

## **PROCUREMENT CARD (P-CARD) PROCEDURE**

### **1. PURPOSE:**

To establish procedures for the City of West Allis Procurement Card program. The program is to establish an efficient, cost-effective method of purchasing and paying for small or large dollar transactions. If used will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks. In addition, the City will receive a yearly rebate from the Card Provider. The Procurement Card can be used with any supplier that accepts MasterCard as a form of payment.

### **2. INTRODUCTION AND OVERVIEW**

The Procurement Card is a MasterCard, issued through, and supported by, JP Morgan Chase.

The Procurement Card Program is not intended:

- To avoid or bypass appropriate procurement or payment procedures
- To replace our current corporate card travel program
- For personal use.

The Procurement Card Shall Not Be Used for the following:

- Cash Advances
- Entertainment
- Telephone calls/monthly services
- Personal Use

Finally, remember you are representing the City of West Allis each time you use the Purchasing Card. You are acting as a City of West Allis agent, and as such you must be aware of the City's Ethics Policy, which has been provided in the City of West Allis Employee Handbook. Use of the card is a privilege granted by the City of West Allis. The City of West Allis will seek restitution for any inappropriate charges. Fraudulent or intentional misuse will result in revocation of the card and/or possible criminal charges.

### **3. ORGANIZATIONS AFFECTED:**

All Departments within the City Government

### **4. POLICY:**

It is the policy of the City to require that all requests for Procurement Card capabilities be directed to the Manager of Purchasing/Central Services.

5. **REFERENCES:**

Sections 2.66, 2.67, 2.68 and 2.682 of the City of West Allis Revised Municipal Code.

6. **RESPONSIBILITY**

**Program Administrator**

The Program Administrator will be designated for questions, issues and administration of the P-Card program. The Manager of Purchasing/Central Services will act as the Program Administrator for The City of West Allis.

**Cardholder**

The cardholder is the person designated by the City to utilize the Procurement Card. The cardholder is responsible for following the guidelines provided by the City regarding purchases, selection of vendors, security of card and monthly reconciliation of the charges and coding of charges to his or her department accounts.

**Auditor**

The auditor will be a non-cardholder who resides in the Finance Division. The auditor will review documentation from cardholders to insure that they meet the requirements of a cardholder. This means proper documentation, correct usage of account numbers and monthly reconciliation of their statements.

7. **PROCEDURES:**

**Card Controls**

One of the benefits of a Procurement Card is the restriction(s) that can be placed on any one card. Dollar limits can be set by transaction or billing cycle and the number of transactions can be limited by day or cycle. In addition, certain types of vendors can be excluded from card use. This is all coded into the card account and is checked by the vendor with each transaction. The Program Administrator is responsible for setting appropriate card controls, with input from the department head, for each individual card.

**Individual Card**

A card is issued in the name of an individual. The JP Morgan Chase/City of West Allis will in no way affect personal credit history. Monthly charges will be paid directly by the City. The individual card provides the City with full dispute rights

and limits our liability. The transaction amount will be set to meet the Department/Division needs.

### **Training**

A cardholder is required to attend training before a card will be issued. Training will be provided by the Purchasing Division. In this training, the cardholder is instructed on appropriate order placement techniques, vendor selection, record keeping associated with the Procurement Card, proper receiving techniques, and Card difficulties.

### **Cardholder Record Keeping**

Whenever a procurement card purchase is made, either in-person over the counter, by telephone or via the computer, documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchase listed on the cardholder's monthly statement of accounts.

When the purchase is made over the counter, the cardholder shall retain the invoice and "customer copy" of the receipt. Prior to signing this slip, the cardholder is responsible for making sure that the vendor lists the quantity and fully describes the item(s). When the goods are received as a result of placing a telephone or computer order, all shipping documentation is to be retained.

The cardholder is responsible for ensuring that all procurement card transactions are recorded on a purchasing log (Appendix A). The purchasing log will list the date of the purchase, the vendor, a description of the items purchased, the amount spent and an indication of the general ledger account to be charged.

At the end of the statement period, the cardholder is responsible for reconciling their credit card statement to their purchasing log, and ensuring the transactions are properly coded and approved in the HTE P-Card system. Once the cardholder has completed their monthly statement reconciliation, all documentation should be sent to the Purchasing Division. The statement period closes on the 26<sup>th</sup> of the month. Documentation must be sent to the Purchasing Division by the 10<sup>th</sup> of the month following the statement close date. If the 10<sup>th</sup> of the month is a weekend or holiday, documentation is due to the Purchasing Division the first work day following the weekend or holiday.

### **Card Security**

Each Department/Division needs to determine how to secure the card(s). In some areas it is more appropriate for individuals to carry the card(s). If not, the card(s) must be stored in a secure place, such as a locked cabinet or locked desk. In either case, the account number must be protected. The cardholder may process transactions on behalf of others in their Department/Division. However, the

cardholder is responsible for the use of his/her card. DO NOT email the entire Procurement Card number.

### **How To Obtain a Card**

- Complete and sign the City of West Allis Purchasing Card Agreement/Application (Appendix B).
- For the first-time issuance of an individual card, the cardholder may need to pick up the card in person and sign for its receipt.

### **Canceling a Card**

For immediate cancellation, call JP Morgan Chase at the number on the back of the card and/or call/send the Purchasing Division notification that the card needs to be cancelled. The card should then be dropped off at the Purchasing Division.

### **Lost or Stolen Card**

If a Procurement Card is lost or stolen, immediately notify:

- JP Morgan Chase (800-316-6056) – available 24hours/day – 365 days/year.
- Program Administrator, advise if a replacement card is needed. Card replacement may take 3-5 working days.

### **Employee Change in Duty or Termination**

The Procurement Card must be returned to the Program Administrator upon the cardholder's transfer, termination or upon change in duty. The responsibility to insure that cards of terminated employees are returned to the Program Administrator rests solely with the Department/Division from which the employee was terminated.