

# Revised County Credit Card Policy – 8-27-12

## Summary of Changes

| CHANGE LOG |                                 |                 |  |
|------------|---------------------------------|-----------------|--|
| #          | Section                         |                 | Change Description   |
|            | <i>New / Existing / Removed</i> |                 |  |
| 1          | Purpose                         | <i>Existing</i> | <ul style="list-style-type: none"> <li>• Condensed the purpose                             <ul style="list-style-type: none"> <li>○ This policy is to establish the responsibilities</li> <li>○ This policy is to establish guidelines for expenses processed using Purchasing Cards (Credit Cards)</li> </ul> </li> <li>• Isolated scope</li> </ul>   |
| 2          | Scope                           | <i>New</i>      | <ul style="list-style-type: none"> <li>• Isolated scope from old purpose                             <ul style="list-style-type: none"> <li>○ This policy is applicable to all Sedgwick County government including but not limited to elected officials, divisions, departments, and the eighteenth judicial district</li> <li>○ It applies to all purchases and purchase regardless of the source of funds and complies with Sedgwick County purchasing resolutions, policies and department procedures</li> <li>○ The Accounting Director, Purchasing Director, Deputy Financial Officer or Chief Financial Officer may grant exemptions and/or exceptions</li> </ul> </li> </ul>   |
| 3          | Policy Statement                | <i>Existing</i> | <ul style="list-style-type: none"> <li>• Changed why established                             <ul style="list-style-type: none"> <li>○ Credit Cards no longer promote operational efficiency or simplify our internal ordering process for purchase of goods and services                                     <ul style="list-style-type: none"> <li>▪ Shopping carts have been established to provide a convenient, efficient means to purchase commodities and services from vendors</li> <li>▪ Shopping carts replace credit cards in ease and convenience of use</li> </ul> </li> <li>○ The Purchasing Card is for limited eligible goods and services</li> </ul> </li> <li>• Clarified that there are credit and transaction limits</li> </ul>   |
| 4          | Definitions                     | <i>Existing</i> | <ul style="list-style-type: none"> <li>• Moved toward end of document.</li> <li>• Modified definition of: Eligible Goods and Services, Card Spending Limit, Department, Supervisor, Tax Exemption, Misuse, and Fraud:                             <ul style="list-style-type: none"> <li>○ Eligible goods and services; the Purchasing card may only be used to purchase non-contract, non-commission, separately approved, non-recurring purchases costing less than \$10,000 or for items such as: books/publications, fees, fuel, local meeting expenses, local vicinity mileage and travel related expenses</li> <li>○ (Single Purchase Limit) <b>Card Spending Limit</b> – 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</li> <li>○ (Unit) Department – A unit, division or district court.</li> </ul> </li> </ul>   |
| 5          | Definitions                     | <i>Existing</i> | <ul style="list-style-type: none"> <li>• Added definition of: Supervisor, Tax Exemption, Misuse, and Fraud:                             <ul style="list-style-type: none"> <li>○ Supervisor – An individual whose job is to oversee and guide the work or activities of a group of other people</li> <li>○ 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: <a href="http://www.sedgwickcounty.org/finance/tax_exempt_certificate.pdf">http://www.sedgwickcounty.org/finance/tax_exempt_certificate.pdf</a></li> <li>○ Misuse – Does not give purchase documentation in a timely manner to ensure prompt payment. Does not maintain adequate documentation of all purchases</li> <li>○ Fraud - The Purchasing Card is intentionally used for personal transactions or purchasing items restricted by other policies. The Cardholder is <b>not</b> the individual to whom the card is issued</li> </ul> </li> <li>• Removed definition of Approving Official, Program Administrator, Single Purchase Limit, Unit, and Workers Compensation Purchase:                             <ul style="list-style-type: none"> <li>○ Approving Official – Division or department head responsible for certifying purchase card charges are for official County business</li> <li>○ Program Administrator – An individual within a unit who is assigned the responsibility of Purchasing Card coordination including: security, monthly reconciliation and tracking the use of the Card accounts for their unit</li> <li>○ Workers Compensation Purchase – Any medical service, treatment or equipment related to an on-the-job injury</li> <li>○</li> </ul> </li> </ul> |

**CHANGE LOG (Continued)**

| # | Section                             |                | Change Description  |
|---|-------------------------------------|----------------|---|
|   | <i>New / Existing / Removed</i>     |                |   |
| 6 | Procedures                          | <i>Removed</i> | <ul style="list-style-type: none"> <li>• Procedures are the new last section and maintained separate from the policy                             <ul style="list-style-type: none"> <li>○ The Accounting Director or designee maintains related but separate procedures established by the Division of Finance</li> <li>○ Removed information on the card, how to obtain the card, and how to use the purchase card</li> <li>○ Removed paragraph on Authorization; the purchasing card is the preferred means to purchase and pay for eligible goods and services that cost less than \$1,500. Cardholders are encouraged to use the purchase card instead of other modes of payment for County purchases to the maximum extent practicable                                     <ul style="list-style-type: none"> <li>▪ Shopping Carts are the preferred means to purchase</li> <li>▪ Charter 65 gives the departments authority not to exceed \$10,000 for non-recurring purchases that are not covered by an existing county contract</li> </ul> </li> </ul> </li> <li>• Kept information on <b>Authority and Responsibility</b> as a new section within the policy</li> <li>• Kept information on <b>Security and Consequences of Misuse</b> from old Procedure section as a new section within the policy</li> </ul> |
| 7 | Security and Consequences of Misuse | <i>New</i>     | <ul style="list-style-type: none"> <li>• Kept information on <b>Security and Consequences of Misuse</b> from old Procedure section as a new section within the policy</li> <li>• For new section combined like topics: Card Security, Lost/Stolen Cards, Separation of Cardholder, Purchasing Card Changes, Card Misuse/Fraud</li> <li>• Clearly defined consequences of card misuse:                             <ul style="list-style-type: none"> <li>○ First Offense: Verbal warning to the Cardholder and Supervisor.</li> <li>○ Second Offense: Written warning to the Cardholder, Supervisor and Division Director.</li> <li>○ Third Offense: Card Cancellation – privilege revoked.</li> </ul> </li> </ul>  |
| 8 | Authority and Responsibility        | <i>New</i>     | <ul style="list-style-type: none"> <li>• Kept information on Authority and Responsibility from old Procedure section as a new section within the policy                             <ul style="list-style-type: none"> <li>○ The Division, Department and Cardholder continue to have clearly defined responsibilities                                     <ul style="list-style-type: none"> <li>▪ Finance continues to manage cards and use</li> <li>▪ Departments continue to review, approve and forward to Finance for payment</li> <li>▪ Cardholders make eligible purchase in compliance with policy and procedures</li> </ul> </li> </ul> </li> </ul>   |