	CHAPTER:	POLICY: Purchasing Card (Credit Card)	
		PAGES: 5	
SUBJECT: County Issued Credit Cards			
RELATED POLICIES:	Department of Purchasing Charter Resolution 65 and Travel Expense Reimbursement	ENABLING RESOLUTION:	Res. 293-1985
		RESOLUTION DATE:	Res. 207-2004
		REVISED RESOLUTION & DATE:	Res. 284-1995, 12/06/95 Res. 180-2001, 12/5/01
OFFICE WITH PRIMARY RESPONSIBILITY: Finance			

I. PURPOSE

The purpose of this policy is to establish the responsibilities and guidelines for expenses processed using Purchasing Cards (Credit Cards).

II. SCOPE

This policy is applicable to all Sedgwick County government including but not limited to elected officials, divisions, departments, and the eighteenth judicial district. It applies to all purchases and purchase regardless of the source of funds and complies with Sedgwick County purchasing resolutions, policies and department procedures. The Accounting Director, Purchasing Director, Deputy Financial Officer or Chief Financial Officer may grant exemptions and/or exceptions.

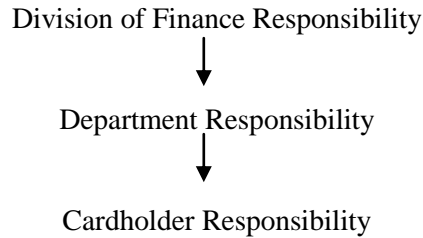
II. POLICY STATEMENT

Sedgwick County government maintains a Purchasing Card (Credit Card) program that allows authorized individuals to make specific business-related purchases of eligible goods and services. The Purchasing Card is intended only for Sedgwick County government business transactions. This program is designed to delegate authority and responsibility to purchase items directly to the departments. The Accounting Director or designee is responsible for managing the Purchasing Card (Credit Card) program and each department is responsible for managing its Cardholder accounts in a manner that conforms to this policy and supporting procedures as established by the Division of Finance. A number of unique controls have been developed for the Purchasing Card (Credit Card) program that does not exist in a traditional credit card environment. These controls ensure that the cards can be used only for specific purchases and within specific credit and transaction limits.

III. AUTHORITY AND RESPONSIBILITY

Authority and Responsibility

The Division of Finance provides the management of this Purchasing Card (Credit Card). The hierarchal structure follows:



Division of Finance Responsibility

- Develop and manage process to reconcile card accounts each month.
- Monitor accounts for inappropriate or illegal use.
- Revoke card privileges for inappropriate or illegal use.
- Suspend card privileges for failure to provide transaction documentation in a timely manner.
- Increase or decrease card-spending limits as necessary.

Department Responsibility

- Receive and distribute information from the Accounting Director or designee pertaining to the Purchasing Card.
- Review and approve Cardholder documentation and reconciliation.
- Complete and forward all documentation, including supporting documents, to Accounts Payable.
- Notify County Accounting Director or designee of suspected inappropriate or illegal use.
- Ensure under no circumstance that a Cardholder approve his/her own purchases.

Cardholder Responsibility

- Make eligible purchases within authorized spending limits and funds availability.
- Use the card only for purchasing items in accordance with county policies.
- Pay sales tax if the merchant refuses to waive it.
 - The Cardholder must first inform the merchant that the purchase is for “official County business” and is not subject to state or local sales tax.
 - The card is imprinted with the statement, “Sales Tax Exempt Under K.S.A. 79-3606”.
 - For large purchases where the merchant refuses to waive the tax, the Cardholder can present a state tax exemption letter. Cardholders can get a copy of the letter on our website: http://www.sedgwickcounty.org/finance/tax_exempt_certificate.pdf
- Maintain Purchasing cards in a secure fashion and prevent unauthorized charges to the account.
- Maintain adequate documentation of all purchases. This responsibility includes documentation of funds availability, receipts, packing lists, invoices, etc.
- Provide purchase documentation a timely manner to ensure prompt payment.
- Notify Supervisor and the Accounting Director or designee immediately if the card is lost or stolen.

V. SECURITY AND CONSEQUENCES OF MISUSE

Card Security

The Cardholder is responsible for safeguarding the Purchasing card at all times. **The Cardholder should never allow anyone else to use the card or account number and should never use the card to procure personal items.** Purchasing resolutions, policies and procedures place upon the Cardholder direct responsibility for the proper and lawful execution of purchasing actions. No employee of the county has authority to issue instructions or approve a procedure that is in direct violation with the law or county resolutions, policies or procedures. Any act exceeding that individual's authority is no longer an act of the county but becomes a personal responsibility. All employees must maintain the highest standard of conduct. Any conflict of interest or appearance thereof, between county responsibilities and personal lives must be avoided.

Lost/Stolen Cards

When a Purchasing card is lost or stolen, the Cardholder should contact the Accounting Director or designee and their Supervisor to report the lost/stolen card. Contact should be immediate so that the highest level of detail regarding account activity leading up to the lost/stolen date can be provided.

Separation of Cardholder

Prior to separation from the Cardholder's unit or assignment to another function that does not require Cardholder authority; the Cardholder will surrender the card to the Accounting Director or his/her staff will destroy it. The Cardholder will review with their Supervisor the status of any unreconciled, questionable, partially approved, unresolved, and disputed transactions, and identify any supplies and/or services which have been ordered but not yet received, so appropriate action can be taken to complete these activities.

Purchasing Card Changes

There may be occasions when the information about the Cardholder in the bank's master file must be changed (e.g., location change, default accounting change, authorization limits). The Accounting Director or his/her staff will make the appropriate change.

Card Misuse/Fraud

Consequences of misuse of the Purchasing Card are serious, and may include card suspension, card revocation, disciplinary action, employment termination personal financial responsibility for purchase(s) and legal action. All employees must maintain the highest standard of conduct. Any conflict of interest or appearance thereof, between county responsibilities and personal lives must be avoided.

Failure to follow the above listed responsibilities and any additional responsibilities that may be listed in this policy and / or related procedures will result in a minimum of the following consequences:

1. First Offense: Verbal warning to the Cardholder and Supervisor.
2. Second Offense: Written warning to the Cardholder, Supervisor and Division Director.
3. Third Offense: Card Cancellation – privilege revoked.

VI. DEFINITIONS

Eligible Goods and Services for **Direct Pay or Credit Card** - Non-contract, non-commission separately approved, non-recurring purchases costing less than \$10,000 **and / or:**

- Books/Publications
- Fees: Conference, Jury, Membership, Registration, Seminar, Subscription, Training, Witness
- Fuel
- Insurance Services
- Economic Development Incentives
- Flex Funds
- Local Meeting Expenses / Catering
- Local Vicinity Mileage
- Medical and Client Appointments
- Neighboring County Services
- Newspapers
- Petty Cash
- Risk Management Expenditures
- Supported Housing
- Settlements
- Travel Related Purchases; Airfare, Car Rental, Cab, Lodging, Meals
- Undercover Investigation
- Utility Expenditures
- Other Non-contract, Non-recurring Purchases Costing Less Than \$10,000 Purchased by Phone or Internet

Cardholder – Employee of Sedgwick County, Fire District, or District Court who is issued a Card and who has authority to use it for Sedgwick County business.

Purchasing Card (Card) – A credit card issued for official Sedgwick County business. Purchasing Cards are also referred to as a Credit Cards and /or Travel Cards.

Card Spending Limit – Single purchase limits are a combination of transaction limits established by the Accounting Director or designee for each card based on the anticipated business need of the Cardholder. The single purchase limit may take the form of a dollar amount, commodity type, or vendor type. For example, a card issued to a maintenance worker may have a single purchase limit of \$500, which can be spent only for building supplies and small tools, and only at hardware stores.

Department – A unit, division or district court.

Supervisor – An individual whose job is to oversee and guide the work or activities of a group of other people.

Tax Exemption -The Purchasing Card is imprinted with the statement, “Sales Tax Exempt Under K.S.A. 79-3606”. Charges for most purchases that are billed directly to Sedgwick County are exempt from sales tax. Merchants can determine whether an account is exempt from sales tax by looking at the account number. For large purchases where the merchant refuses to waive the tax, the Cardholder can present a state tax exemption letter. Cardholders can get a copy of the letter **on our website:** **http://www.sedgwickcounty.org/finance/tax_exempt_certificate.pdf**

Misuse – Does not give purchase documentation in a timely manner to ensure prompt payment. Does not maintain adequate documentation of all purchases.

Fraud - The Purchasing Card is intentionally used for personal transactions or purchasing items restricted by other policies. The Cardholder is **not** the individual to whom the card is issued.

VII. PROCEDURES

The Accounting Director or designee maintains related but separate procedures established by the Division of Finance. Please refer to Accounting Department for the most current procedures related to the Credit Card Policy.