PURPOSE

The purpose of this document is to set forth policies, procedures and guidelines for the management and usages of the Cass County's Purchasing Card program.

OVERVIEW

The program is intended to streamline and simplify the Purchasing and Accounts Payable functions. The Purchasing Card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage.

Use of the program for Accounts Payable transactions will benefit the County and vendors by creating advantageous cash flow for both parties. It is also intended to provide revenue for the County in the form of a yearly rebate based on the County's portion of the total consortium funds. It is not intended to avoid or bypass appropriate procurement or payment procedures. Rather, the program complements the existing processes established.

AUTHORITY

Public Act 156 of 1851 [MCL 46.11 (m)] provides that the Board rules and regulations in reference to managing the interests and business of the County and Public Act 266 of 1995 [MCL 129.242 (1) et. seq.] requires that the Cass County Board of Commissioners authorize, by Resolution, a credit card policy in conjunction with "Credit Card" Agreements (s).
On April 9, 1996, Cass County Board of Commissioners adopted a Resolution authorizing the use of County credit cards so selected County Officers and employees established a credit card policy.

PROGRAM MANAGEMENT/CONTROLS

The Finance Department is responsible for managing the program and each department/court/division (herein after referred to as department) is responsible for managing its cardholder's behavior, accounts, and monthly reconciliations in accordance with such guidelines outlined in this document.

The guidelines in this document must be followed in order to comply with County required purchasing policies. Only those purchases necessary for County operations will be approved. The County will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card will result in disciplinary actions up to termination and possible criminal prosecution.

Each Department Head must designate a supervisory employee who will be responsible for reviewing and approving purchases made using the Purchasing Card unless they themselves will be the approver. The cardholder's direct supervisor is typically the best person to designate such activities. The Administrator will review and approve purchases made by any Department Head and/or Elected Official that does not have a designated direct supervisor.

Fifth Third will also monitor all purchases and will contact a Finance Program Administrator if they observe any unusual purchases or spending patterns. They reserve the right to put a hold on transactions and suspend or close accounts as deemed necessary in the case of suspected fraudulent activities.

ENROLLMENT

Fifth Third will send the new MasterCard to the Finance Department. Cardholders will sign a cardholder agreement to be eligible to receive the card. The cardholder will attend an orientation session after the cardholder has completed their first transaction and prior to the end of the current reporting cycle. Training will include how to use the bank software, the reconciliation and reporting process, and review of the guidelines covered this document.

GUIDELINES FOR CARD USAGE

Only the Cardholder whose department appears on the purchasing card is authorized to use the card and is responsible for ensuring that the charges made with the card are in compliance with these outlined procedures. Delegation of authority is not permitted; merchants may require that the signature on the card match the signature on the receipt. Cards are not allowed to be shared with other departments. If your department does not have a card issued to them, use of the Finance department credit card can be utilized for purchases. Only this card is authorized to be used in a department other than the issuing department.

AUTHORIZED CARD USE

The Cass County Government Purchasing Card can be used at any MasterCard merchant provided the merchant category has not been blocked. Explanation of the merchant category will be given during the program training session.

Cardholders are authorized to use the Purchasing Card to make purchases required as a function of their duties at the County. All purchases must be made in compliance with Cass County's Purchasing Policies & Procedures as well as the Michigan Department of Treasury.

- The Purchasing Card may be used only for the purchase of goods and services for the official business of the County.
- Use of the Card for personal purchases is strictly prohibited.
- The total value of any one charge made with the Purchasing card may not exceed the single transaction limit stipulated on the Cardholder's Enrollment Form or be in violation of Cass Counties purchasing policy.
- State law prohibits purchases from another county employee or another company affiliated with a county employee.
- Unencumbered funding must be available in the Department/Division's budget to pay for the purchase. It will be the cardholder's responsibility to ensure adequate funding is available.
- When Federal grant funding regulations have more stringent requirements for purchases, those requirements take precedence over this policy.

Examples of expenses that may be paid for with the County Purchasing Card include:

- Memberships to pre-approved work-related professional organizations.
- Registrations for pre-approved work-related conferences and training events.
- Approved travel related expenses for pre-approved official County business (pursuant to the County Travel Policy).

- Any recurring Accounts Payable transactions. Examples: Maintenance Agreements, Office Supplies, Uniforms, Utilities, etc.

The Finance Department reserves the right to manage other large purchase programs in a similar fashion if/when deemed necessary.

UNAUTHORIZED AND/OR INAPPROPRIATE CARD USE

The Purchasing Card must never be used to purchase items listed in the following section, even if the Cardholder intends to reimburse the County.

- Items for non-county purposes
- Items for personal use (decorations, luxury items, fuel, birthday related items etc.)
- Alcohol
- Drugs/narcotics (controlled or other)
- Gambling Transactions
- Adult Content
- Cash advances, traveler checks, wire transfers, money orders or similar devices
- Entertainment or Recreation
- Contracting
- Capital Equipment
- Any purchases prohibited by County policy or not related to County business.

This is not an all-inclusive list and the Cardholder is expected to use their judgement. Merchant or electronic authorization of a purchase should not be interpreted as County approval of the purchase.

VIOLATION OF THIS POLICY, INCLUDING UNAUTHORIZED PURCHASED BY A CARDHOLDER AS DEFINED IN THIS SECTION SHALL RESULT IN CARD CANCELLATION BY THE PROGRAM ADMINISTRATOR, DISCIPLINARY ACTION UP TO AND INCLUDING DISMISSAL FROM COUNTY EMPLOYMENT, AND POSSIBLE CRIMINAL PROSECUTION.

SPENDING LIMITS

Each card will have a spending limit. This is indicated on the form when receiving a card and is set by the Finance Director based on current spending needs. If there is a need to have a spending limit raised, a request should be sent to the Finance Department.

REQUIRED DOCUMENTATION

The cardholder is responsible for retaining itemized receipts, printouts of orders, packing slips, etc. for all card purchases. Required documentation includes things like vendor name date, amount, purchase card number, description of what item or service was purchased, etc.

TAX EXEMPT STATUS

When placing orders, please remind the merchant that Cass County is tax-exempt. Sales tax cannot be disputed with the bank; it is pertinent to take the steps needed to prove tax-exempt status at the time of

order. If tax is charged, it is the cardholder's responsibility to contact the merchant directly for a refund. If the merchant requests a tax-exempt certificate, one will be provided, contact the Finance Department for the most up-to-date copy of this document.

MAKING A PURCHASE

Confirm that the selected merchant accepts MasterCard. If not, choose another payment method (e.g. check payment through AP), contact the Finance Department for aid in selecting another supplier. Make note to always follow the procedures outlined in the Purchasing Policy.

When making purchases in person, the cardholder must sign the charge receipt and retain the customer copy. The cardholder should verify that either the charge receipt or the sales receipt complies with the requirements for support documentation set forth in this guide.

When purchasing via the Internet, all purchases should be made from **SECURE** shopping sites. The person placing the order may have to register as a tax-exempt agency through the site to ensure not paying sales tax. Many sites provide an option for printing an invoice; if this is not an option, get a print screen showing the detail and confirmation number of the purchase. Retain these documents for the reconciliation process.

Cardholders should provide the merchant with the account number embossed on the card and direct the merchant to include the following on the shipping label or packing slip:

- Cardholder Name and Phone Number
- Department Name
- Complete Delivery Address
- The Words "P-Card Purchase"

Cardholders are responsible for obtaining all documentation (packing slips, mail order forms, etc.) related to the purchase and verifying the documentation complies with the requirements for support documentation set forth in this guide.

Cardholders are responsible for notifying the merchant that County purchases are not subject to sales tax. Every effort must be made to waive sales tax on purchases by the cardholder. A statement regarding the county's tax liability is available as requested to the Finance Office.

RETURNS AND EXCHANGES

The cardholder is responsible for ensuring receipt of goods/services and any follow-up efforts required to resolve delivery problems, discrepancies, damaged goods, billing problems, or returns. If assistance is required, contact the Finance Department or Accounts Payable.

The cardholder should contact the merchant and arrange a return for credit or an exchange for merchandise purchased with the Purchasing Card that is not acceptable (incorrect, damaged, defective, etc.).

If merchandise is returned for credit the cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the documentation for the transaction. **Receiving cash or checks to resolve a credit is prohibited.**

If merchandise must be exchanged, the cardholder is responsible for returning the merchandise and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the support documentation for that purchase.

To dispute a charge on a monthly statement, the cardholder should contact the purchasing card provider customer service; should they require you to contact the vendor directly, please do. Fill out a Problem Resolution Form and attach to the Expense Report. If purchased items or credits are not listed on the monthly statement, the appropriate transaction documentation should be retained until the next monthly statement. If the purchase or credit does not appear on the statement within 30 days after the date of purchase, the cardholder should notify the Finance Director.

STATEMENT OF RECONCILIATION

Purchasing card transactions must be reconciled and the required documentation of each transaction submitted to the Finance Department by the fifth business day of each month for the previous month's transactions. The Finance Department or Administrator reserves the right to suspend a departments card if receipts are not completed within 7 business days.

The cardholder is accountable for all charges made with the purchasing card and responsible for checking all transactions against the corresponding support documentation to verify accuracy and propriety.

Purchasing card transactions are reviewed using the SDG2 software, accessed via the internet at https://sdg2.53.com. The Cardholder (or designee with access) will the use this site to view the transactions and assign account codes to each transaction and attach the corresponding receipt. An Expense Report documenting all purchasing card transactions for the current cycle is then printed and all corresponding receipts are attached.

- If a receipt is lost or was not obtained, the cardholder may be asked to reimburse the County for the purchase. It is at the discretion of the Finance Director to approve purchases without receipts.

- In the event of a credit or exchange make note in the description line for reference other charges on current supporting documentation or on a future reconciliation. If a charge of credit does not appear on the transaction report within 60 days after the original purchase, the Cardholder must notify the Finance Director.

Cardholders and the Supervisor/Department Head sign and date the **transactions** and forward to the Finance Department with all support documentation attached. The Finance Director will review and approve the transactions and supporting documentation for any Department Head, County Administrator, and/or Elected Official that does not have a designated direct supervisor.

The Finance Department reviews all transactions, coding, and documentation. In the event of questionable transactions, the Finance Department must contact the cardholder to obtain an explanation, supporting documentation, and/or reimbursement. Discrepancies associated with a charge may result from:

- Insufficient support documentation.

- Wrong account coding.

- Incomplete or irrelevant description.
- Not meeting one or more of the criteria for authorized card use set forth in this guide.
- Lacking approval or adequate approval.

All discrepancies must be investigated and resolved. The disposition of each discrepancy will be documented and retained with the support documentation. Cardholders are accountable for all discrepancies. In the event a discrepancy cannot be resolved, the Finance Department will notify the Finance Director of any discrepancies, as well as any unauthorized card usage as outlined in this guide.

Financial information will then be exported form the SDG2 software and imported into the BS&A Accounting Software. **Budgets must reflect enough money to cover all charges**. After the import is completed all transactions will then be available for viewing in BS&A.

RESOLVING ERRORS, DISPUTES, RETURNS AND CREDITS

There may be occasions where items on the statement do not correlate with receipts. The transaction may not have been made by the cardholder; the amount may be incorrect or there is a quality issue. In the event of a disputed charge, the cardholder must attempt to resolve the dispute directly with the merchant. If the merchant agrees that an error has been made, they will credit the account. The cardholder must verify the credit and report on the corresponding expense report. If the cardholder is unable to resolve the issue, the cardholder should reach out immediately to the Finance Department for assistance. If the dispute cannot be resolved, the merchant must be notified in writing that the County is questioning the charge or dissatisfied with the purchase.

PAYMENT PROCEDURES

By the close of the Statement cycle on the 15th of every month, the Finance Department verifies the dollar total needed for payment. In order to process payment on the due date, budgets will be charged regardless of a completed reconciliation from the departments. Determination of charges will be made at the discretion of the Finance Director.

RECORD RETENTION

The Cardholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the purchasing card and verifying that documentation complies with the requirements for support documentation set forth in this guide.

The Finance Department is responsible to assure that all the support documentation and the corresponding statement of account is reconciled and retained in accordance with the State and Federal retention requirements.

CARD SECURITY

- It is the cardholder’s responsibly to safeguard the purchasing card and card’s account numbers at all times.

- Cardholders must keep their purchasing cards in a secure location at all times.
- Cardholders must not allow anyone else outside of their department/office to use or access their purchasing cards and/or card's account numbers.

LOST OR STOLEN CARDS

Lost or stolen cards must immediately be reported to the Finance Department. Cardholders should state that they are reporting a Lost or Stolen card, the last known usage and should include the date the card was first noticed to be missing. The card will be automatically suspended and a new card will be sent to the Finance Department. The Finance Department will notify the cardholder when the new card is received.

ACCOUNT MAINTENANCE

Whenever any information contained on the purchasing cardholder's account changes, the change must be communicated to the Finance Department via email.

CARD EXPIRATION, TRANSFER, OR SEPARATION FROM THE COUNTY

Cardholders will be contacted by Finance when a replacement card is received. Expired cards **MUST** be turned into Finance when the new card is received. If cardholder has not received notice that a new card is available prior to the expiration date, contact the Finance Department.

Upon separation from Cass County, a cardholder is required to turn in the purchasing card and any outstanding receipts to the Finance Department. The Finance Department will ensure the account is closed.

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