



Town of Harrisburg, NC Purchasing Card Policy and Procedures

Adopted 1/14/2019

Overview

The purpose of the Town of Harrisburg Purchasing Card program is to streamline the Town of Harrisburg's (the "Town") purchasing and payment system and to reduce the administrative time and costs associated with processing the Town's purchases. The Town's Purchasing Card program utilizes the Bank of America VISA-brand card.

Purchases are classified as either small-dollar or standard. All purchases are subject to the Town's purchasing policies and procedures and the policies and procedures contained herein.

A small-dollar purchase is an expenditure of \$1,000 or less which does not require a purchase order and a purchase of more than \$1,000 is considered standard. Standard purchases, when possible, are encouraged on the Purchasing Card, however, requisition, purchase order, and Finance Department approval are still required prior to the purchase.

See **Exhibit 1** for Frequently Asked Questions.

Administration

The Purchase Card Administrator manages the Purchase Card Program and is responsible for seeing that internal controls and all related procedures are properly adhered to. The Town's Finance Officer approves and issues all of the Purchasing Cards. The Finance Officer or Card Administrator can revoke a Purchasing Card at any time for any reason.

When a Purchasing Card is issued to an employee, only the employee, the person named on the card, is authorized to use it and no one other than the cardholder can "borrow" the card or be delegated to make purchases for the department or cost center.

Each month, Bank of America sends a monthly consolidated statement to the Card Administrator for payment. Each cardholder has access to a monthly statement through the BOA Works online portal. Below is a summary of the monthly processing steps for individual cardholders, their Department Managers and the Finance Department:

- 1) After a cardholder makes a purchase he or she will receive an email from BOA Works advising them that they have a transaction awaiting sign-off. Within two days of receiving the transaction alert email, the cardholder is responsible for reviewing and approving or disputing the transaction online via BOA Works. After review and approval, the cardholder assigns

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account codes to each purchase, with separate entries for shipping and/or sales tax, then uploads their receipts and submits to the appropriate Department Manager for review.

- 2) The Department Manager is responsible for reviewing and approving the transaction within two days of receiving the notification email from BOA Works. The Department Manager's approval indicates that all charges for the cardholder have been reviewed and approved as expenditures made in compliance with the Town of Harrisburg Purchasing Policy and Procedures.
- 3) The Card Administrator receives and pays a consolidated bill from Bank of America that includes all monthly charges for all cardholders. Finance will make all necessary entries into the accounting system based on its review and processing of transactions submitted by each Department Manager. Department Managers can download transaction reports from BOA Works, to provide an at-a-glance picture of monthly purchases by various criteria, including individual user, expense category and vendor.

POLICY AND PROCEDURES

Policy – The Town of Harrisburg Purchasing Cards may be used to purchase goods and services costing less than \$1,000 for which a purchase order is not required. Purchasing Cards may also be used to purchase goods and services over \$1,000, given proper adherence to standard requisition, purchase order, and Finance Department approval procedures. Please refer to the Town of Harrisburg Purchasing Policy and Procedures for specific steps required for purchases over \$1,000. Purchases are permitted from suppliers and merchants who accept VISA for payment and are engaged in business categories approved by the Finance Department for Purchasing Card use.

Procedures –

I. Application Procedure

- a. A Department Manager determines which employees within their department should be issued Purchasing Cards. The Department Manager then notifies the employees selected for the program and explains the program including the individual employee responsibilities under the program. Each employee must be given a copy of the Town of Harrisburg Purchasing Card Program manual.
- b. Each selected employee interested in participating in the Purchasing Card Program must sign a Town of Harrisburg Purchasing Card Employee Agreement (Exhibit 2) indicating that they fully understand and accept the responsibilities and requirements of the Purchasing Card Program. The Agreement is the employee's signed pledge to follow the Town's purchasing policies and procedures and acceptance of responsibility for any personal misuse of the card, which could lead to disciplinary action up to and including termination.
- c. A Town of Harrisburg Purchase Card Application (Exhibit 3) is then completed and signed by the employee. Department Managers review and sign completed application forms and send them to the Card Administrator.

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- d. The Finance Officer and Card Administrator approve and process the Purchasing Card requests. The Finance Officer has final determination on application and card setup approval.

II. Cardholder Responsibilities

- a. When a cardholder receives their Purchasing Card, they must sign it immediately. They must also sign and return a Town of Harrisburg Purchasing Card Employment Acknowledgment Letter (Exhibit 4) to the Card Administrator confirming card receipt.
- b. Individual cardholders are charged with using cards properly. The cardholder is responsible for verifying that all transactions are authorized and for taking appropriate and timely action to correct any errors or unauthorized transactions.
- c. Each Purchasing Card is issued to the Town and the individual employee named on the card. No one other than the employee named on the card is permitted to use the card - ***even in an emergency situation.***
- d. IF A CARD IS LOST, STOLEN OR MISPLACED, THE CARDHOLDER IS RESPONSIBLE FOR IMMEDIATELY NOTIFYING BANK OF AMERICA – AT ANY HOUR OF ANY DAY – and, as early as possible on the next business day, the Card Administrator (Contact information is in Exhibit 5) and Department Manager.
- e. Department Managers are responsible for monitoring proper card usage and reviewing transactions to ensure they are accurate and complete.
- f. Department Managers must notify Bank of America immediately and as early as possible to the Card Administrator if a cardholder’s employment with the Town is terminated.
- g. The Card Administrator is responsible for maintaining a file of individuals authorized to make Purchasing Card transactions. The Administrator is also the focal point for the overall program administration and problem resolution.
- h. The Card Administrator reviews and posts transaction-accounting submitted by each department.

III. Using the Purchasing Card

- a. The Purchase Card program is designed to let end-users of goods make purchases directly from vendors, thus increasing efficiency, decreasing cycle time, and dramatically reducing paperwork. The Town’s general criteria for using a Purchasing Card are:

Eligible Items –

- Small-dollar items cost \$1,000 or less (excluding tax) and are eligible for purchase with a Town of Harrisburg Purchasing Card with Department Manager approval.
- Standard purchases cost more than \$1,000 and are eligible for purchase with a Town of Harrisburg Purchasing Card given proper adherence to

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standard requisition, purchase order, and Finance Department approval procedures. The purchase order number shall be included in the BOA Works documentation or on the receipt and the purchasing employee must notify the Card Administrator that a PO was paid with a credit card so the PO can be closed out properly.

Ineligible Items – Items in the following categories are considered ineligible regardless of how much they cost:

- Personal Items
 - Alcoholic Beverages
 - Tobacco Products
- b. Each cardholder will be subject to a single transaction limit and daily and monthly cumulative total dollar spending limits. These limits are established by the Department Manager and reviewed and approved by the Finance Officer.
 - c. The Purchasing Card should only be used at approved vendor categories. Vendor categories are selected by the Department Manager and reviewed and approved by the Finance Officer. If a cardholder believes a vendor who declines a transaction falls within an approved category, they should contact the Card Administrator to determine if the transaction was declined because of a merchant exclusion or for another reason. For example, a transaction may have been declined because the cardholder exceeded a daily or monthly limit. If a transaction limit has been exceeded, a Department Manager may email the Card Administrator to request that the card limit be increased.
 - d. In addition to adhering to the Purchasing Card Policy established by the Finance Department, the cardholder must also follow any additional policy guidelines that may be established by their department.
 - e. No Town employee shall attempt to purchase an item using a Purchasing Card issued to another person. Delegation of authority is not permitted in regard to card transactions.
 - f. The cardholder must receive an original receipt at the time of purchase. An original invoice or packing slip may be used provided it is clearly marked as paid. The receipt, invoice or packing slip must itemize the goods purchased and indicate how much was paid for each item including the amount of sales tax paid. If the receipt, invoice or packing slip description includes only catalog of item numbers, the cardholder should handwrite a brief description of the items purchased.
 - g. If an accounting adjustment is required to charge a purchase to another department cost center or project, the cardholder must provide written approval from the department which will be charged.
 - h. If any item purchased with the Purchasing Card is returned, the merchant must credit the card account.
 - i. The Card Administrator is responsible for all card maintenance, and must be notified of any updates or changes that are needed, such as a cardholder's change of name or address, or a change in transaction authorization limits.

IV. Transaction Approval

- a. **Cardholder Responsibilities** – Each Cardholder who has been entrusted with a Purchasing Card is responsible for verifying the accuracy of charges posted to their card. Within two days of receiving email notification, the card holder is responsible for reviewing and approving or disputing the transaction online via BOA Works.
- b. **Department Manager Responsibilities**- A Department Manager will receive an e-mail to advise them that cardholder transactions have been approved and await their review. The Department Manager has two days to approve the transaction after receiving the email. The Department Manager may make changes as needed to accounts, dollar amounts, or “raise a flag” to send a note back to the cardholder with questions about any transaction. After Department Manager approval, the “spend report” with receipts attached is sent to the Finance Department for final review, batching and accounting system posting.

BILLING AND REMITTANCE PROCEDURES

The Town of Harrisburg’s Purchasing Card Program is an individual accountability/central payment program. Each cardholder is responsible for the proper review and accounting of transactions posted to their card. The Card Administrator which pays Bank of America on behalf of all cardholders, reviews and posts the individual totals to the proper accounts based on the transactions as submitted by each Department Manager.

Reconciling the transactions shown online via BOA Works with the cardholder’s records and individual charge slips is the primary responsibility of the cardholder. The cross-check is essential to verify accuracy.

Billing Discrepancies – Vendors should not charge your account unless goods have been received. Any discrepancies between the online transaction postings and the cardholder’s records must be dealt with immediately. To resolve a billing discrepancy the cardholder should first contact the vendor and/or Department Manager to try to resolve the problem. For example, a cardholder ordered three items by phone and the vendor later called to tell the cardholder the third item is no longer available. Yet when the cardholder reviews their card transactions, all three items were included in the charge total. In this case, the cardholder should request a credit to their Purchasing Card account, document the agreement, and make a note in the transaction record of the pending credit. If the dispute cannot be resolved at the cardholder/vendor level, the cardholder should contact their Department Manager for direction on how to contact Bank of America Card Services to dispute the charges. **Timeliness in uncovering unauthorized charges is critical. From the date the transaction posted, the Town has a time limit of 60 days to file any dispute of charges. Disputes not reported within 60 days cannot be corrected and may become the financial responsibility of the cardholder.**

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AUDITING

Routine audits ensure that funds are being spent properly and that adequate transaction information is being kept by cardholders to document how, where and for what purposes Purchasing Cards have been used.

The Finance Department's audit procedures include:

- I. Comparing cardholder-supplied documentation to Bank of America/VISA records.
- II. Asking cardholders to explain any discrepancies between cardholder and Bank of America /VISA records.
- III. Reviewing cardholder receipts and records to confirm that the goods and/or services acquired represent approved Purchasing Card expenditures obtained following proper procedures.

RECORDS

Receipts will be attached to the accounting system entry forms by the Card Holder. Original receipts should be maintained by the Card Holder for at least 60 days.

BUDGET ALLOCATIONS

Accounting system entries related to Purchasing Card transactions are posted monthly. The statement date for the Purchasing Card is the 25th of each month; however, transactions occurring at or near the Town's fiscal year end will be posted to the accounting system according to their transaction date.

SUMMARY

The Town asks its employee cardholders to exercise good judgement and act responsibly when using their Town of Harrisburg Purchasing Cards. These cards are issued in the names of the individual employees and all activity is assumed to have been incurred by the employee named on the cards. We ask employees to maintain accurate transaction records and always to obtain original card purchase receipts. If you have any questions about the Purchasing Card program or need additional information, please contact the Card Administrator.

TOWN OF HARRISBURG PURCHASING CARD PROGRAM
QUICK QUESTION AND ANSWER GUIDE

Exhibit 1

TOWN OF HARRISBURG PURCHASING CARD PROGRAM QUICK REVIEW

Q – Who can request a Town of Harrisburg Purchasing Card?

A – Department Managers can request a card for any employee within their department who routinely makes purchases for the Town.

Q – What types of purchases can I make with my Purchasing Card?

A – You may purchase necessary goods costing less than \$1,000 which do not require a purchase order and items over \$1,000 with finance-provided purchase orders.

Q – May I use my card for business-related travel expenses?

A – Yes. Discuss with Department Manager for specific guidance, particularly whether to use per diem or charge the Purchasing Card.

Q – Where can I use the Town of Harrisburg Purchasing Card?

A – You may use the card when making purchases from suppliers and merchants who accept VISA for payment and are engaged in the business categories approved by Town of Harrisburg for Purchasing Card use.

Q – Can I use my card for purchases made over the phone or online?

A – Yes but you must request a receipt with the order.

Q – Are there any limits on the use of the Purchasing Card?

A – Yes. There are individual transaction limits, and daily and monthly cumulative spending limits. You will receive notification of these limits when your card is issued.

Q – What happens if a vendor indicates that authorization to accept my Purchasing Card has been declined?

A – A vendor could decline your Purchasing Card for several reasons, but normally you may have exceeded your single, daily, or monthly spending limits. You can call the Card Administrator to find out why any transaction has been declined. Your Department Manager is the one to contact if you feel that your transaction limits should be altered to meet your normal monthly purchasing requirements.

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Q – Will I receive a monthly bill?

A – No, but you will be required to account for your purchases via Bank of America’s BOA Works online service.

Q – Who pays my monthly bill?

A – Neither employees nor their department/cost centers make any monthly card payments directly. The Card Administrator pays a monthly consolidated bill for all cardholders.

Q – What do I do with my purchase receipts?

A – Employees are responsible for uploading a copy of their receipts to BOA Works as part of their online transaction approval process and for retaining the original receipt for at least 60 days.

Q – What if there are transactions posted to my card which are wrong or I did not make?

A – If you believe a mistake has been made, first try to resolve the issue directly with your supplier/vendor. If you are unable to resolve the dispute, contact your Department Manager to determine the best method to contact Bank of America Card Services to dispute the charge. Also, contact the Card Administrator to report the transaction discrepancy.

Q – What if I lose my card?

A – If your card is lost, stolen or misplaced, immediately notify Bank of America at 1-888-449-2273. Customer service representatives are available 24 hours a day, 365 days a year. You should also notify the Card Administrator and your Department Manager as early as possible on the first day after you discover the loss.

Q – Whom do I call if I need additional assistance?

A – Contact your Department Manager or Card Administrator

I, _____, agree to the following regarding my participation in the Town of Harrisburg Purchasing Card Program:

- 1. I understand that I am being entrusted with a Town of Harrisburg Purchasing Card and will be making financial commitments on behalf of the Town of Harrisburg (the "Town") and will strive to obtain the best value for the Town.

- 2. I understand that under no circumstance will I use the Purchasing Card to make personal purchases, either for myself or for others.

- 3. I understand that under no circumstances will I allow someone else to use my Purchasing Card to make purchases, even if it is an emergency situation.

- 4. I will follow the established procedures for the using the Purchasing Card. Failure to do so may result in either revocation of use privileges or other disciplinary actions, including termination of employment.

- 5. I have been given a copy of the Town of Harrisburg Purchasing Card Program Policy and Procedures Manual. I have read and understand the requirements for using the Purchasing Card as described in the policy and procedures manual.

- 6. I agree that should I willfully violate the terms of this Agreement and use the Purchasing Card for personal use or gain, I will reimburse the Town for all incurred charges and any fees related to the collection of those charges. I understand this may be grounds for immediate termination of employment.

Employee Signature

Date

Finance Department Representative

Date

Check type of request below:

Open new account

Name or Address change

Close Account

Spending Limit Change

_____ MI _____
 First Name Last Name

_____ Business Telephone
 Employment Date

Model this card's profiles like the following cardholder: _____

If the card is not modeled after another cardholder, please indicate the following:

_____ Monthly Transaction Limit
 Single Transaction Limit

_____ Date
 Employee Signature

_____ Date
 Department Manager Signature

Finance Department Use:	
Financial Officer Approval	Card set-up by
Profile	Set-up Date

I, _____, hereby acknowledge receipt of my Town of Harrisburg Purchasing Card. I have verified the information contained on the card and attest to its accuracy. I agree to use this Purchasing Card only for actual and necessary business expenses incurred in accordance with the Town of Harrisburg Purchasing Card Employee Agreement that I signed and returned with my card application.

If the card is lost, stolen or misplaced, I will immediately notify Bank of America by phone. I also will inform the Card Administrator in the Finance Department and my Department Manager of this loss. I understand that failure to notify Bank of America for theft, loss or misplacement of the card could make me personally responsible for any fraudulent use. I also understand that unauthorized use of this card may result in immediate disciplinary action up to and including termination of my employment.

I agree to surrender the card immediately upon my retirement or termination of employment, or upon the request of any authorized representative of the Town of Harrisburg. I understand that use of the card after privileges are withdrawn is prohibited.

Employee Name (printed or typed)		Last four digits of card #
Employee Signature		Date

Note: Please sign, date and return to the Card Administrator.

TOWN OF HARRISBURG PURCHASING CARD CONTACT INFORMATION**Exhibit 5**

PERSON	REASON TO CONTACT
Town of Harrisburg Card Administrator	<ul style="list-style-type: none">• Request new card
Lori Nash 704-455-0704	<ul style="list-style-type: none">• Request changes in account limits
lnash@harrisburgnc.org	<ul style="list-style-type: none">• Make changes in existing account information
	<ul style="list-style-type: none">• Close existing card accounts
	<ul style="list-style-type: none">• Report transaction discrepancies
	<ul style="list-style-type: none">• Transaction accounting

Finance Officer
Brian Lee 704-455-0712
blee@harrisburgnc.org

PERSON	REASON TO CONTACT
Bank of America Commercial Card Services	<ul style="list-style-type: none">• Report lost or stolen card
Card Program Manager	<ul style="list-style-type: none">• Close existing card accounts
Telephone 1-888-449-2273	<ul style="list-style-type: none">• Dispute transactions
Telephone 1-888-571-1000 (key in card #)	<ul style="list-style-type: none">• Activate card