

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

Julie [Signature]

DEPT: General Services Agency

BOARD AGENDA # *B-5

Urgent

Routine

OK

AGENDA DATE January 12, 2010

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of Annual Evaluation of the Purchasing Card Program and Revisions to the Stanislaus County Purchasing Card Policy

STAFF RECOMMENDATIONS:

1. Approve annual evaluation of the Purchasing Card Program.
2. Approve annual revisions to the Stanislaus County Purchasing Card Policy.

FISCAL IMPACT:

Annual review and recommended revisions to the Purchasing Card Program and Policy are in alignment with the Board's priority of Efficient delivery of public services, ensuring that internal fiscal controls are examined and strengthened on an ongoing basis. There is no fiscal impact associated with this item.

BOARD ACTION AS FOLLOWS:

No. 2010-011

On motion of Supervisor Monteith, Seconded by Supervisor DeMartini and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

History

In September 1994, the Board of Supervisors authorized implementation of a Countywide credit card program. The first County Credit Card Policy was adopted January 1995 Resolution 94-65. Since that time, there have been several revisions all designed to clarify, strengthen and improve the, current Stanislaus County Purchasing Card Policy.

Purchasing Card Committee

The August 12, 2003 revision (Resolution #03-762) authorized an annual review of the Policy by a Purchasing Card Committee, to consist of representatives from the GSA Purchasing Division, Auditor-Controller, County Counsel, and a member of the Public at large. The goal was to modify the Policy as needed, based on input from Committee members, share the draft with Department Heads, obtain their feedback, and present the revised Policy to the Board of Supervisors for adoption.

Purchasing Card Program Activity

For the Fiscal year 2008-2009, a total of \$3,252,149 in charges were processed on Stanislaus County Purchasing Cards. This is a decrease from the prior fiscal year of \$2,078,152 or 39%. Attached are a chart of transaction amounts by merchant category, and a graph of the top ten vendors for the Fiscal Year 2008-2009, as provided by the Auditor/Controller.

While there are no significant changes to the Purchasing Card Policy, changes to section 2.3.A.4 represents a change in purchasing processes for County departments. General Services Agency - Purchasing Division has entered into Master Agreements with both Office Depot and Staples, leveraging the County's purchasing power to obtain deeper discounts than previously available and limiting department staff time searching for low cost supplies. The Purchasing Card Policy requests that Departments limit office supply purchases to these two vendors in most circumstances. Purchases may be made outside the Master Agreements if the product is not available or if a lower-cost, substitutable product is available from an alternate vendor. In these cases, subsequent to the purchase, Departments contact GSA - Purchasing so that the product/price list can be negotiated, making the products and savings available to all County departments through the Master Agreements.

The Revised Purchasing Card Policy before you today represents an extensive review of the prior policy, and includes the following changes/updates based on the Committee's recommendations:

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Purpose of Change: The Purchasing Card Policy does not over ride other Board adopted policies, this added language is to reference all policies that may apply.

1.1 BACKGROUND

County Department Heads are accountable to the Board of Supervisors and the public for the funds and assets entrusted to them. Each County Department Head is responsible for administering the basic County Purchasing Card Policy in accordance with policy guidelines and any other policies applicable to the goods and services being purchased.

Purpose of Change: A Department Head may choose to designate an employee to fulfill certain roles and responsibilities. That designation is to be in writing, and maintained by the department. All references in the document to Department Head include the option of a designee.

The Missing Receipt form is re-titled Misplaced Receipt form.

1.2 ROLES AND RESPONSIBILITIES

- A. Employee
 - 1. Comply with all provisions of the Purchasing Card Policy and those adopted by your Department Head or designee (Department Head) governing Purchasing Cards. (Failure to comply may result in disciplinary action, including termination.)
 - 4. Obtain itemized sales receipts for each transaction when goods have been received. If a sales receipt is not available or a sales receipt has been lost, contact the vendor for a duplicate immediately. If a receipt cannot be obtained, complete a misplaced receipt form immediately.

- B. Department Head
 - 1. The Department Head shall identify his/her designee in writing and maintain a record of such for five (5) years.
 - 2. Annually, determine need and limit for department Purchasing Cards, including those limits in excess of \$5,000. This review shall be signed and dated by the Department Head, then maintained with Purchasing Card records for five (5) years.
 - 6. Ensure the timely reconciliation of the Purchasing Card statements. The Department Head shall sign and date the Company Billing Statement provided by the Bank of America WORKS system.

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Purpose of Change: A Department Head may choose to designate an employee to fulfill certain roles and responsibilities. That designation is to be in writing, and maintained by the department. All references in the document to Purchasing Agent or Auditor-Controller include the option of a designee.

- C. Purchasing Agent (General Services Agency)

1. The Purchasing Agent shall identify his/her designee in writing and maintain a record of such for five (5) years.

D. Auditor-Controller

1. The Auditor-Controller shall identify his/her designee in writing and maintain a record of such for five (5) years.

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Purpose of Change: Most changes are for consistency and clarification of language; however, changes to section are a specific reference to the Travel Policy.

G. Misuse of Purchasing Card

It is the responsibility of the Department Head to ensure that all purchases are reconciled and approved and that expenditures are appropriate. In the event that misuse is identified, the following process will be utilized:

- a. The Department Head ~~or designee~~ will immediately notify the Deputy Executive Officer for Human Resources regarding the misuse.
- b. The Deputy Executive Officer will inform the Chief Executive Officer and confer with County Counsel.
- c. The Department Head will determine the appropriate disciplinary action after consultation with the Deputy Executive Officer for Human Resources and County Counsel, which may include termination, and may also result in criminal prosecution.
- d. In all cases, ~~reimbursement by the employee is required~~ to reimburse the County. ~~is required.~~

2. POLICIES

2.1 PURCHASING CARD ISSUANCE - AUTHORIZATION

- D. If another board adopts their own purchase limits, the Auditor-Controller's Office will follow those limits when auditing, provided the entity has a written policy in place. Otherwise, they must abide by the County's policy and limits.
- E. Each department should establish a centralized office supply person(s). Except in limited cases of urgency as authorized by the Department Head ~~or designee~~, only office supply purchases made by those individuals should be approved. This assures the best price for the County and documents the business purpose of the purchase.

2.2 TRAVEL EXPENSES

~~All To the extent possible, all authorized employee travel expenses should be charged to a County Purchasing Card. All such expenses must comply with the County Travel Policy. Internet charges for laptop use when traveling on County business must be for business purposes and approved by the Department Head. Conference/seminar/hotel rates will be accepted with proper documentation. Expenses relating to conference/seminar/hotel charges submitted without documentation will be disallowed.~~

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Purpose of Change: References the use of the County master agreement for office supplies, and adds circumstances where the \$5,000 limit does not apply.

2.3 PURCHASING CARD USAGE AND RESTRICTIONS

A. Using the Purchasing Card

2. The \$5,000 limit does not apply to Postage Inventory, purchases for County Stores, and in the event of a County declared emergency, coordinated through the Emergency Operations Center.
4. Additional Purchasing Guidelines are as follows:
 - c. The County has entered into master purchasing agreements with specific office supply companies. Currently, these purchasing agreements are with:

Office Depot
Staples

Purchasing card purchases of office supplies should be limited to the above office supply vendors. If the Department required product is not available, or a lower-cost, substitutable product is available from an alternative vendor, subsequent to the purchase, the Department is to contact GSA Purchasing so the product/price list can be negotiated.

B. Limitations/Restrictions

2. Allowable charges shall not exceed the approved credit limit established by the Department Head ~~or designee(s)~~ for that specific charge card.
13. Intentional misuse of a County Purchasing Card may result in disciplinary action, including termination, and may also result in criminal prosecution.

Purpose of Change: The Missing Receipt form has been re-titled the Misplaced Receipt form.

2.5 MONTHLY STATEMENT PROCESSING

- A. Every employee who makes a charge with a County Purchasing Card shall receive an itemized receipt along with the charge slip from the merchant documenting the purchase details. However, when a receipt/charge slip provides no detail or is lost or unavailable, written documentation for the purchase must be provided to include at a minimum: purchase date, item(s) purchased, amount, purpose (if not evident) and reason the receipt is unavailable. Lack of itemized receipt = a misplaced missing receipt. Documentation is always required. (Note: Sometimes the charge slip shows itemized detail. If it does not, then the itemized receipt must accompany the charge slip including itemized meal charges on hotel bills.)
- E. Employee should contact the vendor to request a copy of the receipt before submitting a Misplaced Missing Receipt Form. If an itemized receipt is lost and/or cannot be replaced, a Misplaced Missing Receipt Form shall be completed by the employee to certify the charge was a valid County expenditure. The Misplaced Missing Receipt Form must have Department Head approval. Department Head approval shall exempt the employee from having a payroll deduction for not submitting a receipt as long as the form is submitted within 10 calendar days or the first day back to work after request by the department Purchasing Card clerk. At the Department Head's discretion, repeated claims submitted on Misplaced Missing Receipt Forms could be denied and the Department Head should request immediate reimbursement from the employee or offset the unauthorized charges through payroll deduction. The Department Head will determine necessary disciplinary action for frequent abuse of the receipt requirements. (Attachment C - Misplaced Missing Receipt Form)

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Purpose of Change: This change allows for the use of a Misplaced Receipt form in lieu of payroll deduction.

- B. Itemized receipts are always required. When an employee has been requested by the department's Purchasing Card clerk to submit an itemized charge receipt or a misplaced receipt form approved by the Department Head, and if no receipt has been provided within 10 days of the date of the request, and a Misplaced Receipt Form has either not been submitted or not been approved, then the department shall initiate a payroll deduction for the amount of the charge.

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Purpose of Change: The Missing Receipt form has been re-titled the Misplaced Receipt form; the purchasing card reconciliation is to be signed and dated by the person performing the reconciliation.

- G. The Purchasing Card clerk in the department responsible for processing the monthly Purchasing Card statements shall not only reconcile all itemized receipts, along with charge slips, to the monthly statement prior to receiving the next month's statement, but shall at a minimum perform the following, as appropriate:
 - 8. When an employee has been requested in writing by the department's Purchasing Card clerk to submit an itemized charge receipt or a misplaced missing-receipt form approved by the Department Head, and still no receipt has been provided within 10 calendar days of the date of the request, or first day back to work, then the department will initiate a payroll deduction for the amount of the charge. The deduction will be taken from the employee's next paycheck and will not be refunded.
 - 9. The Purchasing Card Clerk, or employee reconciling the statement, shall certify in writing with their signature and a date the reconciliation has been performed in a timely manner.
- H. Each department must retain all documentation supporting their departmental Purchasing Card activity for a minimum of five (5) years, or longer, if the department's Records Retention Policy so requires. Support should include copies of written documentation to substantiate Purchasing Card transactions with the applicable statement(s) and/or reference where filed.
- I. Each month the Department Head or ~~Department Head's designee(s)~~ shall certify in writing that all Purchasing Card charges are valid appropriate County expenses via the Bank of America Works Billing Statement Detail Transaction Report, prior to the receipt of the next month's statement. Each department is responsible for auditing their Purchasing Card expenditures and ensuring that existing policy guidelines are followed. Subsequent audits may be conducted on a random basis to verify that the Travel Policy and Purchasing Card Policy guidelines have been followed. Department Heads are not required to have approval for their own charges; they will be audited each year.

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Purpose of Change: Additional detail of annual review of limits in excess of \$5,000.

2.7 REVIEW/CLOSING OF ACCOUNTS

- A. County Purchasing Cards must be returned to the respective department prior to an employee's date of termination.

Approval of Annual Evaluation of the Purchasing Card Program and Revisions to the Stanislaus County Purchasing Card Policy

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- B. A listing of all Purchasing Cards will be provided annually to the Department Head by the Auditor/Controller. The listing will include employee name and monthly credit limit. The Department Head shall review Departments must verify the ongoing need and limit for department Purchasing Cards, including those limits in excess the use of \$5,000. This review shall be signed and dated by the Department Head, then maintained with Purchasing Card records for five (5) years. A change in job task, assignment, or transfer to another division may require modification or termination of the Purchasing Card account.

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Purpose of Change: Clarifying that the County does not have a "County" membership at Costco. Departments wishing to establish a membership at Costco, may do so.

2.11 COSTCO MEMBERSHIPS AND CREDIT CARDS

- A. County departments, with Department Head approval, may apply for a business membership with Costco Wholesale. Purchases made at Costco outlets with department memberships are restricted to business use only. Personal purchases are not allowed. Departments are responsible for submitting claims to pay off their Costco Credit Card balances in a timely manner to avoid interest charges.

POLICY ISSUES:

The Board of Supervisors' approval of these policies is consistent with the Board's priority of *Efficient delivery of public services* by providing proper accountability to the Board of Supervisors and the public.

STAFFING IMPACT:

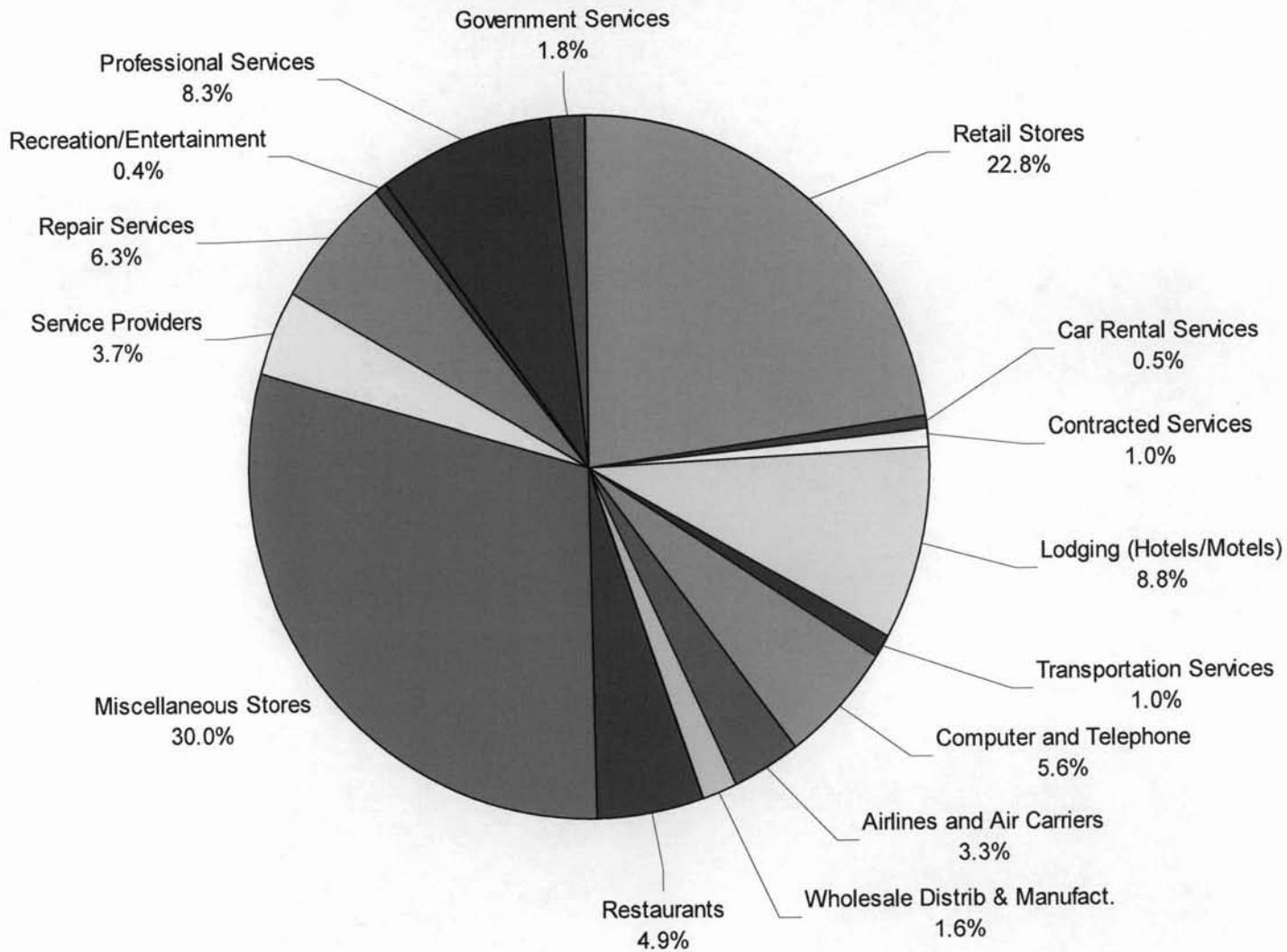
The effort required in revising these policies included input from the Purchasing Card Committee, County Department Heads, as well as recommendations in response to audits performed by the Internal Audit Staff.

**Stanislaus County Purchasing Card Transactions
Fiscal Year 2008 – 2009**

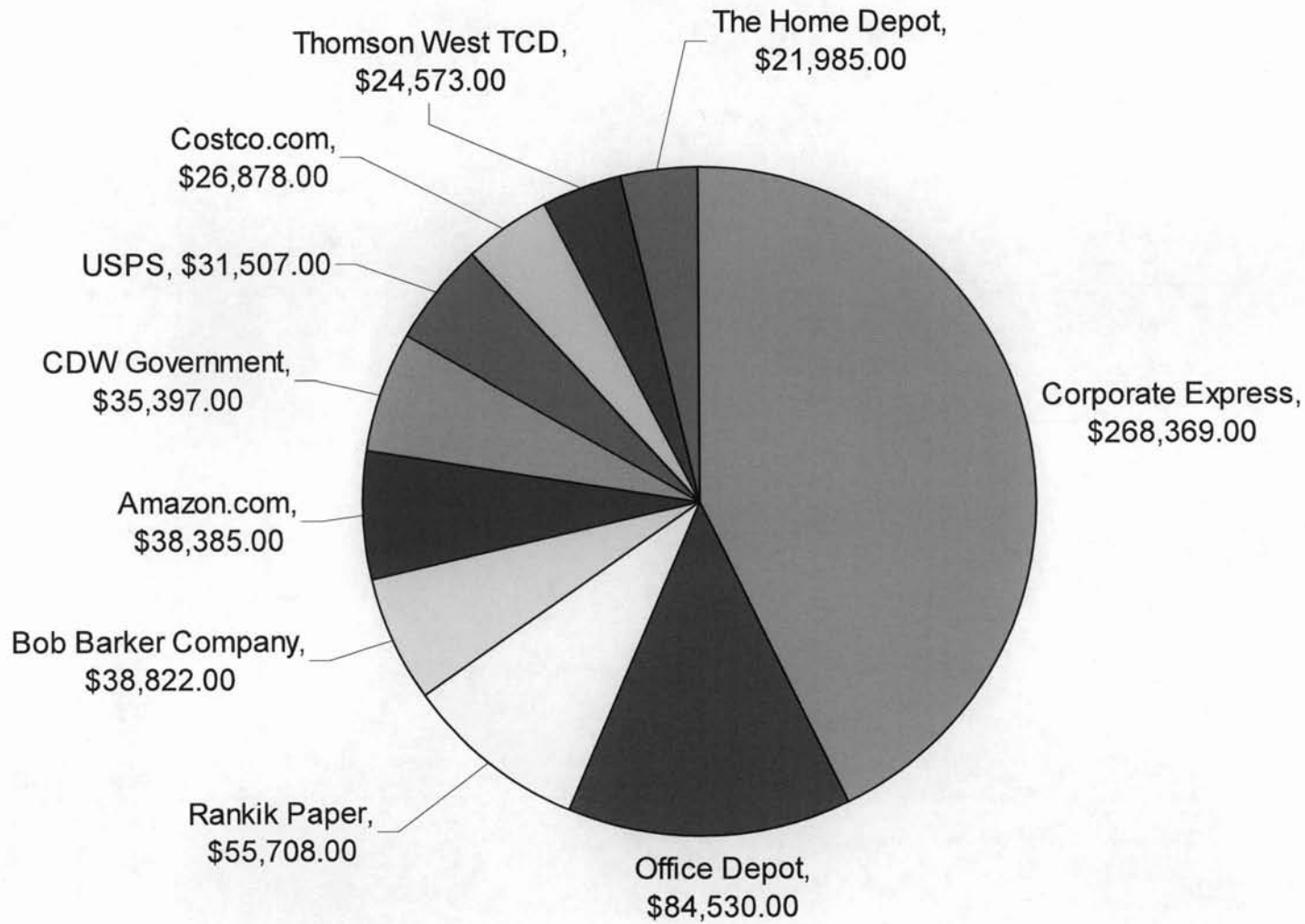
In Fiscal Year 2008 – 2009, the Stanislaus County Purchasing Card Program recorded 21,751 transactions, accounting for \$3,229,765.83 in departmental expenditures. Both transactions and expenditures are lower than Fiscal Year 2007 – 2008, by 34.03% and 39.15%, respectively.

Category Description	Number of Transactions	Dollar Amount of Transactions
Contracted Services	111	\$32,422.19
Wholesale Distributors & Manufacturers	100	\$52,729.04
Airlines and Air Carriers	448	\$108,041.25
Car Rental Services	191	\$15,459.48
Lodging (Hotels/Motels)	1,294	\$285,791.27
Transportation Services	449	\$33,169.06
Computer and Telephone	770	\$180,520.22
Retail Stores (Automobiles, Hardware, Plumbing, Books, Sports)	5,345	\$735,067.59
Restaurants	6,082	\$158,343.69
Miscellaneous Stores	3,944	\$968,458.86
Service Providers	480	\$118,085.19
Repair Services	1,223	\$202,639.70
Recreation/Entertainment	52	\$14,302.54
Professional Services/Membership Organizations	954	\$266,672.75
Government Services	308	\$58,063.00
Total All Transactions Fiscal Year 2008-2009	21,751	\$3,229,765.83
Total All Transactions Fiscal Year 2007-2008	32,973	\$5,307,917.61
Change in Transactions	-34.03%	-39.15%

**Stanislaus County - Purchasing Card Program
Transactions by Category
Fiscal Year 2008 - 2009**



**Stanislaus County - Purchasing Card Program
Top Ten Vendors
Fiscal Year 2008 - 2009**





COUNTY OF STANISLAUS
PURCHASING CARD POLICY

***Approved by the Stanislaus County
Board of Supervisors
on _____, 2010
Resolution # _____***

2009 Revisions

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1. INTRODUCTION

1.1 BACKGROUND

Per Board Resolution 2003-762, approved by the Board of Supervisors on August 12, 2003, a review will be completed annually by a Purchasing Card Committee, consisting of representatives from the Purchasing Division, now part of the General Services Agency (GSA), Auditor-Controller, County Counsel, and a member of the Public at Large. This committee will be responsible for reviewing the existing policy and making recommendations for revision. The revised policy for 2009 includes recommendations made by the Purchasing Card Committee.

County Department Heads are accountable to the Board of Supervisors and the public for the funds and assets entrusted to them. Each County Department Head is responsible for administering the basic County Purchasing Card Policy in accordance with policy guidelines and any other policies applicable to the goods and services being purchased.

1.2 ROLES AND RESPONSIBILITIES

A. Employee

1. Comply with all provisions of the Purchasing Card Policy and those adopted by your Department Head or designee (Department Head) governing Purchasing Cards. (Failure to comply may result in disciplinary action, including termination.)
2. Maintain security of card and card number.
3. Comply with County procurement procedures and policies as issued by the GSA Purchasing Division to ensure the best price is obtained for the County.
4. Obtain itemized sales receipts for each transaction when goods have been received. If a sales receipt is not available or a sales receipt has been lost, contact the vendor for a duplicate immediately. If a receipt cannot be obtained, complete a misplaced receipt form immediately.
5. Obtain credit from merchant on returned goods.
6. Resolve disputed charges with vendor/Master Card.

B. Department Head

1. The Department Head shall identify his/her designee in writing and maintain a record of such for five (5) years.
2. Annually, determine need and limit for department Purchasing Cards, including those limits in excess of \$5,000. This review shall be signed and dated by the Department Head, then maintained with Purchasing Card records for five (5) years.
3. Approve limits of less than \$5,000.
4. Ensure that charges incurred by staff against the Purchasing Card are in compliance with the Purchasing Card Policy and deemed an appropriate use of public funds.

5. Limit the number of person(s) who may purchase office supplies to maximize discounts and operational efficiencies. Only in special circumstances should employees be authorized to charge their own supplies.
 6. Ensure the timely reconciliation of the Purchasing Card statements. The Department Head shall sign and date the Company Billing Statement provided by the Bank of America WORKS system.
 7. Review all department charges made against Purchasing Cards each month for appropriateness and authenticity.
 8. Request modifications to Purchasing Card as employee duties and responsibilities change. These may include cancellation of card, monthly limit, address and name changes.
 9. Request cancellation of Purchasing Card Account upon termination of employment.
- C. Purchasing Agent (General Services Agency)
1. The Purchasing Agent shall identify his/her designee in writing and maintain a record of such for five (5) years.
 2. Coordinate the Purchasing Card Policy with the Purchasing Card Committee.
 3. Approve Purchasing Card limits of \$5,000 or more, including those instances when more than one card is assigned to an employee, resulting in a cumulative limit of \$5,000 or more.
 4. Develop a program to identify recommended vendors offering preferred pricing to County departments.
- D. Auditor-Controller
1. The Auditor-Controller shall identify his/her designee in writing and maintain a record of such for five (5) years.
 2. Post charges to department accounts.
 3. Issue Purchasing Cards following approval by Department Head and Purchasing Agent if required.
 4. Perform annual audit of Purchasing Card Program providing audit results to the Department, Grand Jury, and Board of Supervisors.
 5. Cancel Purchasing Card accounts upon termination of employment.
- E. Purchasing Card Committee
- A review will be completed annually by a Purchasing Card Committee, which will consist of representatives from the GSA Purchasing Division, Auditor-Controller, County Counsel, and a member of the Public at large. This committee will be responsible for reviewing the existing policy and making recommendations for revision.
- F. County's Monthly Limit
1. The maximum monthly Purchasing Card limit is \$1,400,000 for the County. This amount is adjusted by the Bank on a periodic basis.

G. Misuse of Purchasing Card

It is the responsibility of the Department Head to ensure that all purchases are reconciled and approved and that expenditures are appropriate. In the event that misuse is identified, the following process will be utilized:

1. The Department Head will immediately notify the Deputy Executive Officer for Human Resources regarding the misuse.
2. The Deputy Executive Officer will inform the Chief Executive Officer and confer with County Counsel.
3. The Department Head will determine the appropriate disciplinary action after consultation with the Deputy Executive Officer for Human Resources and County Counsel, which may include termination, and may result in criminal prosecution.
4. In all cases, the employee is required to reimburse the County.

2. POLICIES

2.1 PURCHASING CARD ISSUANCE - AUTHORIZATION

- A. Department Heads are responsible for ensuring that employees in their department utilize the Purchasing Cards in accordance with this policy.
- B. To obtain a County Purchasing Card an employee must complete a "Purchasing Card Authorization" form (attached). The original of this form must be sent to the Auditor-Controller's Office, Accounts Payable Division. The Purchasing Agent must approve requests for card limits of \$5,000 or over.
- C. If necessary to meet the needs of the department, the Department Head may approve assigning more than one Purchasing Card to an employee; however, the cumulative amount shall not exceed \$5,000, unless authorized by the Purchasing Agent. Employees who sit on outside boards (Retirement, etc.) are authorized to have more than one card up to the approved limits for each entity.
- D. If another board adopts their own purchase limits, the Auditor-Controller's Office will follow those limits when auditing, provided the entity has a written policy in place. Otherwise, they must abide by the County's policy and limits.
- E. Each department should establish a centralized office supply person(s). Except in limited cases of urgency as authorized by the Department Head, only office supply purchases made by those individuals should be approved. This assures the best price for the County and documents the business purpose of the purchase.

2.2 TRAVEL EXPENSES

All travel expenses must comply with the County Travel Policy. Internet charges for laptop use when traveling on County business must be for business purposes

and approved by the Department Head. Conference/seminar/hotel rates will be accepted with proper documentation. Expenses relating to conference/seminar/hotel charges submitted without documentation will be disallowed.

2.3 PURCHASING CARD USAGE AND RESTRICTIONS

A. Using the Purchasing Card

1. County Purchasing Cards may be used to purchase goods and services costing less than \$5,000 per item, including taxes, shipping, etc. Departments must assure they are making the most economical purchase that meets their needs as well as the requirements of other interrelated departments. All County Purchasing Card users must follow the GSA Purchasing Division Policies and Procedures Manual and Customer Service Guide.
2. The \$5,000 limit does not apply to Postage Inventory, purchases for County Stores, and in the event of a County declared emergency, coordinated through the Emergency Operations Center.
3. Items costing \$5,000 or more may not be 'split' between multiple charges and/or cards to avoid credit limits or asset limit policies.
4. Additional Purchasing Guidelines are as follows:
 - a. Encourage employees to obtain a minimum of three competitive quotes on all items exceeding \$1,000. Quotes should be supported by written documentation and maintained by the department for 5 years.
 - b. Consult with the GSA Purchasing Division prior to purchasing goods or services with a County Purchasing Card to see what may already be arranged through contracts that could be more cost effective (greater discounts). Use GSA Purchasing Division contracts when they exist except in cases of emergency as provided for in the County Ordinance.
 - c. The County has entered into master purchasing agreements with specific office supply companies. Currently, these purchasing agreements are with:

Office Depot
Staples

Purchasing card purchases of office supplies should be limited to the above office supply vendors. If the Department required product is not available, or a lower-cost, substitutable product is available from an alternative vendor, subsequent to the purchase, the Department is to contact GSA Purchasing so the product/price list can be negotiated.

- d. Identify yourself as a representative of Stanislaus County to receive government discount pricing.
- e. Be aware of OSHA requirements on purchases of certain products (e.g., appliances, ladders, etc.)

- f. Obtain appropriate Material Safety Data Sheets (MSDS) for all chemicals, etc. unless already on file. These are to be filed in the department's MSDS binder.
- g. Prior to purchasing radio communication equipment contact Stanislaus Regional 911, to be sure it is in compliance with County standards.
- h. The purchase of computers, printers, and other peripheral equipment, cellular phones and telephone equipment, and software must be consistent with current County technology standards. The Chief Information Officer, working with the GSA Purchasing Division and County Departments will formalize minimum system requirements and recommended system configurations for the foregoing annually or more frequently, as required.
- i. Be aware of conflict of interest issues and the County Code of Ethics, approved by Resolution #2005-675 on August 23, 2005, as they pertain to purchasing of goods and services. Avoid doing business with relatives or with businesses in which you have a financial interest or from which you could incur personal profit or benefit.
- j. Use of the Purchasing Card, as a method of payment does not eliminate the need to comply with contracting, public works, or uniform accounting procedures.

B. Limitations/Restrictions

1. County Purchasing Card charges are subject to the limitation that sufficient funds are available in the department's budget to cover all charges, the expense provides a public benefit and is in accordance with the County Travel Policy and County Ordinance, and is incurred while performing official duties.
2. Allowable charges shall not exceed the approved credit limit established by the Department Head for that specific charge card.
3. County Purchasing Cards must never be used for personal purposes. Should a County Purchasing Card inadvertently be used for an unallowable purpose, the employee shall immediately notify and reimburse the County. County Purchasing Card accounts must never be used to represent personal credit worthiness to obtain a personal credit card account.
4. Purchasing Card expenditures for spouses, traveling companions, or any unauthorized individual (including travel expenses for airline tickets, meals, hotel accommodations, etc.) are prohibited.
5. County Purchasing Cards must never be used to receive cash advances.
6. Employees are cautioned not to carry the County Purchasing Card during off duty hours (i.e. on vacation).
7. A cardholder may not lend their assigned County Purchasing Card to another individual for their use. One employee may charge County business items on his/her card for another County employee, such as hotel or airline reservations, conference registrations, or County-related meals. If a cardholder delegates another employee to make purchases on

the cardholder's card the cardholder is still responsible for all charges placed on his/her card.

8. County Purchasing Cards are not to be used to purchase fuel, for private vehicles except where exempt by contract. Payroll reimbursement for mileage covers private vehicle use, according to the County Travel Policy limits and guidelines.
9. County Purchasing Cards may be used to fuel rental vehicles when an employee is using the rental vehicle for official County business and a Card Lock Fuel Program station is not available.
10. For motor pool or department owned vehicles County Card Lock Fuel Program stations should be utilized to purchase fuel in order to reduce County costs. Purchasing Cards may be used if there is not a Card Lock Program station available.
11. All Purchasing Card charges are subject to annual audit requirement.
12. Department Head and Elected Officials transactions will be subject to audit by the Internal Audit Division and the results reviewed by the Chief Executive Officer and/or the Board of Supervisors. The Chief Executive Officer and/or the Board of Supervisors, at their discretion, may review Purchasing Card use by the Department Heads and Elected Officials at any time.
13. Intentional misuse of a County Purchasing Card may result in disciplinary action, including termination, and may result in criminal prosecution.

2.4 COUNTY ASSETS

All purchases of County assets and inventoriable equipment must comply with the Auditor/Controller Capital Asset Inventory policy.

2.5 MONTHLY STATEMENT PROCESSING

- A. Every employee who makes a charge with a County Purchasing Card shall receive an itemized receipt along with the charge slip from the merchant documenting the purchase details. However, when a receipt/charge slip provides no detail or is lost or unavailable, written documentation for the purchase must be provided to include at a minimum: purchase date, item(s) purchased, amount, purpose (if not evident) and reason the receipt is unavailable. Lack of itemized receipt = a misplaced receipt. **Documentation is always required.** (Note: Sometimes the charge slip shows itemized detail. If it does not, then the itemized receipt must accompany the charge slip including itemized meal charges on hotel bills.)
- B. The Purchasing Card itemized receipt along with the charge slip shall be turned in immediately after transaction or upon return from authorized travel to the department Purchasing Card clerk responsible for processing the monthly statement for the department. In the case of travel, the itemized receipt/charge slip should be turned in the day the employee returns to the workplace. If conference information/documentation is not submitted, the claim will be disallowed.

- C. Itemized receipts along with charge slips must be submitted to the department's Purchasing Card clerk. Itemized receipts for meals charged to the hotel must accompany the hotel bill. This might preclude using express checkout at hotels or ordering items over the telephone if the vendor cannot mail or fax a detailed receipt.
- D. Itemized receipts are always required. When an employee has been requested by the department's Purchasing Card clerk to submit an itemized charge receipt or a misplaced receipt form approved by the Department Head, if no receipt has been provided within 10 days of the date of the request, and a Misplaced Receipt Form has either not been submitted or not been approved, then the department shall initiate a payroll deduction for the amount of the charge.
- E. Employee should contact the vendor to request a copy of the receipt before submitting a Misplaced Receipt Form. If an itemized receipt is lost and/or cannot be replaced, a Misplaced Receipt Form shall be completed by the employee to certify the charge was a valid County expenditure. The Misplaced Receipt Form must have Department Head approval. Department Head approval shall exempt the employee from having a payroll deduction for not submitting a receipt as long as the form is submitted within 10 calendar days or the first day back to work after request by the department Purchasing Card clerk. At the Department Head's discretion, repeated claims submitted on Misplaced Receipt Forms could be denied and the Department Head should request immediate reimbursement from the employee or offset the unauthorized charges through payroll deduction. The Department Head will determine necessary disciplinary action for frequent abuse of the receipt requirements. (Attachment C - Misplaced Receipt Form)
- F. Proper accounting principles require separation of duties to maintain the integrity of the accounting process. An individual who has been issued a Purchasing Card should not reconcile his/her own account.
- G. The Purchasing Card clerk in the department responsible for processing the monthly Purchasing Card statements shall not only reconcile all itemized receipts, along with charge slips, to the monthly statement prior to receiving the next month's statement, but shall at a minimum perform the following, as appropriate:
 - 1. Review all itemized receipts/charge slips to determine proper documentation is provided and that each itemized receipt/charge slip and/or item appear to be an appropriate County business expense.
 - 2. Match all travel itemized receipts/charge slips to the relevant Travel Authorization Form.
 - 3. Determine all other itemized receipts/charge slips have the appropriate authorization based on department requirements.

4. Determine that itemized receipts/charge slips are in compliance with the Stanislaus County Travel policy.
 5. Request immediate reimbursement for any inappropriate and/or undocumented charges.
 6. Report inappropriate and/or undocumented charges to the Department Head.
 7. Requests for reimbursement shall be documented and retained in the file.
 8. When an employee has been requested in writing by the department's Purchasing Card clerk to submit an itemized charge receipt or a misplaced receipt form approved by the Department Head, and still no receipt has been provided within 10 calendar days of the date of the request, or first day back to work, then the department will initiate a payroll deduction for the amount of the charge. The deduction will be taken from the employee's next paycheck and will not be refunded.
 9. The Purchasing Card Clerk, or employee reconciling the statement, shall certify in writing with their signature and a date the reconciliation has been performed in a timely manner.
- H. Each department must retain all documentation supporting their departmental Purchasing Card activity for a minimum of five (5) years, or longer, if the department's Records Retention Policy so requires. Support should include copies of written documentation to substantiate Purchasing Card transactions with the applicable statement(s) and/or reference where filed.
- I. Each month the Department Head shall certify in writing that all Purchasing Card charges are valid appropriate County expenses via the Bank of America Works Billing Statement, prior to the receipt of the next month's statement. Each department is responsible for auditing their Purchasing Card expenditures and ensuring that existing policy guidelines are followed. Subsequent audits may be conducted on a random basis to verify that the Travel Policy and Purchasing Card Policy guidelines have been followed. Department Heads are not required to have approval for their own charges; they will be audited each year.
- J. In order to make adjustments to the account, the Purchasing Card Maintenance Form (Attachment B – Purchasing Card Maintenance Form) must be completed by the department Purchasing Card clerk and submitted to the Auditor-Controller's Accounts Payable Division for processing.

2.6 DISPUTING CHARGES

- A. After review of the monthly statement, if a charge looks illegitimate and/or the cardholder denies approving the charge, a Statement of Disputed Item Form is completed and signed by the cardholder. (Attachment D – Statement of Disputed Item Form) Claims must be submitted within 60 days from the billing close date.

- B. The completed form is forwarded to the Auditor-Controller, Accounts Payable Division.
- C. Accounts Payable will contact the Bank regarding the disputed item.
- D. If a credit is issued for the disputed item, the credit will appear on the next month's statement.

2.7 REVIEW/CLOSING OF ACCOUNTS

- A. County Purchasing Cards must be returned to the respective department prior to an employee's date of termination.
- B. A listing of all Purchasing Cards will be provided annually to the Department Head by the Auditor/Controller. The listing will include employee name and monthly credit limit. The Department Head shall review the need and limit for department Purchasing Cards, including those limits in excess of \$5,000. This review shall be signed and dated by the Department Head, then maintained with Purchasing Card records for five (5) years. A change in job task, assignment, or transfer to another division may require modification or termination of the Purchasing Card account.

2.8 EXPIRATION DATE ON PURCHASING CARDS

The Purchasing Cards each have an expiration date. The cards will expire on the last day of the month indicated on the card. The Bank will automatically send a replacement card to the department at the end of that month. Expired cards are to be destroyed.

2.9 CANCELLATION OF ACCOUNTS

- A. Departments are directly responsible for canceling Purchasing Cards when an employee leaves service or a card is lost or stolen. A staff termination, change of duties, or other reason may necessitate cancellation or credit limit modification of a Purchasing Card.
- B. The following procedures are required when an employee leaves, terminates or changes duties:
 - 1. Retrieve the card from the employee.
 - 2. Cut the card horizontally through the magnetic strip and destroy it or send the card to the Auditor-Controller's Office, Accounts Payable Division with the completed Purchasing Card Maintenance Form.
 - 3. Accounts Payable will cancel the account.
- C. The following procedures are required when an employee reports their card lost or stolen:

1. The employee is to call the card vendor and report the card lost or stolen and close the account immediately.
2. Notify the department Purchasing Card clerk same or next business day.
3. The Purchasing Card clerk will send a Purchasing Card Maintenance Form to the Accounts Payable Division of the Auditor-Controller's Office so that a new card can be issued.

2.10 USE TAX REPORTING PROCEDURES

- A. Current sales tax and district tax is due the State of California when a vendor does not charge tax. If the receipt or invoice does not include sales tax, the purchase must be listed on the "Use Tax Log" or "District Tax Log" form and submitted to the Auditor-Controller's Office monthly. Phone and Internet orders are not exempt from sales tax. If the report is zero the report does not need to be submitted.
- B. Do not calculate the Use Tax or District Tax due. The Auditor-Controller's Office will complete this procedure. To report Use Tax or District Tax show total purchase price, less shipping. Handling, if shown separate from shipping, should be included in the purchase price. Taxable items include goods only, not services.

2.11 COSTCO MEMBERSHIPS AND CREDIT CARDS

- A. County departments, with Department Head approval, may apply for a business membership with Costco Wholesale. Purchases made at Costco outlets with department memberships are restricted to business use only. Personal purchases are not allowed. Departments are responsible for submitting claims to pay off their Costco Credit Card balances in a timely manner to avoid interest charges.
- B. This Purchasing Card Policy applies to the use of Costco Credit Cards. Issuance, maintenance, and cancellation are the responsibility of the department approving the card. Costco American Express cards are not allowed.

2.12 UNAUTHORIZED CREDIT CARDS

Except for the County Purchasing Card, and the Costco Credit Card, no other credit cards may be applied for in the name of Stanislaus County.

ATTACHMENT A
STANISLAUS COUNTY
PURCHASING CARD AUTHORIZATION & APPLICATION FORM

Fund Org Account Type Department Mailing Address:

Employee e-mail address: Modesto, CA
Zip Code:

Department Name Contact Name & Phone #

I hereby authorize _____ to use a MasterCard County
Name of Employee

Purchasing Card for official County business.

Name of Authorized County Official

Signature of Authorized County Official Date

Indicate MasterCard credit limit here: \$ _____

I accept full responsibility for the Purchasing Card that will be issued to me and have read and understand the current Stanislaus County Purchasing Card Policy and current Travel Policy, and agree to use the Purchasing Card in accordance with the terms and conditions of those policies. I understand that I am personally liable for all unauthorized or improper card charges that I may incur. If it is determined by my Department Head that I have used this Purchasing Card for unauthorized or improper purposes, I shall reimburse the County in full within ten (10) days. If I have not reimbursed the County as requested, I understand and agree that the County shall offset all such unauthorized or improper charges through payroll deduction. Intentional misuse or violation of the Purchasing Card Policy will result in disciplinary action and may also result in criminal prosecution.

REQUESTS OF \$5,000 OR MORE MUST BE APPROVED BY THE GSA PURCHASING DIVISION
(A written justification must be completed below for all requests of \$5,000 or more.)

GSA-Purchasing Division Signature Date

Signature of Employee Date

**ATTACHMENT B
STANISLAUS COUNTY
PURCHASING CARD PROGRAM MAINTENANCE FORM**

Individual Cardholder Maintenance

Employee: _____

A. General Information

Dept: _____

Name Change		Address Change
Cardholder Name as it should appear:		New Address:
Name Line 1:		Address Line 1:
Name Line 2:		Address Line 2:
Cardholder Acct #		City/State/Zip:

B. Card Requests

Card Replacement		Send Replacement Card To:
<input type="checkbox"/> Lost <input type="checkbox"/> Stolen <input type="checkbox"/> Not Received		Name:
<input type="checkbox"/> Embossing Error <input type="checkbox"/> Mutilated		Address:
Cancellation/Reinstatement		City/State/Zip:
<input type="checkbox"/> Cancellation <input type="checkbox"/> Reinstatement		Phone Number:

C. Request for Credit Limit or Audit Code Change

Limits		Department Clerk Information
Change Credit Limit to:		Name:
		Phone Number:
Change Internal Audit Code To:		Address:
Fund:		
Org:		
Account:		

I accept full responsibility for the Purchasing Card that will be issued to me and have read and understand the current Stanislaus County Purchasing Card Policy and current Travel Policy and agree to use the Purchasing Card in accordance with the terms and conditions of those policies. I understand that I am personally liable for all unauthorized or improper card charges that I may incur. If it is determined by my Department Head that I have used this Purchasing Card for unauthorized or improper purposes, I shall reimburse the County in full within ten (10) days. If I have not reimbursed the County as requested, I understand and agree that the County shall offset all such unauthorized or improper charges through payroll deduction. Intentional misuse or violation of the Purchasing Card Policy will result in disciplinary action and may also result in criminal prosecution.

**REQUESTS OF \$5,000 OR MORE MUST BE APPROVED BY THE GSA PURCHASING DIVISION AND
THE EMPLOYEE MUST SIGN FOR CREDIT LIMIT INCREASES
(Attach a written justification for all requests of \$5,000 or more.)**

Signature of Employee

GSA – Purchasing Signature

Authorized Departmental Signature

Authorized by: Naleena Singh/Stephen Smith

**ATTACHMENT C
STANISLAUS COUNTY
MISPLACED RECEIPT FORM**

MEMO TO: Purchasing Card Clerk / Payroll Clerk
FROM:
SUBJECT: **MISPLACED RECEIPT**

I used my County Purchasing Card or personally paid for a transaction for authorized County business.
The receipts for the following purchases are misplaced:

Type of Purchase: _____

Vendor: _____

Date: _____ Amount: _____

Reason: _____

These purchases are legitimate County expenses and are justified.

Cardholder Date Director Date

Remember to obtain both required signatures on the form.

Revision Date: 04/01/2009

**STANISLAUS COUNTY
MISPLACED RECEIPT FORM**

MEMO TO: Purchasing Card Clerk / Payroll Clerk
FROM:
SUBJECT: **MISPLACED RECEIPT**

I used my County Purchasing Card or personally paid for a transaction for authorized County business.
The receipts for the following purchases are misplaced:

Type of Purchase: _____

Vendor: _____

Date: _____ Amount: _____

Reason: _____

These purchases are legitimate County expenses and are justified.

Cardholder Date Director Date

Remember to obtain both required signatures on the form.

ATTACHMENT D



COMMERCIAL CARD CLAIMS STATEMENT OF DISPUTED ITEM

Instructions: Your company should first make good-faith efforts to settle a claim for purchases directly with the merchant. If assistance from Bank of America is required, please complete this form, and fax or mail with required enclosures within 60 days from the billing close date to:

Bank of America - Commercial Card Services Operations

P. O. Box 53101

Phoenix, AZ 85072-3101

Phone (888) 449-2273, FAX (888) 678-6046

Company Name: _____

Account Number: _____

Cardholder Name: _____

This Charge appeared on my statement, billing close date: _____

Transaction Date: _____

Reference Number: _____

Merchant Name/Location: _____

Posted Amount: _____ Disputed Amount: _____

(Cardholder Signature)

(Authorized Participant Signature)

(Date)

(Phone Number)

Please Check Only One

- 1. Unauthorized Transaction: I did not authorize, nor did I authorize anyone else to engage in this transaction. No goods or services represented by the above charge were received by me or anyone I authorized. My Bank of America card was in my possession at the time of the transaction.
2. Charge Amount Does Not Agree With Order Authorizing the Charge: The amount entered on the sales slip was increased from \$_____ to \$_____. I have enclosed a copy of the unaltered sales slip.
3. Merchandise or Services Not Received: I have not received the merchandise or services represented by the above transaction. The expected date of delivery of services was _____. (Please describe your efforts to resolve this matter with the merchant, the date(s) you contacted them and their response.)
4. Defective or Wrong Merchandise: I returned the merchandise on _____ because it was (check one): _____ defective; _____ wrong size; _____ wrong color; _____ wrong quantity. (Please describe your efforts to resolve this matter with the merchant, the date(s) you contacted them, their response and proof of the return of merchandise. Please provide a detailed description of the wrong or defective nature of the merchandise.)
5. Recurring Charges After Cancellation: On _____ (date), I notified the merchant to cancel the monthly/yearly agreement. Since then my Bank of America account has been charged _____ time(s). (Please enclose a copy of the merchant's confirmation of your cancellation request.)
6. Recurring Charges Already Paid by Other Means: I already paid for the goods and/or services represented by the above charge by means other than my Bank of America Commercial Card. (Please provide a copy of the front and back on the cancelled check, money order, cash receipt, credit card statement, or other documentation as proof of purchase/payment. Describe your efforts to resolve this matter directly with the merchant, the date(s) you contacted them, and their response.)
7. Credit Appears as a Charge: The enclosed Credit Voucher appeared as a charge on my Bank of America Commercial Card account.
8. Credit From Merchant Not Received: I did not receive credit for the enclosed Credit Voucher within 30 calendar days from the date it was issued to me by the merchant shown above. (Please describe your efforts to resolve this matter with the merchant, the date(s) you contacted them and their response. Provide a detailed statement explaining your reason(s) for disputing this charge.)
9. Hotel Reservation Cancelled: I made a reservation with the above hotel which I later cancelled on _____ (date) at _____ (time). I received a cancellation number which is _____. (Please describe how the reservation was cancelled, proof of cancellation and attempts to resolve this issue with the merchant.
I was not given a cancellation number.
I was not told at the time that I made the reservation that my account would be charged for a "No Show".
I was not informed of the cancellation policy.
10. Double or Multiple Charges: My Bank of America Commercial Card Account has been double charged. The valid charge appeared on _____ (date). The duplicate charge(s) appeared on _____.
11. Do Not Recall the Transaction: The statement has an inadequate description of the charge. Please supply supporting documentation.
12. Other; Above Descriptions Do Not Apply: Please attach a detailed letter explaining the reason for your dispute and your attempts to resolve this issue with the merchant.

Updated 11/01/01