactions have credits pending or have been disputed with the bank.
- 4) For transactions that are not affected by credits pending or disputed with the bank, the department will create a requisition in the financial system. This should be done before the purchase is made for purchases over \$2,500, unless otherwise authorized by the Purchasing Agent.
- 5) The department reconciles the purchase online through the Wells Fargo Commercial Electronic Office website. The item to reconcile should be selected and the "Reclassify" button clicked. The PO or requisition number, as well as a description of the purchased item can then be entered. Changes must be saved before exiting the screen.
- 6) After receiving the merchandise, the department submits the purchase for payment through the financial system and forwards receipts to Accounts Payable.
- 7) If there are charges on the statement that do not appear to be valid purchases, the department should first contact the vendor to investigate further. If the charge is not valid, the department must contact Wells Fargo to dispute the charge.