

**RESOLUTION NO.**

**107-14**

**3/25/14**

**ADM CCPolicy**

**Authorization to adopt a policy on the use of Procurement Cards**

Mr. Michael Didio, Government Operations

Mr. Joseph Runkle, Chairman Ways and Means Committee

WHEREAS, the County of Cayuga is currently without a policy for the use of Procurement Cards to be utilized by various departments; and

WHEREAS, the Cayuga County Legislature wishes to adopt a policy to establish procedures to streamline and simplify County Purchasing of supplies and services, and emergency purchases for various departments; and

WHEREAS, the county will receive a rebate with every purchase made using the assigned credit card; now therefore be it

RESOLVED, that the Cayuga County Legislature adopt the attached Procurement Card Program Policy, and be it further;

RESOLVED, that this policy be effective April 1, 2014 and that the policy be distributed to each department, and placed in the County of Cayuga Policy Manual.

**Government Operations Committee**

**Ways & Means Committee**

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Michael Didio, Chair

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Joseph Runkle, Chair

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Keith Batman

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Michael Didio

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Terrance Baxter

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Mark Farrell

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Ryan Foley

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Patrick Mahunik

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Timothy Lattimore

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Hans Pecher

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Joseph Runkle

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Paul Pinckney

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Benjamin Vitale

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Tucker Whitman

Co. Atty: \_\_\_\_\_

Policy Number – 76	Last Update: March 2014
Effective Date: 4-1-14                      Resolution No. 107-14	
Title: Use of Procurement Cards	

## **POLICY STATEMENT**

### **Cayuga County Procurement Card Program Cardholder Guide**

Program Administrators:      County Administrator  
   Administrative Assistant  
   Confidential Secretary

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#### **Overview**

The Cayuga County Procurement Card Program is intended to take advantage of the rebate programs available. The Cayuga County Procurement Card is a tool that reduces transaction costs, facilitates timely acquisition of goods and services, automates data flow for accounting purposes, and offers flexible controls to help ensure proper usage.

The program is designed as an alternative to low dollar amount check requests purchase orders. The program is not intended to avoid or bypass appropriate procurement or payment procedures. Rather, the program complements the available existing processes. The card is a Visa credit card that is issued by Bank of America. Proper record keeping is essential to ensure the successful use of the card. Standard procurement practices require retention of receipts, documentation of reviews and approvals, etc.

This Cardholder Guide provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and other program information.

Please remember that you are committing county funds each time you use the card. This is a responsibility that should not be taken lightly. Remember that you are the person responsible for all charges posted to the account associated with the card that has been issued to you. Intentional misuse or fraudulent use may result in disciplinary action, up to and including dismissal.

The card will have no impact on your personal credit. Although the card displays your name, it is actually issued to Cayuga County.

## **Obtaining a Card**

Every potential Cardholder will be required to have their department head sign the Procurement Card Request form, which will state the business reason necessitating issuance of a procurement card. The department head will then forward the signed justification form to the Administrators Office to have a card issued. The Cardholder is responsible for the security of his/her card and the transactions associated with the card. The card may not be transferred to, assigned to, or used by anyone other than the designated cardholder. The county or the bank may suspend or cancel cardholder privileges at any time for any reason. The cardholder will surrender the card to the Program Administrator upon request. Use of the card or the associated account after notice of its cancellation may be fraudulent and may cause the county to take legal action.

Cards will be issued to appropriate employees at the sole discretion of the Cayuga County Program Administrator.

When you receive your card, sign the back of the card and always keep it in a secure place. Although each card is issued in your name, it is the property of the county and is only to be used for county purchases as defined in this guide.

## **Procurement Card Restrictions**

Each card has pre-set spending limits which may not be exceeded under any circumstance. When you receive your card you will also be notified as to your credit limit.

Your card will reject purchases for amounts greater than the established limit.

The card is NOT to be used for personal purchases (e.g., cash advances or entertainment expenses) or transactions that provide incidental personal benefit (e.g., “cash back” purchases). Your card has been designed to only allow, and should only be used, for purchases of goods and services that would be considered appropriate for county business and your work function.

## **Using the Card**

You may initiate purchases using your assigned card. However, you should bear in mind that all purchases will be reviewed and approved by a Department Head at the end of the card billing cycle. Accordingly, it may be appropriate for you to consult with this department head before you initiate some purchases. You can then contact the supplier and agree to specifications, price, quantity, mode of transport, dates, etc.

When initiating the purchase, inform the supplier of the county's tax-exempt status and determine if tax exemption, certification must be provided. If the purchase is not made "face to face" (e.g., via phone, internet or email, etc.) ask the vendor to include a DETAILED receipt with any goods when they are shipped to you. The receipt and associated shipping documents must identify the goods that are being provided and document that payment for those goods is coming from the cardholder (either by name, reference to the cardholder's account, or both). You are responsible for assuring that goods and services purchases with the card are actually received for the benefit of the county. If there is a problem with proper receipt, you are responsible for obtaining a reversal of the associated charges.

### **New York State sales and use tax**

New York State law exempts Cayuga County from payment of New York State sales and use taxes. Accordingly, you should not execute any transaction(s) that involve the imposition of any such taxes. A tax exempt letter is attached to this Guide. Use of the card to execute transactions that do include New York State sales/use taxes may result in the revocation of the cardholder's eligibility to participate in the program.

In order to make tax exempt purchases, you may be required to present vendors with documentation that confirms the county's tax-exempt status. Documentation is only available in the form of a letter addressed to the County of Cayuga by the New York State Department of Taxation and Finance. This letter identifies the county as a "governmental entity" and documents that we are exempt from New York State sales and use taxes.

Some vendors that are used to providing good/services to various forms of tax-exempt entities may request a tax exemption number, a form ST-119.2 (exempt organization exempt purchase certificate), an official purchase order, or other types of documentation from you. You'll need to explain to them that these are not applicable to the County of Cayuga.

### **Paying the monthly bill**

Each cardholder will complete a spreadsheet (attached to this guide). The information that will be needed for the spreadsheet is: Date of transaction, Munis vendor number, vendor name, Amount charged, budget account, person the items were purchased by and a brief description of the charge. The Administrator will be receiving the statement on the 1<sup>st</sup> of each month. All charges for the prior month including the 1<sup>st</sup> day to the 31<sup>st</sup> should be on your spreadsheet. This should be turned in on the 1<sup>st</sup> business day of each month. For example, December 1<sup>st</sup> statement should include November 1 through November 30 transactions.

### **Resolving Errors and Disputes**

It is the cardholder's responsibility to follow-up on any erroneous charges, returns or adjustments and to ensure proper credit is given on subsequent statements. In the case of an error, first contact the supplier and try to reach an agreement. Most disputes can be resolved directly between you and the supplier. If not, notify the Program Administrators Office at 253-1501 or 253-1525

### **Lost or stolen cards**

The card should be secured just as you would secure your personal credit card. If your card is lost or has been stolen, immediately contact the bank via this toll free number: 1-888-449-2273. Also notify one of the County's Program Administrators at 253-1501 or 253-1525

### **Refusal of card or Account**

Should you be declined at the point of sale for any reason, please contact the Program Administrators Office. Every effort will be made to determine why the transaction was declined.

### **Departmental Changes**

If you transfer to a new department or leave the County, immediately notify the County's Program Administrator at 253-1501 or 253-1525.

### **Conferences & Lodging**

All travel will be administered through the Program Administrator's Office. A travel request must be completed and approved prior to booking the registration and or lodging. A copy of the travel request along with the contact information for the event will be sent to one of the Program Administrators, who will complete your reservation. A confirmation email will be sent to the department once the reservation has been made.

Meals will continue to be paid by employees and reimbursed per the purchasing policy and will be processed with appropriate receipts directly reimbursing the employee.

Phone charges are not allowable applied to lodging receipts. If charges occur, a reimbursement check must be made out to "Cayuga County Treasurer".

Cayuga County Procurement Card Request

Please fill in all information as requested:

Employee Name (as it will appear on card): \_\_\_\_\_

Employee Department:\_\_\_\_\_

Business reason that necessitates card issuance:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Employee Signature Date

\_\_\_\_\_  
Department Head Date

\_\_\_\_\_  
County Administrator Date

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**This section for County Administrator use**

Date card received and forwarded to employee: \_\_\_\_\_

Card Number: \_\_\_\_\_

Credit Limit Assigned: \$ \_\_\_\_\_

Cayuga County Procurement Card  
Acknowledgment of Card Receipt  
And Card Holder Agreement

Please read and sign this form.

Employee Name: \_\_\_\_\_

Department: \_\_\_\_\_

Card Number: \_\_\_\_\_

Monthly limits are: \$ \_\_\_\_\_

You are being entrusted with a Cayuga County Procurement Card issued by Visa through Bank of America. The card is provided to you to take care of your need to purchase materials for the county. The card may be revoked at any time without your permission. Your signature below indicates that you have read the Procurement Card Policy manual and will comply with the manual and the terms of the user agreement.

I understand that I will be making financial commitments on behalf of the County and will strive to obtain the best value for the County when making purchases.

This procurement card is issued in my name. I will not allow any other person to use my assigned card.

I understand that the policies and procedures related to the Procurement Card Program may be updated or changed at any time. A card Administrator will notify me of these changes. I agree to and will be responsible for the execution of any program changes.

I will obtain a hard copy receipt from the vendor each time the card is used and complete the spreadsheet "Bank of America Credit Card Charges" and submit to the County Administrators Office on the 1<sup>st</sup> of each month.

I will use the card only for authorized purchases.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date