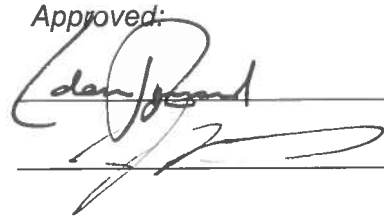




City of Riverside Administrative Manual

Effective Date: 07/2003
Latest Revision Date: 07/2017
Next Review Date: 07/2018
Policy Owner(s): Finance Department

Approved: 

Department

City Manager
John A. Russo
City Manager

SUBJECT:
Purchasing Card (P-Card)

PURPOSE:

The City Council has established a Purchasing Card (P-Card) program for authorized employees, which is administered by the Finance Department. The card enables employees to make purchases of goods, supplies and certain allowable off-site services where the single purchase transaction amount is less than the established threshold required for complete bidding; as outlined in the City's Purchasing Resolution. The P-Card is not intended to avoid or bypass appropriate purchasing or payment procedures set by the City Council (e.g. Purchasing Resolution and Municipal Code) and through other Administrative Manual Policies. Certain items, as defined by the Purchasing Division, are restricted from being purchased with the P-Card.

POLICY:

This policy provides the guidelines for the use of the City's P-Card and the Bank of America online "WORKS" system. It specifies the authority and responsibility of authorized personnel who use the card to make purchases. All Cardholders, Approving Officials, System Administrators, Department Directors, and Internal Audit shall ensure that purchasing card transactions comply with this policy.

A. Program Roles and Responsibilities

Purchasing Division - The City's Purchasing Division is responsible for the implementation and day-to-day maintenance of the program.

P-Card Administrator(s) – Employee(s) within the Finance Department charged with the program's management; the main contact for questions or concerns about the program.

Accounting Division – Handles the internal accounting and payment functions for the program.

Internal Audit Division – Regularly audits all activity of the program to ensure compliance with program and City fiscal policies.

Bank of America – The bank that issues the P-Cards and statements for the program. B of A's toll-free customer service phone number is (888) 449-2273.

“WORKS” – Bank of America’s web portal. All participants in the program will have access to this portal to perform their necessary functions, track account activity, allocate transactions to the proper City account(s), and download electronic statements and other reports. The web portal can be accessed here: <https://payment2.works.com/works/>

Cardholder – Cardholders use of the P-Card is strictly governed by this policy. Cardholders are prohibited from conducting certain types of transactions and purchases as outlined in the Purchasing Card Program Cardholder Agreement (Attachment C). Guidelines for use of the P-Card include:

- **Purchases** - P-Card purchases should be made in a manner that maximizes the value and quality of each purchase for the City.
- **Authorization** - Only the employee to whom the P-Card is issued is authorized to use it. **Delegating the use of the P-Card to another employee is strictly prohibited.**
- **Personal Use of P-Card is Prohibited** - Only authorized City business purchases may be completed with the P-Card.
- **P-Card Security** - The P-Card is the property of the City and as such should be retained in a secure location.
- **Purchase Limits** – All dollar-value purchase limits will be adhered to under the program and **any splitting of transactions to avoid authorized limits is strictly prohibited.**
- **Documentation** - All purchases made under the P-Card program must be properly documented for business purposes.
- **Purchase Restrictions** - The purchase of products, services or commodities on the restricted list contained in this policy is strictly prohibited unless a waiver has been granted by the Chief Financial Officer and or City Manager. The P-Card Administrator should be contacted with any questions related to purchases that are allowable under the P-Card program.
- **Shipping Information** - All shipments must be delivered directly to the address of an established City Facility. No shipments can be made to an employee’s home address or to that of a third party.
- **Subscriptions/Memberships (newspaper, magazine, journal, publications)** - Place the order by phone, fax, mail, or via the Internet.
- **Off-Site Services** – Services provided off of City property may be purchased via the P-Card; however, **no on-site services may be purchased due to the insurance requirements of City vendors.**

Reconciler – A person employed within a cardholder's department who may allocate a cardholder's transactions on their behalf.

Approving Official - An individual charged with approving and monitoring a cardholder's transactions. This individual may also be a cardholder, but may not approve their own transactions. The Approving Official may not be a subordinate of the cardholder.

Internal Audit - Regularly audits all activity of the program to ensure compliance with program and City policies.

Human Resources - Notifies P-Card Administrator when employee separates from City employment.

B. Transaction Approval and Account Allocation

The monthly P-Card statement billing cycle runs from the 28th through the 27th of each month. Cardholders must review, reconcile (explained further below), and sign-off on transactions by the 8th of the month following the end of the statement period. The P-Card Administrator will send a monthly reminder of these duties and will note the deadline to perform the functions (the date can change each month, due to weekends or holidays).

Cardholders are required to review their purchases in the "WORKS" web portal. Purchases normally post to the system within a few days after the purchase is made. Upon logging into the portal, Cardholders will see a list of tasks that are pending review and sign off. As soon as a transaction has posted, it can be reviewed and signed off.

The other function that must be performed by the Cardholder (or a designated departmental Reconciler) in the portal is allocation. Allocation is the assigning of a transaction to a departmental account code (GL, JL, Object, Work Order, etc.). Each P-Card will have a default account associated with the card, and is assigned based upon the information provided on the Purchasing Card Application. Unless the account coding for a transaction is changed, the transaction will be charged to the default account when the Accounting department posts the transaction data into the City's financial system each month. Cardholders will have until the 8th of the month following the end of the statement period to allocate transactions. If the account coding needs to be changed after the deadline has past, it must be done via Accounting's Journal Entry process.

If a vendor did not charge sales tax on a taxable purchase, the Accounting department will encumber the proper tax amount and pay the amount to the State of California as Use Tax. Cardholders must indicate that the transaction is "Subject to Use Tax" in the "WORKS" application, if sales tax was not charged by the vendor.

Once the Cardholder or Reconciler has signed-off and allocated the transactions, it will automatically be forwarded to the Approving Official for electronic approval. **The allocation and approval process must be completed no later than 8th of the month following the end of the statement period.** Cardholders and Approving Officials will receive periodic email reminders from "WORKS" regarding any tasks that need to be performed.

C. Monthly Statement Reconciliation

At the close of each monthly statement cycle, Bank of America will mail an individual Bank Statement to each Cardholder. An electronic version of the monthly statement can be downloaded as a standard report if the hardcopy is not received.

Bank Statements are to be reviewed for accuracy and reconciled with all vendor receipts/invoices, and packing slips by the 8th of the month following the end of the statement period.

All associated paperwork is to be compiled and attached to the monthly bank statement. All statements are to be retained in a central location within the department with original receipts attached. Purchase receipts may also be scanned and attached to each transaction in the "WORKS" system, but must also be maintained in hardcopy unless the Department has been authorized to convert to an all-electronic format by the Finance department.

Bank Statements and corresponding backup are to be retained by the Cardholder's department either electronically (upon authorization by the Finance Department) or in hard copy as the departmental record for seven years.

D. Receipts and Invoices

- Cardholder will require the vendor to itemize the receipt/invoice or packing slip with the following information for commodity purchases:
 - 1) Description of commodities purchased.
 - 2) Quantity purchased.
 - 3) Unit price per item.
 - 4) Sales tax, if applicable – if not charged by the vendor, but purchase is taxable, Accounting will reconcile and pay corresponding Use Tax to the State of California.
 - 5) Shipping charges, if applicable.
 - 6) If no receipt is given, the Lost / Itemized Receipt form (Attachment B) is an acceptable receipt/invoice.
- If the receipt or invoice supplied by vendor is not itemized, the Cardholder must write in required information for each line item.
- If the Cardholder has a lost receipt or invoice and a duplicate copy cannot be obtained from the vendor, the Cardholder must complete a Lost/Itemized Receipt Form (Attachment B) to maintain in place of the missing receipt or invoice.

E. Personal Use of Purchasing Card

Personal use of a City Purchasing Card is strictly prohibited. If such a transaction takes place, the card holder is to return the item and get a credit back from the vendor against the P-Card and then charge their own personal card or pay cash for the item. If a credit is not possible then the Cardholder shall submit a personal check or cash immediately to the City for the item in question. The Cardholder must also complete a cash receipt for the amount due to the city, which includes the Cardholders name, the P-Card transaction (TXN) number, date, and the proper account the funds should to be applied to. All documentation shall be sent to the P-Card administrator along

with the payment.)

F. Card Restrictions

The following items and services are restricted for all Cardholders unless a waiver has been granted by the Chief Finance Officer and or City Manager. (See Attachment D)

Alcoholic Beverages	Animals
Cash Advances	Cell Phones
Computers	Controlled Substances
Construction Services	Data Network Equipment
Donations	Entertainment Expenses
Fire Arms, Weapons & Ammunitions	Gifts Benefitting Individual Employees
Hazardous Materials	Items for Personal Use
Items from On-line Action sites	Moving Services
On site Services	Professional Services
Postage & Delivery Services	Real Property
Rental Equipment & Services	

G. Additional Information

Mandatory Re-Training / P-Card Revocation

Any violations of the P-Card policy shall result in a warning to the Cardholder; a second offense shall result in a temporary suspension of P-Card privileges until a mandatory re-training of the Cardholder on proper P-Card usage has been completed; subsequent offenses may result in revocation of the P-Card or other disciplinary action, up to and including termination.

P-Card Modification and Waiver Request

Changes or modifications to an employee(s) purchasing limit or purchase category restriction within the P-Card "WORKS" system must be requested using the P-Card Modification and Waiver Request Form (Attachment D). Examples of changes or modification include increases in purchasing limits (e.g. one-time purchase validated by Purchasing) and allowable purchase types (e.g. special projects/events).

Food and Meal Purchases

When purchasing food, meals, drinks or catering services for a business related meeting or event, you must provide the name of the event and names of attendees (unless the event is a public/open house event). This information should be either entered in the comment section of the P-Card system OR attached to the P-Card holder's monthly statement via a receipt or separate document.

Incorrect Billing/Disputed Items

If an item is billed incorrectly, and/or a charge appearing on the Bank Statement is being disputed, the following step should be taken immediately:

For questionable or disputed items appearing as a transaction on the Bank Statement, the Cardholder is to call the vendor immediately in effort to reconcile incorrect billing. If the vendor is unable or unwilling to correct the charges, the Cardholder is responsible for designating the particular transaction as in "dispute" in the "WORKS" portal within five days after receipt date of statement. The "Dispute" button is located in "WORKS" on the detail screen for each transaction.

Reporting a Lost/Stolen Card

The following steps must be taken immediately:

- Cardholder contacts Bank of America (888) 449-2273.
- Cardholder contacts P-Card Program Administrator via email.
- P-Card Program Administrator contacts Bank of America to obtain a replacement card.
- Bank of America will mail replacement cards to P-Card Program Administrator within two working days of notification.
- P-Card Program Administrator notifies Cardholder when replacement card is available.

Replacement of Worn Out/Defective Card

To replace a worn or defective P-Card, the Cardholder or Approving Official must cut the card in half and return it to the P-Card Program Administrator with a memorandum requesting a replacement card. The P-Card Program Administrator will notify the Cardholder when the replacement card is available.

Replacement Due To Employee Turnover/Cardholder Employee Exit Procedures

When a Cardholder leaves the City or department for which he or she holds a card, the Approving Official shall notify the P-Card Administrator that the employee is leaving. All employees must return the P-Card to the P-Card Program Administrator as part of their exit process. All Cardholder accounts will be terminated with the Bank Provider by the P-Card Program Administrator.

PROCEDURE

Responsibility	Action
Dept/Division	<ul style="list-style-type: none"> <input type="checkbox"/> Reviews Purchasing Card Policy & Procedure <input type="checkbox"/> Determines which employees to be provided with a P-Card <input type="checkbox"/> Completes P-Card application and routes to P-Card Administrator in Purchasing Services (<i>Attachment A</i>) <input type="checkbox"/> Submits single transaction spending limits and/or aggregate monthly transaction limit change requests to P-Card Administrator <input type="checkbox"/> Designates Approving Official <input type="checkbox"/> Notifies P-Card Administrator of cardholder transfer or separation from City employment; collects P-Card from employee; returns P-Card to P-Card Administrator
P-Card Administrator	<ul style="list-style-type: none"> <input type="checkbox"/> Reviews and approves cardholder application; orders card from Bank of America <input type="checkbox"/> Establishes cardholder record within Bank of America and "WORKS" <input type="checkbox"/> Provides required training class for Cardholder; issues P-Card <input type="checkbox"/> Establishes restricted merchant types; communicates with Bank of America

- Maintains and distributes updated restriction list
 - Safeguards card information (paper/documents)
- Cardholder
- Attends P-Card training
 - Signs P-Card Agreement (*Attachment C*)
 - Ensures P-Card is safeguarded/held in a secure place
 - Makes authorized purchases for City operations
- Attends P-Card training
 - Reviews online transactions, edits default accounting codes as needed, and signs off on the transactions within five days of statement closing date.
 - Retains original receipts (purchases and returns/refunds)
 - Reviews/reconciles all receipts against bank statement; affixes original receipts to monthly bank statement in transaction date order
 - If a receipt is lost, completes and attaches Lost Receipt form (*attachment B*)
 - Signs bank statement, acknowledging accuracy and legitimacy of purchases and submits to the approving official on the monthly basis.
- Approving Official
- Attends P-Card training class
 - Reviews online transactions, edits default accounting codes as needed, and approves the transaction within ten days of statement closing date.
 - Reviews all monthly bank statements and supporting documents; signs approved bank statement
 - Safeguards monthly statements/receipts in locked cabinet
 - Ensures purchases have been charged/allocated to the correct general ledger account(s) within the established time frame
 - Submits a JE at month end to Accounting for any necessary accounting corrections
- Finance
- Runs a monthly report to confirm approval of cardholder transactions.
 - Batches and post monthly transactions to General Ledger System
 - Reconciles monthly payment to Bank of America
- Human Resources
- Notifies P-Card Administrator when employee separates from City employment
- Internal Audit
- Regularly audits all activity of the program to ensure compliance with program and City policies

Attachments:

- A - Purchasing Card Application
- B - Lost/Itemized Receipt Form
- C - Purchasing Card Program Cardholder Agreement
- D - P-Card Modification and Waiver Request



City of Arts & Innovation

ATTACHMENT A CITY OF RIVERSIDE PURCHASING CARD APPLICATION

Applicant's Information		
Name (First, MI, Last)		Employee ID#
Applicant's Work Phone Number		Secondary Phone Number
Applicant's Work Email Address	Applicant's Division Name	4-Digit Division Code
City's Mailing Address Where P-Card Bank Statements Will be Mailed		
(Address Line 1)		
(Address Line 2)		(City, State, Zip Code)
Applicant's Role(s)		
<input type="checkbox"/> Cardholder		<input type="checkbox"/> Travel
Single Purchase Limit: <input type="checkbox"/> 2,500 <input type="checkbox"/> 5,000 <input type="checkbox"/> 10,000		For Elected Officials, Executives, Sr. Management, and other employees, as approved by Finance Department.
Monthly – Purchase Limit: <input type="checkbox"/> 10,000 <input type="checkbox"/> 25,000 <input type="checkbox"/> 50,000		
Default General Ledger (GL)/Job Ledger (JL) Key		Default Object
<input type="checkbox"/> Reconciler	<input type="checkbox"/> Approving Official	<input type="checkbox"/> Other _____
Additional Comments/Instructions:		

NOT TO BE USED FOR FUEL OR WHEN CHARGING PER DIEM RELATED TO TRAVEL

Applicant's Signature: _____ Date: _____

Department Manager's Signature: _____ Date: _____

ATTACHMENT B

**LOST/ITEMIZED RECEIPT FORM
City of Riverside
P-CARD PROGRAM**

Please check one:

- Lost receipt
- Itemized receipt

I CERTIFY THAT THE FOLLOWING ITEMS WERE ORDERED FROM:

_____ AND RECEIVED ON: _____
_____ (Name of Vendor) (Date)

ITEM NUMBER	QTY	DESCRIPTION	UNIT PRICE	EXT. PRICE

LOST RECEIPT ONLY

Reason for lost receipt: _____

Cardholder signature Date

Approving Official signature Date

ATTACHMENT C

CITY OF RIVERSIDE PURCHASING CARD PROGRAM CARDHOLDER AGREEMENT

The cardholder agrees to provide all receipts to approving official to validate that accuracy of all charges, within ten (10) business days from the date of the monthly statement from Bank of America. All card charges and associated fees will be the responsibility of the cardholder's department.

Should a card be lost or stolen, the cardholder or cardholder's department is responsible for immediately notifying Bank of America at (888) 449-2273 and the City Purchasing Division at (951) 826-5561.

The Purchasing Card is to be used only by the named cardholder and is not to be loaned to another employee, or other person. The cardholder has full liability for any improper charges that result from allowing others to use the card. Should a cardholder terminate employment with the City, or transfer to another City department, the cardholder's department has the specific obligation to notify the Purchasing Division prior to the employee's termination or transfer date.

NOTE: Non-adherence to any of the procedures enumerated in this Agreement will result in revocation of individual cardholder privileges and may result in revocation of all division or departmental Purchasing Cards.

Cardholder agrees the following items will not be purchased using this purchasing card:

- Alcoholic Beverages
- Cash Advances
- Computers
- Construction Services
- Donations
- Fire Arms, Weapons & Ammunitions
- Hazardous Materials
- Items from On-line Action sites
- On site Services
- Postage & Delivery Services
- Rental Equipment & Services
- Animals
- Cell Phones
- Controlled Substances
- Data Network Equipment
- Entertainment Expenses
- Gifts benefitting individual employee
- Items for Personal Use
- Moving Services Professional Services
- Real Property

Travel and Travel related expenses for Non-management Employees

As holder of this Purchasing Card, I agree to accept the responsibility for the protection and proper use of this Purchasing Card, as enumerated in this agreement. I understand sales tax may sometimes not be charged, by a vendor, and I am required to provide all documentation and assist in ensuring that the tax will be paid. I agree the items detailed above will NOT be purchased using this Purchasing Card. I understand that I may not make personal purchases on the card and then reimburse the City.

I further understand that improper or fraudulent use of the Purchasing Card may result in disciplinary action in accordance with the policies of City of Riverside Human Resource Department. Should I fail to use this Purchasing Card properly I agree to allow the City to collect any amounts owed by me, even if I am no longer employed by the City. If the City initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay legal fees incurred by the City in such proceedings. In the event the City communicates any changes to the list of restricted commodities by email or interoffice memo, I agree to comply with any additional restrictions communicated to me, effective on the date of receipt of notifying email or memo.

Cardholder Name: _____

Cardholder signature _____ Date _____

Questions concerning Purchasing Card issues should be directed to the Purchasing Division at (951) 826-5561

ATTACHMENT D



City of Arts & Innovation

CITY OF RIVERSIDE

P-CARD MODIFICATION AND WAIVER REQUEST

Please complete this form and submit to Purchasing Department.

Cardholder's Name		Date
Department Name		
Select Change Type: <input type="checkbox"/> Permanent Change <input type="checkbox"/> Temporary Change Expiration Date: _____		
Reason: <input type="checkbox"/> Card Limit Change: Single- Purchase Limit: _____ Monthly- Purchase Limit: _____ <input type="checkbox"/> *Exception to Restricted Item/ Vendor		
Reason for Modification		
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>		

Cardholder Signature: _____ Date: _____

Approving Official Signature: _____ Date: _____

* Department Manager/ Director Signature: _____ Date: _____

Print Form