

SALT LAKE COUNTY
COUNTYWIDE POLICY
ON
PURCHASING CARDS AUTHORIZATION AND USE

Purpose

The purpose of this policy is to establish guidelines and procedures for the issuance, authorization, and use of the county purchasing card (PCard) by county agencies, including who may obtain a PCard, permissible and prohibited expenditures, reconciliation, credit limits, and safeguarding of PCards.

Policy

County agencies may designate employees as authorized purchasing cardholders to facilitate business-related purchases that are authorized within this policy and referenced policies. Purchasing cards should be used to facilitate payment for small cost transactions or other purchases authorized by the county purchasing agent.

The objectives of this policy are to specify permitted and prohibited purchasing card expenditures, including circumstances that require special authorization, to establish standard procedures for using the county purchasing card and reconciling transactions, as well as to outline general exceptions to this policy.

I. References

- A. Countywide Policy 1019 Travel-Authorization and Payment of Travel Related Expenses
- B. Countywide Policy 1020 County Meals
- C. Countywide Policy 1202 Authorization and Processing of Certain Payments
- D. Countywide Policy 1203 Petty Cash and Other Imprest Funds
- E. Countywide Policy 1350 Vehicle Policy
- F. Countywide Policy 7010 Procurement
- G. Countywide Policy 7021 Small Cost Purchasing Procedures
- H. Countywide Policy 7036 Charge Cards/Propriety
- I. Countywide Ordinance 3.20 Purchasing Procedures

II. Definitions

- A. **County Agency (Agency)** – Any elected office, executive branch department, division, or other subdivision of county government.
- B. **County Agency Management (Agency Management)** – With respect to their own individual offices or departments, any of the following or their designees: county mayor, county executive department directors, county elected officials, and division administrators.
- C. **Cardholder Agreement** – The agreement entered into between the cardholder and the county setting forth terms and conditions for use of the PCard by the cardholder.
- D. **Designee** – A designated employee that manages responsibilities on behalf of a cardholder or Fiscal Manager.
- E. **Purchasing Agent** – As defined by county Ordinance 3.16.030, the director of the division of Contracts & Procurement shall be the purchasing agent for the county.
- F. **Purchasing Card (PCard)** – A charge card to be used for the payment of goods and services.

- G. **Purchasing Cardholder (Cardholder)** – A county agency-designated employee authorized to use a PCard to facilitate the payment process for goods and services.
- H. **Purchasing Card Issuer (Issuer)** – A bank or financial institution that issues PCards and maintains records of PCard transactions cardholders.
- I. **Purchasing Card Program Administrator (Program Administrator)** – An employee(s) designated by the Division of Contracts and Procurement to coordinate and administer the authorization and use of county PCards for all county agencies.
- J. **Third Party Payment Processor** – A service that accepts online payments and on behalf of a vendor or person. Examples are Venmo, Cash App, Square, and PayPal.

1.0 Obtaining a PCard

- 1.1 County agencies will identify and authorize positions or employees that may benefit from having a PCard. Temporary employees employed by the county may obtain a PCard, with agency authorization. Division/department directors may obtain a purchasing card with written approval from the county mayor. Elected and appointed officials may obtain a purchasing card with written approval from the purchasing agent.
- 1.2 The Purchasing Card Authorization Form submitted shall include the legal name of the authorized cardholder, who is solely responsible for its safeguarding and use. Cardholders may have their card issued with a preferred name/alias.
- 1.3 The Purchasing Card Authorization Form shall indicate the single-transaction and monthly billing cycle credit limits, and the default accounting string for cardholders. All credit limits and defaults are designated by the agency and may not exceed the established small cost limit unless authorized by the purchasing agent.
- 1.4 The Purchasing Card Authorization Form must be signed by the employee's supervisor and fiscal manager. In addition, the division and department director or designees, or elected official or designee, must approve the form.
- 1.5 The cardholder, their supervisor, and the agency fiscal manager shall attend PCard training provided by the Division of Contracts and Procurement. The cardholder shall attend a mandatory refresher training every other year while their PCard is active. Failure to complete assigned trainings may result in the PCard being rescinded.
- 1.6 No PCard will be issued until the cardholder and approver(s) have attended assigned training and the Cardholder Agreement is signed.
- 1.7 The Cardholder Agreement shall be reviewed and signed annually by the cardholder. Contracts and Procurement will retain all employee agreements for the county.
- 1.8 All cardholder training materials and usage guidelines related to the use and management of a county PCard are, by reference, incorporated as part of this policy, and shall be reviewed, understood, and followed by the cardholder, their supervisor, and the agency fiscal manager and designee prior to use.

2.0 Using the PCard

- 2.1 Upon receipt of the PCard, the cardholder shall immediately sign the back of the card and activate it.
- 2.2 The cardholder shall be responsible for authorized and allowable use.
- 2.3 The cardholder shall be responsible for safeguarding the PCard. If the card is not in the cardholder's physical possession, it shall be in a secured location.
- 2.4 Permitted purchases, as defined in Section 3.0, may be made in-store, by mail, by telephone, fax, or online.
- 2.5 The full card number of the PCard shall be protected by the cardholder, and shall not be shared through email, fax, or any unsecured online portal.
- 2.6 Any additional fees, including transaction, shipping, and processing fees, charged by a vendor are permitted at the agency's discretion.
- 2.7 A cash, check, or vendor credit that results from a returned purchase must have the credit returned to the PCard. Any transaction credit that is issued should be credited back to the county and documented.
- 2.8 Cardholders will comply with all PCard training documents provided by the county, Division of Contracts & Procurement, and the cardholder's agency.

3.0 Permitted PCard Purchases/Payments

- 3.1 Small Cost Purchases. Use of a PCard for transactions covered by *Countywide Policy 7021: Small Cost Purchasing Procedures* is permitted. The agency must collect and maintain a file of quotes for small cost purchases exceeding \$5,000.
- 3.2 Reoccurring Payments. Use of a PCard to pay for automated reoccurring payments is permitted.
- 3.3 Meal Payments. Use of a PCard for transactions allowed by *Countywide Policy 1020: County Meals* is permitted.
- 3.4 Travel Expenses. Use of a PCard for transactions permitted by *Countywide Policy 1019: Authorization and Payment for Travel-Related Expenses* is permitted.
- 3.5 Public Utility Payments. Use of a PCard for payment of county agency utility charges is permitted.

- 3.6 Purchases authorized by the Purchasing Agent. Use of a PCard for purchases authorized in writing by the county purchasing agent is permitted.

4.0 Prohibited Purchases/Payments

- 4.1 Sales Tax. County purchases are exempt from sales tax. If sales tax is mistakenly paid, the cardholder shall take action at the discretion of the agency to obtain a credit to the county PCard used.
- 4.2 Cash Advances. Use of PCards to obtain cash advances is prohibited.
- 4.3 Personal Purchases. Use of a PCard for personal purchases and non-business items is prohibited. See *Countywide Policy 1203: Petty Cash and Other Imprest Funds*, Section 10.4 for a description of non-business items.
- 4.4 Split Payments on Purchases. Intentionally splitting a single purchase into two or more transactions-between one or more cardholders to circumvent competitive procurement requirements is prohibited.
- 4.5 Purchases by Anyone Other than the Authorized Cardholder. The cardholder is solely responsible for the use of the PCard issued in their name. Purchases made by anyone other than the cardholder are prohibited.
- 4.6 County Vehicle Fuel and/or Maintenance. All expenses related to operating and maintaining a county vehicle are prohibited on the PCard. See *Countywide Policy 1350: Vehicle Policy*.
- 4.7 Gift Cards. The purchase of gift cards for employees or volunteers is prohibited on the PCard. Gift cards may be purchased for customers or clients for business-related reasons. All gift card purchases must be approved by the agency fiscal manager or designee. See *Countywide Policy 1203 Petty Cash and Other Imprest Funds* and *Countywide Policy 7036 Charge Cards/Proprietary*. Agencies shall have internal procedures outlining the acceptable use, safeguarding, and tracking and distribution of gift cards.
- 4.8 Travel Expenses. Use of the PCard to pay for travel expenses already paid with a per diem issued to the traveler is considered "double dipping". All travel-related expenses paid with a per diem check to the employee may not be charged on a PCard.
- 4.9 Purpose. The primary purpose of the purchase must benefit the county or be related to county business. Any purchase may not be merely good will. See *Countywide Policy 1203 Petty Cash and Other Imprest Funds*.

5.0 Special Circumstances Requiring Additional Approval Criteria

- 5.1 Alcohol may not be purchased using a PCard unless given written approval by the county mayor/elected official or designee.

- 5.2 Any goods or services delivered to an address other than a county owned or operated facility are prohibited unless authorized in writing by the cardholder's agency division director/elected official or designee. This approval shall be maintained with all related PCard documentation.
- 5.3 Capital purchases using a PCard must obtain prior approval by the cardholder's agency fiscal manager or designee.
- 5.4 Merchant Category Codes (MCC) with restricted accounts may be requested on a PCard with written permission from the cardholder's agency fiscal manager or designee. The request should include whether the MCC is temporarily or permanently authorized on the PCard.
- 5.5 Third party payment processors must be approved by the agency fiscal manager or designee and the purchasing agent.

6.0 Credit Limits

- 6.1 Every PCard shall have a monthly billing cycle credit limit and single transaction limit that is requested by fiscal manager or designee and approved by the county purchasing agent or designee. The single purchase limit shall not exceed the small cost purchase limit unless authorized in writing by the purchasing agent or designee.
- 6.2 Agency division directors, fiscal managers, or their designees may request an increase to the monthly billing cycle or single transaction credit limit of a subordinate cardholder's PCard by submitting a written request to the program administrator or designee within the Contracts & Procurement Division.

7.0 Account Reconciliation and Records Retention

- 7.1 Documentation is required for each transaction. Supporting documentation may include, but is not limited to; itemized receipts, invoices, proof of purchase, packing slips, Meal Authorization forms, Travel Authorization forms, and any written authorization permitting the transaction to be processed.
- 7.2 Supporting documentation shall include details of the purchase, quantity, and amount.
- 7.3 Supporting documentation shall be submitted electronically with the reconciliation of transactions unless otherwise authorized by the program administrator or designee.
- 7.4 If supporting documentation is missing, the cardholder or designee must attempt to obtain a duplicate copy from the vendor. If supporting documentation is unable to be duplicated, the Missing Receipt/Insufficient Documentation form is required to be completed and signed by agency management. Frequently missing documentation may result in the county PCard being suspended or rescinded.
- 7.5 In addition to the cardholder's supervisor/manager, the agency fiscal manager or designee is responsible for reviewing transactions for compliance to deadlines and the reconciliation process.

- 7.6 If the established reconciliation deadline is missed, a signed transaction statement with the cardholder, or designee, and approver signatures must be submitted to the program administrator or designee. If the signed transaction statement is not submitted by the deadline issued, the PCard may be suspended by the program administrator or designee.
- 7.7 All supporting documentation for each transaction shall be retained according to county retention schedule AR-001. The agency is responsible to review transactions for grants, special funding, or capital assets that may have an alternative retention schedule.
- 8.0 Fraud/Disputed Transactions**
- 8.1 Fraudulent transaction(s) shall be immediately reported to the card issuer, Program administrator, and agency fiscal designee. The cardholder shall identify the transaction as fraudulent within the reconciliation documentation.
- 8.2 Disputed transactions occur when a vendor incorrectly charges the cardholder for an amount not agreed upon or fails to deliver the correct items. Cardholders should work with the vendor to resolve the dispute. If the vendor is non-responsive, the disputed transaction(s) shall be sent in writing to the program administrator or designee within 60 days from the transaction date.
- 9.0 Lost or Stolen Cards**
- 9.1 If a PCard is lost or stolen, the cardholder shall notify the card issuer, the cardholder's supervisor, agency fiscal designee, and the program administrator immediately.
- 10.0 Transfer or Termination of Cardholder**
- 10.1 When a cardholder transfers to a new position or agency, a new Purchasing Card Authorization Form shall be completed by the receiving organization. The program administrator shall be notified of the cardholder transfer. Documentation for purchases completed by the cardholder on behalf of the departing agency shall remain the departing agency's responsibility to reconcile and retain.
- 10.2 Upon termination of employment, the cardholder's fiscal manager or designee is responsible to take possession of the card and any outstanding original receipts. The fiscal manager or designee should immediately notify the program administrator to close the account.
- 11.0 Compliance Review**
- 11.1 The agency is responsible to continually review their cardholders and transactions for compliance with policy and procedures. The fiscal manager or designee should regularly conduct a comprehensive review of PCard activity.
- 11.2 Contracts and Procurement, Auditor's office, Mayor's Finance, or other designees may perform additional reviews of transactions to ensure adherence to policy. Cardholders and agency fiscal designees shall comply with all reviews performed.
- 12.0 Discipline**
- 12.1 Failure to comply with this policy, the Cardholder Agreement, PCard operating

standards, or the internal policies and procedures of the cardholder's agency may result in disciplinary action, including but not limited to, rescinding the PCard or terminating employment.

- 12.2 The determination to rescind the PCard may be made by the agency fiscal manager, division director, department director or elected official, purchasing agent, or program administrator.

APPROVED and ADOPTED this ____ day of _____, 2021.

SALT LAKE COUNTY COUNCIL

Steve DeBry, Chair

ATTEST:

Sherrie Swensen, County Clerk

