



## **PURCHASING CARD POLICIES & PROCEDURES**

*Established February 2017*

Tommy Dunn  
Chairman  
Council District 5

Ray Graham  
Council District 3

Craig Wooten  
Council District 1

Gracie S. Floyd  
Council District 2

Brett Sanders  
Vice Chairman  
Council District 4

Jimmy Davis  
Council District 6

M. Cindy Wilson  
Council District 7

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Lacey Croegaert  
Clerk to Council

Rusty Burns  
County Administrator

### **1. PURPOSE & APPLICABILITY:**

This document establishes procedures for the proper use of County credit cards issued to County personnel for purchase of goods and services on behalf of the County. These procedures aim to ensure use of the purchasing card (“P-card”) that is in accordance with the County Code of Ordinances, the County Budget Credit Card Policy, and existing Purchasing Department Policies and Procedures; to provide guidance for departments to set internal expectations that ensure cards are used only for authorized purchases; and to make clear the County is not legally liable in the event of fraudulent use of County-issued purchasing cards.

These procedures apply to all County personnel authorized to use County purchasing cards (“cardholders”). The Finance Department issues the purchasing card after a Division/Department Head’s recommendation for issuance.

### **2. PURCHASING PROCEDURES BY DOLLAR AMOUNT:**

The purchasing card should never circumvent the existing Purchase Order system in place. **Purchases of any amount over \$2,500.00 should not be made using the County purchasing card** unless explicit written permission is received from the Purchasing Manager. Purchases of capital items (which would be \$1,000.01-\$2,500.00) utilizing the P-card should be done only if approved by the Finance Manager. Purchases not exceeding \$2,500.00 do not require quotations/bids if the price is deemed to be “fair and reasonable”. Failure to adhere to these rules will result in deactivation of the purchasing card.

### **3. GENERAL CREDIT CARD POLICY, PER BUDGET ORDINANCE:**

Per Section XXXII of the Anderson County Budget Ordinance, all Anderson County credit card charges and purchases made utilizing an Anderson County credit card, to include purchasing cards, are to be reported to the Finance Office, and accompanied by a detailed receipt and a written report, the format of which is to be designed and determined by the County Administrator or his designee. The written report shall

# PURCHASING CARD POLICIES & PROCEDURES

*Established February 2017*

contain sufficient detail to show who made the charge, what the charge was for, when the charge was made, where the charge was made, and why the charge was incurred. Charges incurred for or associated with economic development projects must still be reported, as addressed above, and accompanied by the receipt and report described above, but may be reported by project codename, until such time as the project is publicly announced or finally terminated.

## **4. CREDIT CARD USAGE GUIDELINES**

### *A. Authorized Use, Card Format, & Securing Documentation*

County credit cards should be used only for County purchases that serve a public purpose. Cards are issued to individuals and/or divisions/departments. Before being issued a purchasing card, each potential authorized user must participate in a training session with a Purchasing Card Program Administrator in the Finance Department.

Each card displays the Anderson County Division/Department Name or the individual authorized user's name, the account number, and the card expiration date. Individuals are responsible to obtain original receipts and/or documentation of purchase charges, as delineated below in section 4C of this document. The credit card has the authorized user and/or division/department's name embossed on it. No Division/Department is authorized to use any other Division/Department's card unless the County Administrator has provided prior written permission.

### *B. Conditions For Use*

- i. The total of a single purchase using the card may include multiple items, but it cannot exceed the authorized single purchase limit. Purchases should not be split with the purpose of circumventing the single purchase limit.
- ii. Telephone or Internet orders may be placed using the credit card, provided that the requirements in Section 4C of this document are met.
- iii. Any meals charged should be for a particular public purpose and only include appropriate attendees. The cardholder should provide the names of all attendees in documentation.

### *C. Submitting Documentation*

All documentation of purchasing card purchases should be submitted monthly no later than five business days after the statement is electronically received. This is necessary to ensure cash is promptly posted to the general ledger. The submission will be through the online system of the relevant credit card issuer. Please refer to the latest *Purchasing Card User Guide* for more guidance on navigating the online system. For any further questions, contact the primary administrator of the Purchasing Card Program in the Finance Department. Failure to timely submit the monthly accounting will result in the card being deactivated.

# PURCHASING CARD POLICIES & PROCEDURES

*Established February 2017*

The same forms that apply to credit card purchases (advance travel form, credit card reporting form, employee expense report, etc.) apply to the P-card. For each purchase made with a card, the cardholder must obtain a customer copy of the charge slip (if applicable) and the detailed receipt. For telephone orders, the cardholder must request a receipt either through email or fax and retain as documentation. For Internet orders, online or email receipts should be retained as documentation. Receipts are required for all meals. Names of all attendees should be included with documentation.

## *D. Missing Documentation*

If the cardholder does not have detailed documentation of the transaction, he or she must prepare a written explanation. The explanation must include a description of the item(s), purchase date, merchant's name, and the reason there is no supporting documentation. Abuse of this provision may result in the suspension and/or cancellation of the purchasing card.

## *E. Taxes*

Cardholders are responsible for knowing the County's tax status, which is currently 7% in Anderson County. Anderson County is not tax exempt.

## *F. Approval & Payment Processes*

Divisions/Departments must submit documentation of credit card purchases monthly in the designated online interface of the credit card issuer as they are incurred, not as part of the Accounts Payable (AP) process. Documentation must include receipts, invoices, and/or any other supporting documentation.

Approval of Division/Departmental credit card purchases is not completely defined in this document. Division/Department Heads, who possess more complete knowledge of the job responsibilities of cardholders, are required to review each cardholder's purchases, including the merchant who made the sale, in order to determine whether the items purchased were necessary and appropriate. If for any reason the Division/Department Head questions a purchase, it is his or her responsibility to resolve the issue with the cardholder. If he/she cannot be satisfied that the purchase was necessary and appropriate, then the cardholder must provide documentation that the items have been returned for credit or must submit a personal check to the County for the full amount of that purchase. Using County purchasing cards for unnecessary or inappropriate purposes is considered misuse, even when the expense is reimbursed under this section, and may result in disciplinary action.

## *G. Disputed Charges*

If items purchased with the credit card are found defective or services faulty, the division/department has the responsibility to return item(s) to the merchant for replacement or to receive a credit on the purchase. Cash refunds are not permitted. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in dispute.

The Division/Department, in accordance with the credit card issuer's instructions,

# PURCHASING CARD POLICIES & PROCEDURES

*Established February 2017*

should handle disputed charges. The Finance Department should be contacted for the necessary information as required by the credit card issuer to dispute charges properly. Disputes filed with the credit card issuer should be documented and forwarded to the primary contact for the Purchasing Card Program in the Finance Department, who will monitor the resolution of the dispute and take any further necessary actions, as determined by the Finance Manager and the Purchasing Manager.

## *H. Failure to Comply with Policies and Procedures*

If a cardholder or department fails to comply with the applicable procedures, the card will be suspended immediately in consultation with the County Administrator. Improper use of the card may result in disciplinary action, including termination. Improper use may also result in prosecution for embezzlement under Title 16, Chapter 13 of the South Carolina Code of Laws. Announced and unannounced audits will be performed regularly to ensure compliance with purchasing card procedures.

## *I. Lost or Stolen Credit Cards*

Should any Division/Department or cardholder lose a purchasing card or learn that a card has been stolen, it is the responsibility of the Division/Department Head to contact the credit card issuer immediately using the contact information in the latest *Purchasing Card User Guide*. The Division/Department Head should also inform the Finance Manager immediately.

**Questions? Concerns?**

### **Purchasing Card Program Administrators**

**Primary: Karen Spinning, 964-6520**

Secondary: Anna Artman, 260-4243

Secondary: Jan Holliday, 964-6519