PURCHASING CARD POLICY

I. POLICY

A policy to define, authorize and regulate the use of purchasing cards, and to establish procedures for utilizing purchasing cards for appropriate expenses in the conduct of official County of Ottawa business.

The purchasing card provides the County of Ottawa organization with an alternate method to purchase goods and services. The purchasing card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for electronic commerce and accounting purposes, and offers flexible controls to help ensure proper usage.

This policy is not intended to replace or eliminate the current purchasing policy, but rather complement the existing processes. Good record keeping is essential to ensure the success of the program.

II. STATUTORY REFERENCES

MCL 46.11 (l); (m)

III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

The original Board policy on this subject matter was adopted on April 12, 2011

Board of Commissioners Policy Adoption Date and Resolution Number: June 13, 2017; B/C 17-118

Board of Commissioners Review Date and Resolution Number: May 23, 2017; B/C 17-101

Name and Date of Last Committee Review: Planning and Policy Committee, May 11, 2017

Last Review by Internal Policy Review Team: February 13, 2018

Related Policies: Travel and Mileage

Revised: May 1, 2017
IV. PROCEDURE

A. Use of Purchasing Card

1. Purchasing cards may be used only by an employee for the purchase of budgeted goods or services for official County of Ottawa business in accordance with the provisions of this policy and within spending limitations authorized for each employee.

2. Purchases may not be divided into several transactions in order to avoid compliance with the purchasing policy.

3. Purchasing cards may not be used for cash advances or personal use.

4. Standard Limits:
   a. Single Purchase Limit: $1,499.00, without an existing purchase order
   b. Daily Purchase Limit: $4,000.00
   c. Monthly Purchase Limit: $7,500.00
   d. Fiscal Services, in conjunction with the Department Official, will determine authorized limits.

B. Requesting, Transferring, Returning, Reporting Lost or Stolen Card

1. Requesting a Purchasing Card
   a. A Department Official may request a County purchasing card for employee use by submitting a Purchasing Card Request Form to the Fiscal Services Department.
   b. The Fiscal Services Department is responsible for administration of the program, the issuance and distribution of purchasing cards, accounting, monitoring, and general overview of the purchasing card policy.
   c. The purchasing card is issued in the employee’s name. By accepting the purchasing card, the employee assumes responsibility for the card and associated transactions. The purchasing card is not transferable and may not be used by anyone other than the Cardholder.
   d. Although the purchasing card lists an employee’s name, the card will have no impact on the employee’s personal credit.
2. Transferring to another Department and Separation of Employment
   a. The current Department Official shall notify Fiscal Services by emailing purchasing@miottawa.org that the employee will be transferring to another department.
   b. The employee must return the purchasing card upon transfer to another department unless written approval is submitted to the Fiscal Services Department from the new Department Official.
   c. The employee must return the purchasing card upon separation from the County. The card should be returned to the Fiscal Services Department located at: 12220 Fillmore, Room 331, West Olive, MI 49460.
   d. Fiscal Services will deactivate the card upon notification.

3. Reporting a Lost or Stolen Card
   a. If a purchasing card is lost or stolen, the employee must immediately contact JPMorgan Chase Bank at 800-316-6056. The employee must also notify the Fiscal Services Department.
   b. Fiscal Services and/or JPMorgan Chase will immediately deactivate the purchasing card and request a new card be issued.
   c. The employee is responsible for reviewing and reconciling the account detail of the deactivated purchasing card, as well as, the account detail for the new purchasing card.

C. Employee Responsibilities
   1. The employee shall enter into an agreement with the County, for the use and care of the purchasing card. The purchasing card is not to be used by anyone else.
   2. The County is tax exempt and generally does not pay Michigan sales tax. Before making a purchase, the employee shall inform the vendor that the purchase is tax exempt and that Michigan sales tax shall be excluded from the transaction. The County Tax ID number is embossed on the purchasing card, and most vendors will accept this as evidence of non-taxable status. The employee, with assistance from Fiscal Services, is responsible to complete any tax verification paperwork required by the vendor in order for the purchase to be tax exempt.
3. If a purchase includes sales tax that the County is exempt from paying, the employee is responsible to obtain a refund (credit). Sales tax that the County is exempt from paying is an inappropriate use of the procurement card.

4. The employee using the purchasing card must submit documentation detailing the goods or services purchased.
   a. Itemized receipt of the goods or services purchased.
   b. The cost of the goods or services.
   c. Date of purchase.
   d. The official County business for which purchases were made.

5. All documentation must be submitted by the employee with the monthly statement to the Department Official or Designee for approval.

6. Each employee is responsible for safeguarding the account number. Improperly disclosing the purchasing card number in any written form including fax or email is strictly prohibited by JP Morgan Chase and the County.

D. Department Officials Responsibilities

1. Determine employees request for the use of County purchasing card and execution of the Purchasing Card Request Form.

2. Complete a security access IT Form to allow employees to review, code, and submit the purchasing card transactions in Munis.

3. Personally, or individual designated to review purchasing card activity must attend training on the program.

4. Personally, or have a Designee review, and authorize all necessary documentation submitted by the employee using a County purchasing card including:
   a. Itemized receipt of the goods or services purchased.
   b. The cost of the goods or services.
   c. Date of purchase.
   d. The official County business for which purchases were made.
5. Provide follow-up information in response to Fiscal Service inquiries regarding compliance to the policy.

6. Immediately notify Fiscal Services or the designated Program Administrator of any fraudulent or irresponsible use of a purchasing card.

E. Unauthorized or Improper Use

1. Fiscal Services may terminate a purchasing card without notice to the Department Official for any reason including, but not limited to, the following:

   a. The purchasing card policies and procedures are not followed.

   b. If the purchasing card was not used for a period greater than 12 calendar months.

   c. If the employee does not reimburse the County for personal or ineligible expenses.

   d. If the employee repeatedly tries to exceed the allowable per purchase limit or the specified purchase frequency.

   e. If the employee fails to submit the required back-up receipts and documents and statement by the designated time.

   f. If there is concern that the card has been compromised, in any way.

2. An employee who engages in an unauthorized or improper use of a County purchasing card will be subject to disciplinary measures, up to and including termination, and may be subject to civil/criminal prosecution consistent with applicable laws.

3. An employee found to have inappropriately used the purchasing card will be required to reimburse the County for all costs associated with such improper use.

4. If an employee believes the purchasing card may have been used for a personal or otherwise ineligible expense, the employee should report the incident to their Department Official immediately.

V. REVIEW PERIOD

The Internal Policy Review Committee will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.

Revised: May 1, 2017