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PROCUREMENT CARD POLICY

.1 BACKGROUND INFORMATION

Clallam County's Procurement Card (One Card) program has been established to provide a convenient, efficient means to purchase commodities from vendors and to reduce costs associated with the purchasing process. Clallam County has opted to use the US Bank Procurement Card program offered on Washington State Contract No. 03907. This procurement card program is the only procurement (credit) card authorized for County use unless otherwise authorized by the Administrator.

The program is designed to empower employees to purchase items needed for County business and for travel and is an enhancement to the purchasing process and a delegation of the purchasing authority. The use of a One Card is a privilege that has been granted to selected employees. Certain responsibilities are associated with this privilege.

The accounting division of the Auditor's Office is responsible for the management of the program and ensures that Departments follow all State and County laws, rules, and policies relating to the purchasing function. Each County Official is responsible for the management of One Card accounts in his department.

The One Card program is a commercial card account and has a number of unique controls that do not exist in a traditional credit card environment. These controls ensure that the cards are used only for specific purchases and within specific monthly dollar limits. In addition, verification of the charges on each month's bill by each cardholder and by the County Official or his designee is required before the bill is submitted for payment.

.2 DEFINITIONS

"Billing period" means the monthly cycle during which transactions are posted. This cycle might not coincide with an actual calendar month.

"Cardholder" means an employee who is issued a One Card.

"Card user" means an employee or volunteer who has been authorized to use a Group Card.

"Central Bill" means the County's consolidated statement that lists all cardholder transactions.

"Disputed Item" means a transaction appearing on the One Card statement that the cardholder or custodian did not authorize.

"Group Card" means a card issued to a department as opposed to an individual. These cards require one employee to be assigned as One Card custodian who maintains and secures the account.

"One Card Administrator" means an Auditor's employee who administers the One Card program and serves as the liaison between the Clallam County cardholders and US Bank.

"One Card Custodian" means a Clallam County employee who is responsible for maintaining and securing a Group Card account.

"One Card Requisitioner" means a Clallam County employee that coordinates statements for a workgroup, division, or department and originates a voucher that is submitted to accounts payable.

"One Card Statement" means the individual cardholder's monthly statement that lists all transactions made during the billing period.

"Procurement Card (One Card)" means a VISA credit card issued by US Bank.

"Reconciliation" means the process of verifying, approving, and settling transactions.

"Transaction" means a purchase or charge to an account.

"Transaction Limit" means:

- a. "Single Transaction Limit" - the maximum amount of a single transaction.
- b. "Monthly Transaction Limit" - the maximum amount of all transactions during the billing period.

.4 GENERAL PROVISIONS

4.1 One Card to be Used for Business Uses Only

The One Card is to be used only for County business transactions and must not be used for personal purchases. Failure to comply with this restriction will result in revocation of the cardholder's One Card and may result in disciplinary action and/or criminal prosecution.

4.2 Authorized Users

Only full-time regular employees of Clallam County (including elected officials) may be issued an individual One Card. County Officials may authorize full time employees, part time employees and, officially recognized volunteers, to use group One Cards.

If a cardholder's name appears on the card, only that person is authorized to use that card. **It is not permitted to allow anyone other than the Cardholder to use a card to make purchases.** A group card may be used by employees authorized by the

County Official in the designated department. Only those individuals with a valid County ID shall be permitted to use group cards. Failure to comply with this restriction will result in revocation of the cardholder's One Card.

4.3 One Card Purchases Subject to Purchasing Laws and Policies

The One Card does not replace requirements to comply with existing State or County laws, regulations; or policies and procedures regarding purchasing and/or travel. It is designed to be an enhancement to the purchasing and payment processes.

Except as indicated in section 7 of this policy, the One Card may be used to purchase products not otherwise covered under contract.

4.4 Transaction Limits

The monthly maximum credit limit on any single One Card is \$5,000. The County Official approving the One Card application will set the single transaction limit and monthly transaction limit. In no case will either limit exceed \$5,000. One Card users are specifically prohibited from splitting transactions into multiple charges to circumvent transaction limits. The One Card Administrator will coordinate the acquisition and distribution of all One Cards.

County Officials and One Card users must be aware that the monthly transaction limit is a function of the billing cycle of the One Card and is not necessarily the same as a calendar month. If a card is "maxed out" new credit will become available only in the normal processing cycle in which the monthly bill is received, reconciled, approved, audited, and paid.

Each purchase may be comprised of multiple items, but the total cannot exceed the transaction limit assigned to the One Card. Cardholders must comply with the County's purchasing policies and procedures (Administrative Policy 560) when using the One Card. If there are questions about the County's purchasing policies, please contact accounts payable in the Auditor's Office. Questions regarding the specific use of the One Card should be directed to the One Card Administrator.

4.5 Loss or Theft of One Card

Cardholders, card users, and One Card custodians are responsible for card security and are required to report loss or theft of the One Card immediately to US Bank Customer Service at 800.344.5696 the County's One Card Administrator, and their supervisor.

4.6 Important Names/Numbers

One Card Administrator: Chief Account, Auditor's Office, 360.417.2224.
US Bank 24-hour Customer Service: 1.800.344.5969.

4.7 Appearance of Card

All One Cards issued will have the "Clallam County" embossed on the second line of the card. The first line will reflect the cardholder's name or the group (department) name. On the back of all Group Cards the custodian shall write, "Ask for County ID."

.5 OBTAINING A PROCUREMENT CARD

Authorized employees will complete a One Card Application Form, located on the "County Forms" page on the intranet, and submit the form to their County Official for designation of limits and approval. The application will then be submitted to the One Card Administrator. The One Card administrator will notify the cardholders or custodian upon receipt of the card. Cardholders of individual One Cards, custodians, and each authorized user, are required to sign a Cardholder Agreement Form (see Attachment) when they obtain their new card. Agreements are maintained by the One Card Administrator.

.6 AUTHORIZED PROCUREMENT CARD USE

Procurement Cards may be used at any vendor that accepts VISA credit cards. Cardholders must comply with the County's purchasing and travel policies and procedures when using the One Card. Examples of appropriate uses include purchase of:

- a. Materials
- b. Equipment
- c. Supplies
- d. Services (if less than \$600)

.7 UNAUTHORIZED OR INAPPROPRIATE PROCARD USE

7.1 Unauthorized Purchases

Cardholders must comply with the County's purchasing policies and procedures (Administrative Policy 560) when using the One Card. Examples of unauthorized use include, but are not limited to:

- a. Personal purchases of any kind
- b. Cash advances through banks or ATMs
- c. Cash refunds
- d. Employment Agencies (temporary help)

- e. Meals
- f. Purchases that violate established County standards or contractual agreements such as Computer Hardware and/or Software (unless approved by the IT Department)

7.2 Inappropriate Use

Any unusual activity or charge from an outside source that occurs on a card must be immediately reported to the One Card Administrator and the cardholder's supervisor for resolution.

Unauthorized use by a cardholder may result in revocation of the card and/or other disciplinary action. Cardholders shall be personally responsible for any unauthorized expenditures and will be required to repay expenditures that are considered in violation of these policies. Cardholders or card users who violate this restriction will have their card privileges revoked and may be subject to other disciplinary action. Clallam County reserves the right to cancel any One Card at any time for violation of these policies.

.8 RETURNS AND EXCHANGES

The cardholder or custodian is responsible for contacting the vendor when goods, equipment, or services purchased with the Procurement Card are not acceptable (incorrect, damaged, defective, etc.) and for arranging a return for credit or exchange. If items are returned for credit, the cardholder or custodian is responsible for obtaining a credit receipt from the vendor and retaining that receipt with the supporting documentation. If items need to be exchanged, the cardholder or custodian is responsible for returning the items to the vendor and obtaining a replacement as soon as possible.

.9 DISPUTE PROCESS

Each cardholder or custodian is responsible for resolving any disputed item directly with the vendor. If resolution is not possible, call the One Card Administrator or US Bank Customer Service at 800.344.5696 to advise of the dispute and follow-up with written documentation within 60 days of the first statement on which the disputed transaction was charged. US Bank will send a letter acknowledging the dispute. This letter (which may request additional information on the dispute) is to be signed and returned to US Bank.

.10 RECEIPTS/PAYMENT PROCESS

One Card purchases have the same documentation and voucher requirements as any other County purchase. The cardholder or card user making a purchase must retain the original receipt for the transaction. Receipts must be submitted within five business days, to the One card requisitioner in the cardholder's department. The One card requisitioner is required to

submit all receipts to accounts payable for auditing purposes. Receipts must be attached to each cardholder statement in the order that they appear on the statement.

Cardholders and card users are responsible for submitting all receipts. If a cardholder or card user has lost or misplaced a receipt, he is responsible for obtaining a copy of the receipt from the merchant. The County will not pay for transactions that do not have proper receipts attached. The cardholder or card user will be responsible for payment of all transactions that do not have proper documentation.

If the merchant cannot provide a duplicate receipt to take the place of receipts that have been lost, the cardholder or card user will be required to pay for the items. If the receipt should re-appear after payment has been made by the County, the cardholder or card user may submit a business expense reimbursement claim.

In cases where receipts are not available for services that are directly billed to the credit card (i.e.: monthly subscription charges, courier services, etc.), other documentation acceptable to the Auditor must be provided.

Accounts payable will review all instances of lost receipts. Repeat occurrences may result in suspension of One Card.

One Card accounts must be kept current to avoid interest and/or finance charges. No statement should include finance charges or late fees. Failure by an employee to submit proper documentation of purchases in a timely manner that results in interest and/or finance charges is a violation of this policy. Interest and/or finance charges may be assessed against the employee as part of a disciplinary action.

.11 ONE CARD ACCOUNT MAINTENANCE

Changes to a Cardholder's name, address or Department/Division, should be immediately reported in writing to the One Card Administrator.

.12 TERMINATION OF EMPLOYMENT

The cardholder must turn in the One Card to the County Official at time of termination. The employee's County Official will report the termination of employment to the One Card Administrator. The card will then be destroyed and sent to accounts payable.

.13 PROCUREMENT CARD CANCELLATION/REVOICATION

County Officials will notify the One Card administrator immediately when a Procurement Card is to be canceled or revoked. The card must be destroyed by cutting it in half and returning it to the One Card administrator.

.20 FREQUENTLY ASKED QUESTIONS

The questions and answers below are intended to guide employees in topics where questions are often asked. This is not intended to be an all-inclusive list of issues, topics, or answers. The information provided below is enforceable as a part of this policy.

- ***In what ways do I benefit from using the Procurement Card?***
When you use the Procurement Card, you enjoy reduced paperwork, direct contact with suppliers, quick and efficient order processing, faster delivery, and more accurate orders. The issuance of a One Card to employees should be viewed as a privilege that the employee has earned.
- ***How does the County benefit from the Procurement Card Program?***
When employees use the Procurement Card, the County enjoys greater productivity as a result of reduced paperwork and savings from consolidated payments. The County also has the potential to receive a rebate if card activity exceeds a pre-determined level.
- ***How can I differentiate Clallam County Procurement Card from my personal credit card?***
"Clallam County" is imprinted on the face of each procurement card.. If you keep your One Card in your wallet, it is recommended that you keep the One Card in a different compartment from your personal credit cards so that it is not easily accessible.
- ***Can I use my ProCard for County travel?***
Yes. If County business travel is authorized by your department, the One Card works for purchases such as hotel, airline tickets, and vehicle rental. Remember that you must follow the County's travel policy.
- ***What do I do if a purchase is denied?***
Your purchase may have exceeded the cards limits or the purchase may be defined as an unauthorized purchase (see Section 7 - Unauthorized and/or Inappropriate One Card Use). Contact the One Card Administrator or Customer Service at 800.344.5696 and they can provide the reason for decline and resolve the transaction.
- ***May I use the One Card for personal purchases and then reimburse the County?***
No. The One Card can only be used for payment of products or services, which are required to perform duties at the County. It is not to be used for personal purchases of any kind.
- ***What should I do if a supplier does not accept the Procurement Card?***
Any business that accepts VISA will accept the One Card. If a business does not accept credit cards, you may contact the One Card Administrator with the supplier's name, address, and phone number. US Bank will work to enroll the supplier in the program so that the

supplier will accept the Procurement Card at a future date.

- ***Will the use of the Procurement Card affect my credit report?***
No. The Procurement Card is a corporate liability card, and carries no personal liability for Cardholders who use the Procurement Card according to County policy.