



Policy No: VII-4(a)

Effective Date: January 2009

Revision Date: August 2014

Policy Number VII-4(a): City Purchasing Cards

Purpose:

The purpose of this directive is to name those City employees authorized to be issued City purchasing cards and to govern the proper use of those purchasing cards.

Scope:

The City may acquire corporate purchasing cards for authorized City employees for expenses incurred consistent with City policy in the conduct of City business.

Policy:

The following City employees are authorized to have purchasing cards issued on the City's behalf:

| | |
|--------------------------------|---|
| City Manager | Public Works Director |
| Assistant City Manager | Recreation Coordinator |
| Fire Chief | Police Chief |
| Finance Director | Community & Information Services Director |
| Community Development Director | Administrative Coordinator |

When an employee leaves his/her position, the purchasing card issued to that individual will be cancelled.

The purchasing card shall be used for eligible travel and/or business expenses incurred by the authorized cardholders for the conduct of City business. The purchasing card is to be used solely for the purchase of a business nature. All charges will be paid through the appropriate budgeted accounts appropriated in the annual operating budget.

Prior to receiving the purchasing card, the individual accepting responsibility for the card will complete form **CARDHOLDER ENROLLMENT FORM (copy attached)** which requires the approval of the City Manager and the Finance Director. In addition, the employee will be required to complete and sign the **CARDHOLDER AGREEMENT** with the bank. Once both forms are completed and returned to the Finance Department, the individual will be assigned a purchasing card and a sales tax exemption card.

In a case when a transaction may be exempt from sales tax the employee shall present the sales tax exemption card.

Upon receiving the monthly statement from the Finance Department, the individual will then verify that the supporting documentation for the purchase matches the monthly statement received from the bank. Once the individual has reconciled the receipts to the monthly statement, the **statement along with receipts shall be stamped or marked "Approved for Payment," account number noted where the expenses should be charged to, signed by the authorized cardholder and** then submitted to the Finance Department for payment. Acceptance of all charges as shown and/or notification of any erroneous charges must be sent to the Finance Department within 15 days of the receipt of the monthly statement.

Any late payment fees associated with the delay in reconciling the monthly statement and the processing of payment will be the personal responsibility of the authorized cardholder.

If for some reason a customer receipt is missing to reconcile the monthly statement, a written explanation must be submitted for explaining the nature of the purchase. Please be advised that this is an exception. In all cases, it is the responsibility of the cardholder to obtain receipts for purchases made with a City purchasing card.

Use of a purchasing card, which is not in accordance with this policy, and/or any of the terms, agreements or procedures, may result in loss of card privileges and disciplinary action up to and including termination.

If a card is lost, the employee should first notify the Finance Department then call Fifth Third Bank Customer Service at 1-866-475-0729 to report the card lost or stolen. The bank suggests the employee call the 1-866 number because the bank will be asked to provide specific information about the last time it was used. After the bank is notified, the card will automatically be suspended, and a new card will be sent to you within 5 - 7 business days.

Vendor Specific Credit Cards

The Finance Department will maintain vendor specific credit cards which are to be used for small dollar, high volume, and repetitive purchases at local businesses. The vendor specific credit cards maintained will be the following:

- Kroger – to be used for obtaining food, beverages and foodservices supplies for City events.
- Office Depot – to be used for purchasing office products and supplies for City operations.
- Wal-Mart/Sam's – to be used for the purchase of products and supplies for City operations.

When a purchase is made using the card obtained from the Finance Department, the individual making the expenditure shall present the sales tax exemption card then return the card to the Finance Department along with documentation of the expenses, approval to pay and proper account code noted.

CITY OF MONTGOMERY PURCHASING CARD ENROLLMENT FORM

Section I Approval

A City purchasing card is requested for the following official/employee:

Name: _____ Date: _____

Individual Transaction Dollar Limit (not to exceed \$2,000.00): \$ _____

Monthly Dollar Limit (not to exceed \$2,500.00): \$ _____

Approved Signatures:

_____ City Manager

_____ Finance Director

Section II Cardholder's Responsibility

I understand that the use of this City purchasing card to purchase goods and services for other than City business purposes is strictly prohibited and that such misuse of the card may result in disciplinary action up to and including termination of employment. I also understand that I may be held personally responsible for any unauthorized and/or non-business related purchases made on my assigned City purchasing card and by means of this document. I do hereby authorize the City Payroll Department to deduct any amounts determined to be of a personal nature, or late fees related to inability to promptly and properly submit the billing statement for payment, from my payroll.

I have read and understand the terms, agreements, policies and procedures related to the issuance of a City purchasing card to me and agree to the conditions noted above.

Cardholder's Signature

Date

Section III City of Montgomery Purchasing Card Responsibility

Card Account Number: _____ Date Issued: _____

Acknowledgment of Receipt by Cardholder: _____

As some of these items do not have an invoice, it is the responsibility of the individual using the credit card to request an invoice or receipt of payment from the vendor to meet the purchasing policy's payment documentation requirement. It will be the responsibility of each employee using a City credit to obtain a receipt for goods or services purchased with a City credit card. (See Purchasing Card Policy)