

<b>Procedure</b> Part 4, Financial Administration Chapter 6, Purchasing Section 2	<b>Last Update:</b> April 2017
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**References:** Procurement Cards Policy

**Purpose:** To establish procedures governing the use of Procurement Cards (P Card).

**Procedure:** P Card

A. Procurement Card Program

The Jefferson County, Colorado Procurement Card (P Card) program is currently offered through Citibank.

B. P Card Program Administrator

The Purchasing Operations Manager will appoint a P Card Program Administrator who is responsible for administering the P Card Policy and Procedure. The P Card Program Administrator works directly with Citibank in the maintenance of new and existing accounts. The P Card Program Administrator works with Department/Division Directors and Elected/Appointed Officials to set up hierarchies. These hierarchies include editing and reporting functions as well as P Card limits for each P Cardholder. The P Card Program Administrator also performs monthly reviews for verification of appropriate P Card usage.

For questions regarding the P Card program, please contact the current Jefferson County P Card Program Administrator @ 303-271-8585.

C. P Card Uses

All P Cards issued have certain limits set by Department/Division Directors, Elected/Appointed Officials, in cooperation with Purchasing. Limits may take the form of dollars per single and monthly transactions, and supplier types. Regardless of the set limits, it is still the responsibility of the P Cardholder to use the P Card within the established parameters.

Permitted Categories of Use:

- Goods and products except as outlined below
- Services, only when payment via P Card is already incorporated in an existing contract, except as outlined below
  - Services valued at \$5,000 or more must have a written description of the work that must be provided to the contractor.
  - Itemized invoice required from contractor for all services.
- Food including Catering
- Travel Expenses including Car Rentals
- Dues, Memberships and Subscriptions except for subscriptions to services provided via the Internet (see below)
- Short term equipment rentals when using county terms and conditions specific to rentals
- Software and Internet services purchases less than \$500 per individual item and less than \$2,500 total cost where terms are accepted by downloads from an Apple or Android store, opening a package or clicking an “OK” or “Agree” button or installation of the software. The Information Technology Advisory Committee (ITAC) members serving Departments/Divisions or Elected/Appointed Officials may approve purchases of such items less than \$500 per individual item, and less than \$5,000 total cost or the limit of the P Card per transaction limit, whichever is lower.
- Peripherals for smartphones and computers
- Printing Services
- Equipment repairs where the item is serviced at the vendor’s location
- Training expenses (classes, materials, parking etc.) but not including payment to trainers who have been selected to provide training services

- The P Card can be used for emergency purchases by ITAC members for all computer hardware, software and services required to restore or maintain operations up to the limit of their P Card authorizations.

Prior Approvals are required for these categories of purchases:

- Approval of the ITAC member supporting your Department/Division or Elected/Appointed Official is required for computer hardware, software and internet services other than those noted above. This includes the purchase of desktop computers, laptops, tablets and smartphones. See the Information Technology Resources Policy for further definition.
- Notification to Accounting is required for all Capital purchases
- Approval of the County Attorney is required when execution of vendor terms is required other than standard rental car agreements or purchases of software and internet services as noted above.

Unless itemized herein, all other uses of the P Card are prohibited.

#### D. Inappropriate Use of the P Card

##### 1. Misuse

Accidental or deliberate misuse of the P Card may result in the suspension/cancellation of the P Card, and possible disciplinary action pursuant to the existing Jefferson County Personnel Rules. If the P Card is misused, the P Cardholder's supervisor or manager will take corrective action, as deemed appropriate for the infraction. Accidental or deliberate misuse of the P Card for personal use items shall be reported to the P Cardholder's supervisor or manager along with a written explanation of the misuse. The full amount of any accidental or deliberate misuse must be reimbursed to the county by the P Cardholder; payment shall be sent to the Accounting Division along with the written explanation of misuse. P Card Coordinators shall indicate on the reallocation screen, "Personal charge – P Cardholder has reimbursed (or will reimburse) the county."

##### 2. Split Transactions

Transactions must not be split into smaller purchases to circumvent established single transaction or monthly P Card limits.

##### 3. Mobile Payment Applications

Mobile payment applications are not to be used for county issued P Cards. An image of county issued P Cards are not to be stored on a P Cardholder's county or personal phone. These apps often assign a code to each individual merchant/P Card and the last four digits of the actual P Card number may not appear on receipts; this feature alone has the potential to make it impossible to match receipts received via mail, or email, with the correct division/department/p Cardholder.

#### E. Cardholder Requirements

##### 1. General Information

The Elected/Appointed Officials and Department/Division Directors, or their designee, will establish monthly charge limits for each P Card issued. Individual limits will be established in accordance with the current county approval policy and P Card Policy.

Each Division, Department, or Office shall have a designated P Card Coordinator. The P Card Coordinator is responsible for providing monthly transaction reports for P Cardholder and supervisor review of the purchases to verify that they fall within the scope of P Card Policy and Procedure. Reviews will be performed by Purchasing on a monthly basis, or other frequency as needed, to verify appropriate P Card usage. Questions about P Card usage will be directed to the appropriate P Card Coordinator.

## 2. P Cardholder Application

A "Procurement Card Request Form" must be completed to obtain a P Card. The employee's Department/Division Director, Elected/Appointed Official or their designee, must approve the application. The completed application should be forwarded to the P Card Program Administrator. A P Card will be issued in the employee's name within approximately 15 working days. Monthly limits are set when the P Card is issued. Jefferson County is responsible for making all payments to Citibank and use of the P Card will not affect the employee's personal credit rating.

## 3. Acknowledgement of Policy and Procedures

Each P Cardholder and all P Card Coordinators will be sent the Procurement Card Policy and Procedures via PowerDMS. P Cardholders are required to read the documents and to submit their acknowledgement of having read them through PowerDMS.

## 4. P Card Security

Each P Card should be kept in an accessible but secure location, and the account number guarded carefully. Do not post it any place that is accessible to others. For individual P Cards, the only person entitled to use the P Card is the person whose name appears on the face of the P Card. Department P Cards may be used by any person within the department who has been granted authority to use the department P Card. If a P Cardholder is going to be absent from the office for an extended period, the P Cardholder's card privileges should be reduced for the period of time that the P Cardholder is expected to be absent. Contact the P Card Program Administrator for assistance.

## 5. Canceling P Cards

When an employee terminates, his/her P Card must be cancelled.

The Division/Department Director, Elected/Appointed Official, or their designee, is responsible for collection of the P Card when employment is terminated. The person collecting the P Card is responsible for destruction of the P Card; **DO NOT** return the P Card to the P Card Program Administrator. Contact the P Card Program Administrator via phone for immediate P Card cancellation. A follow up e-mail is also required from the person collecting the P Card confirming destruction.

Jefferson County retains the right to cancel an employee's P Card privileges at any time. P Cards may be collected and cancelled should any P Cardholder fail to follow policy and procedures, or consistently fail to keep accurate records.

## 6. Suspending P Cards

When an employee is on extended leave, the Division/Department Director, Elected/Appointed Official, or their designee shall send an email to the P-Card Administrator requesting that the single transaction and monthly P Card limits for the P Cardholder be reduced to \$1.00. A beginning and end date must be specified in the email. (The dates can be lengthened or shortened as needed.) This process limits the possibility of fraud while P Cardholder is on leave. In this instance, the P Card shall be collected and kept in a secured/locked area until the P Cardholder returns to work.

This process can also be used to suspend P Cardholder privileges in other situations, if needed.

## 7. Temporary and/or Emergency P Card Limit Increases

The Division/Department Director, Elected/Appointed Official, or their designee shall send an email to the P Card Administrator requesting that the single transaction and/or monthly P Card limits for a P Cardholder be temporarily increased. The amount of the increase, and a beginning and end date must be specified in the email.

8. P Card Renewal

A renewal P Card will be automatically mailed based on the bank cycle to the P Card Program Administrator who will then notify the employee to pick up the P Card. All P Cards must be signed for by the P Cardholder or the person picking up the P Card on behalf of the P Cardholder.

9. Customer Service

Citibank representatives are available 24 hours per day, 7 days per week.

**Customer Service: 800-248-4553**

10. Lost or Stolen P Cards

The P Cardholder should immediately notify Citibank if a P Card is lost or stolen and notify the P Card Program Administrator at the same time. Bank representatives are available 24 hours per day, 7 days per week. If the lost P Card is a Department P Card, the P Card Coordinator should notify the Jefferson County P Card Program Administrator.

**Lost or Stolen Cards: 800-248-4553**

Time is of the essence. Jefferson County is not liable for any purchases made with lost or stolen P Cards once the bank is formally notified.

11. Insurance Requirements for On-Site Work

The P Cardholder must contact Risk Management to obtain insurance requirements prior to procuring any services necessitating on-site work. The P Cardholder must also receive approval from Risk Management of vendor's insurance certificates prior to permitting vendor to proceed with the work.

F. P Cardholder Responsibilities

1. Placement of Orders

The P Card is used just like any other credit card. For fax, phone, and online purchases, the P Cardholder should get a confirmation number. Where possible, instruct the supplier to include with all shipments a packing list that itemizes the cost of the items and freight. If a supplier cannot include a detailed packing list, have them mail a separate itemized receipt directly to the P Cardholder. NO INVOICE/S SHOULD BE GENERATED AND SENT TO JEFFERSON COUNTY ACCOUNTS PAYABLE.

**The correct billing address for all P Cards is:**

100 Jefferson County Parkway, Suite 4500  
Golden, CO 80419

**NOTE: JEFFERSON COUNTY, COLORADO MAINTAINS A TAX EXEMPT STATUS FOR MOST PURCHASES. IN SOME INSTANCES, (PRIMARILY OUT OF STATE USE), THE TAX EXEMPT STATUS WILL NOT APPLY. PLEASE MAKE SURE THE SUPPLIER IS AWARE OF THIS STATUS SO AS TO DETERMINE IF SALES TAX IS MANDATORY FOR THE SPECIFIC PURCHASE.**

2. P Card Rejection by a Supplier

If a supplier advises that a P Card approval has been denied, the cause may be due to one or more of the established levels of authority checks:

- a. The purchase exceeds the single transaction dollar limit.
- b. The established monthly dollar limit has been exceeded.

If a transaction is denied, the P Cardholder should call the number located on the back of their P Card. For Department P Cards, the P Card Program Administrator must contact the bank to obtain the information regarding the denial, and coordinate resolution of the issue.

### 3. Record Keeping

All established county financial controls and practices for charging apply to the use of the P Card. Itemized receipts **MUST** be obtained for all purchases to verify a legitimate business purpose for the transaction. If a receipt cannot be obtained, a letter of explanation stating the cost, and justification for the purchase **MUST** be submitted in its place. To facilitate the reconciliation and approval process, the P Cardholder is responsible for keeping all receipts.

Please note that a receipt that does not itemize purchases is not a valid receipt.

All P Card activity and monthly statements can be viewed online and printed by the designated P Card Coordinator. A monthly e-mail will be issued by the P Card Program Administrator indicating the reallocation schedule. The P Card Coordinator will reconcile transactions, including all pertinent documentation. Historical records may be subject to audit to ensure compliance with the program.

### 4. No Receipt from Supplier

If a supplier fails to send a receipt, reasonable effort should be made to obtain one. If the receipt is still not obtainable, note "no receipt" on the statement next to that item. Be sure to complete a Lack of Receipt Form and attach it to the statement. Repeated failure to obtain receipts (except for parking fees) may result in cancellation of P Cardholder privileges. If a supplier consistently neglects to provide requested receipts, then that supplier is not a good candidate for P Card use and all future business with that supplier should be avoided, if possible.

For parking fees where no receipt is provided, indicate on the transaction reallocation "No receipt – [Specify Business Purpose] – [Employee Last Name]." A copy of the reallocated statement should be printed and kept as back-up with the statement, in lieu of a Lack of Receipt Form. If the parking charges will be paid with grant funds, a Lack of Receipt Form will be required.

### G. Reconciliation, Account Distribution, Approval

The P Card Program Administrator will work with the Elected/Appointed Official, and Department/Division Director to set up a hierarchy for the purpose of reporting and editing.

It will be the responsibility of the approving director or official or their designee to review all transactions made by their employees to ensure appropriate usage, cost account distribution and to ensure all purchases meet the requirements of the P Card Policy. If everything is acceptable, the approving director or official or their designee will indicate their approval by signing the monthly statements.

### H. Shipping and Receiving

For telephone, catalogue and on-line orders, the P Cardholder must properly communicate shipping instructions to the supplier.

1. Request that the supplier include a packing slip in the package detailing merchandise, freight and the first 4 digits only of the P Card number. The P Card number should not be visible from the outside of the package. Instruct the supplier not to send any invoices to the county's accounts payable section. Any invoice required should be sent directly to the P Cardholder.
2. Give the vendor a "Ship To" address complete with P Cardholder name, building or suite number and phone number of the P Cardholder.

The P Cardholder is responsible for ensuring receipt of all purchases as well as follow-up with the supplier regarding delivery problems, discrepancies, or claims for damaged goods.

For items that are sent out for repair, the P Card number should not be given out to the supplier until a firm price is received and agreed to by the P Cardholder.

I. Resolving Errors, Disputes, Returns and Credits

All errors or disputed items on a P Cardholder's billing statement must be communicated directly to Citibank within 60 days of the original transaction date.

1. Errors and Disputed Billings

If there is a charge that is not recognized by the P Cardholder, or if a charge appears to be incorrect, the P Cardholder should contact the P Card Program Administrator who will then contact Citibank Customer Service.

Disputed billings can also result from a failure to receive goods, shipment of defective merchandise, incorrect amounts, duplicate charges, fraud, altered charges, etc. The P Cardholder will be required by Citibank to complete a Disputed Transaction Form. The P Cardholder should promptly notify the P Card Program Administrator if unable to resolve the issue with Citibank.

2. Returns and Credits

All merchandise returns shall be handled by the P Cardholder. Contact the supplier for instructions and/or a Returned Materials Authorization (RMA) number. A credit should appear on the P Card bank statement within 30 days. It is the P Cardholder's responsibility, to ensure all returns are properly credited. If the credit does not appear on the next statement, contact the supplier to see if the credit has been issued. If the supplier indicates the credit has been processed, contact Citibank to verify status of the credit.

J. Payment Process

A summarized, consolidated invoice will be sent to the county's accounts payable section on a monthly basis indicating the payment due date.