

# Agenda Summary Report (ASR)

## Franklin County Board of Commissioners

<b>DATE SUBMITTED:</b> 8/06/2019	<b>PREPARED BY:</b> Shirley Jones
<b>Meeting Date Requested:</b> 8/13/2019	<b>PRESENTED BY:</b> Keith Johnson
<b>ITEM:</b> (Select One) <input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Brought Before the Board Time needed:	
<b>SUBJECT:</b> Revision of Franklin County Purchasing Card Policy.	
<b>FISCAL IMPACT:</b> None.	
<b>BACKGROUND:</b> The current Purchasing Card Policy needs to be updated for best practices. The attached revised policy has been reviewed by the Auditor's office and County Administrator to accommodate current/best practices and to establish consistency and better internal control. The following revisions have been made: <ul style="list-style-type: none"><li>• A new bullet point to Section 2, Roles and Responsibilities under Voucher Processing Officer to add Travel Documentation: A post travel form will be completed and included with supporting documentation for travel related expenses incurred using the PCard.</li><li>• Section 6 of the updated policy reflects a new maximum credit amount per department of \$7,500, previously the maximum was \$5,000.</li></ul> Any department showing a need for additional credit may bring their request to the Board for consideration.	
<b>RECOMMENDATION:</b> Approve Resolution No. 2019-____ adopting the updated Purchasing Card Policy, rescinding Resolution No. 2019-051.	
<b>COORDINATION:</b> <ul style="list-style-type: none"><li>• Commissioners Office: Keith Johnson</li><li>• Treasurer's Office: Josie Koelzer and Russ Stetskiy</li><li>• Auditor's Office: Jeff Burckhard</li><li>• PA: Reviewed by Frank W. Jenny</li></ul>	
<b>ATTACHMENTS:</b> (Documents you are submitting to the Board)  ASR/Resolution Revised Franklin County Purchasing Card Policy	
<b>HANDLING / ROUTING:</b> (Once document is fully executed it will be imported into Document Manager. Please list <u>name(s)</u> of parties that will need a pdf)  Administrator Treasurer Auditor	

I certify the above information is accurate and complete.



Keith Johnson, Administrator

**FRANKLIN COUNTY RESOLUTION NO. \_\_\_\_\_**

BEFORE THE BOARD OF COUNTY COMMISSIONERS, FRANKLIN COUNTY, WASHINGTON

**FRANKLIN COUNTY CREDIT/PROCUREMENT CARD POLICY ESTABLISHING AUTHORITY, GUIDELINES, AND PROCEDURES RELATED TO THE USE OF CREDIT/PROCUREMENT CARDS (PCards) TO PURCHASE GOODS AND SERVICES FOR COUNTY BUSINESS**

**WHEREAS** on February 5, 2019 the Board of Franklin County Commissioners authorized the County, under Resolution 2019-051, to contract with a bank for charge card services utilizing the Western States Contracting Alliance (WSCA); and

**WHEREAS** no additional costs will be incurred by the County for using such cards; and

**WHEREAS** RCW 43.09.2855 authorizes the County to use credit cards for official government purchases and directs the legislative body to adopt a system for their use; and

**NOW, THEREFORE, BE IT RESOLVED** that the Franklin County Board of Commissioners hereby adopts the attached Franklin County Credit/Procurement Policy and hereby delegates and authorizes County officials and employees authority to use Purchasing Cards, Fleet Cards, or the Corporate Cards described in this policy.

**APPROVED** this 13<sup>th</sup> day of August 2019.

**BOARD OF COUNTY COMMISSIONERS  
FRANKLIN COUNTY, WASHINGTON**

\_\_\_\_\_  
Chairman

Attest:

\_\_\_\_\_  
Chairman Pro Tem

\_\_\_\_\_  
Clerk to the Board

\_\_\_\_\_  
Member

Approved as to form:

\_\_\_\_\_  
Frank W. Jenny  
Prosecuting Attorney

# FRANKLIN COUNTY PURCHASING CARD POLICY

## OVERVIEW

The Board of Franklin County Commissioners recognizes that the use of credit cards is a customary and economical business practice used to improve cash management, reduce costs, and increase efficiency. Purchasing cards are designed to provide an alternative, convenient, and efficient method for procurement of goods and services. This program is an enhancement to the purchasing process and a delegation of purchasing authority.

The Purchasing Card program is a commercial card account and has a number of unique controls that do not exist in a traditional credit card environment. The Purchasing Card is designed with built-in spending controls to ensure that they are used only for specific purchases and within specific monthly dollar limits. Purchasing cards also offer rebates to incentivize their use.

The use of a Purchasing Card is a privilege that has been granted to officials and employees. Certain roles and responsibilities are associated with this privilege.

Therefore, the Franklin County Board of Commissioners has approved the following Franklin County Credit/Procurement Policy and hereby delegates authority and authorizes County Officials and employees to use Purchasing Cards as described in this policy.

## APPLICABILITY

### 1. Purchasing Card Purchases Subject to Purchasing Laws and Policies

Franklin County's Purchasing Card program is established as authorized by RCW 43.09.2855.

This Purchasing Card policy does not supersede requirements to comply with existing federal and state laws or County regulations and established policies and procedures regarding purchases. Purchasing Cards are not intended to be used to avoid or bypass purchasing policies.

This policy is not intended to abridge the customary functions of management by directing their departmental activities or determining the methods of operation within their department.

## GENERAL PROVISIONS

### 2. Roles and Responsibilities:

The **Franklin County Auditor** or designee shall be responsible for implementing, monitoring, and administering this policy, acts as the Purchasing Card Administrator and may serve as the liaison between Franklin County Card Users and the Issuing Bank.

**County Official** is an Elected Official or Department Head or Manager. They are responsible for management of the Purchasing Card accounts in their department and may establish additional controls and restrictions as they deem appropriate. County Officials should establish a system for responsibility, control and distribution of Purchasing Cards within their departments. County Officials may choose whether to issue Purchasing Cards to individuals and/or authorize staff to use a Group Card. However, Individual Purchasing Cards are recommended, because they offer better accountability.

**Cardholders or Card Users** are employees who have been authorized to use a Group or Individual Procurement Card. They:

- Are required to follow this policy and any other established procedures governing the use of purchasing cards.
- Are expected to seek the best price available and request available discounts at the time of purchase.
- Must retain original receipts, invoices, packing slips, and other related documentation sufficient to show details of the transactions.
- Should regularly review online transaction details for accuracy.
- Shall maintain security of card numbers.
- Must safeguard cards from theft, loss, and misuse
- Will make online purchases only from secure web sites that begin with https://. The 'S' stands for 'Secure'.
- Reconcile the card statement to the supporting documentation, or:
- Submit receipts to their Voucher Processing Officer or designee within three (3) business days after purchase is made or conclusion of travel.

By signing the Purchasing Card Agreement form, an individual Cardholder or Card User agrees to the conditions of this policy.

**Approving Official** – is an employee assigned to monitor, review, and approve Purchasing Card transactions made by Card Users and to ensure compliance with these policies, procedures, and applicable laws. They:

- Will review the reconciled statement and voucher details.
- Approve electronically, which will send the voucher to the Accounts Payable Officer for processing, by the next available turn-in date.

**Voucher Processing Officer** is an employee who coordinates payments of statements for a workgroup, division, or department and originates a voucher that is submitted to Accounts Payable. They:

- Obtain the card statement
- Verify that the transactions are accurate by comparing supporting documentation to charges on the bank statement.
- Reconcile Individual or Group Cards to the card statement or Central Bill, which is a consolidated statement that lists all Card User transactions for a department or division.
- Scan and attach receipts and documentation into the financial software (if workflow allows and if not done by a designee).
- Travel Documentation: A post travel form will be completed and included with supporting documentation for travel related expenses incurred using the PCard.
- Submit the electronic voucher and supporting documentation to an Approving Official.

**Purchasing Card Custodian** is a Franklin County employee who is responsible for maintaining and securing a Group Card account.

### **3. Types of Purchasing Cards:**

An Individual Purchasing Card is a Purchasing Card issued to an individual (Cardholder). A Group Card is a Purchasing Card issued to a department and generally does not have an individual name on the card (Card User).

### **4. Appearance of Purchasing Card**

All Purchasing Cards issued for the County will have "Franklin County" on the face and will reflect the Cardholder's name and/or the group (department) name.

## **5. Obtaining a Purchasing Card**

To obtain a Purchasing Card, a County Official or designee will complete a Purchasing Card Application form. The application will then be submitted to the Purchasing Card Administrator. Card users are required to sign a Purchasing Card Agreement provided by the Purchasing Card Administrator. Agreements are maintained by the Purchasing Card Administrator and the County Official or their designee.

## **6. Transaction Limits**

The County Official or their designee requesting the Purchasing Card will determine the single transaction limit and monthly transaction limit at the time of application, up to a maximum of \$7,500 per department, unless a higher amount is authorized by the Board of County Commissioners. Cardholders and Card Users shall not exceed these limits without prior written approval from the County Official.

The County has an aggregate county-wide credit limit, which cannot be exceeded. If monthly transactions exceed the established departmental limits, the Purchasing Card Administrator will be contacted.

The monthly transaction limit is a function of the billing cycle of the issuer and is not necessarily the same as a calendar month. If a Purchasing Card has reached its billing cycle transaction limit, new credit will become available only in the next succeeding normal processing cycle.

## **7. Receipts/Payment Process**

Purchasing Card purchases require the same documentation and voucher procedures as any other County purchase. Other procedures associated with this policy may be established as needed.

### **Documentation Requirements**

The Card User is responsible for contacting the vendor for any lost receipts. With the exception of expenses outlined in the Travel Policy (per diem, e.g.), the Franklin County Auditor may accept an affidavit in lieu of a physical receipt. Such signed affidavit must be signed by both the Card User and the County Official and must state the nature of the purchase, the items purchased, and the reason a receipt is not available.

At the discretion of the Elected Official, Card Users may be responsible for paying for unsubstantiated purchases.

In cases where receipts are not available due to services billed directly to the Purchasing Card (e.g. monthly subscription charges or courier services), other documentation acceptable to the Franklin County Auditor must be provided.

## **8. Returns, Exchanges & Disputes**

**The Card User, County Official or their designee is responsible for:**

- Contacting the vendor when goods, equipment, or services purchased with the Purchasing Card are not acceptable.
- Arranging a return for credit or exchange and obtaining a credit receipt from the vendor for supporting documentation.
- Returning exchanged items to the vendor and obtaining a replacement.
- Ensuring that the credit is reflected on the card statement.

In the event the Card User does not recognize a charge that has been posted to the billing statement, the Card User or designee will contact the banking institution to resolve the issue. The Card User will be responsible for resolving the issue or seeking assistance from management as necessary. Disputes should be resolved within 60 days.

## **9. Purchasing Card Account Maintenance**

A Cardholder must return their Purchasing Cards to the County Official upon request, if the cardholder terminates employment, is transferred to another department, or if their card is used inappropriately.

The County Official will return the cards to the Purchasing Card Administrator. Other changes to a Card User's status such as a name change or transaction limit shall be reported to the Purchasing Card Administrator. Additional actions may be required by the Purchasing Card Administrator to document or enact the changes.

## **10. Loss or Theft of Purchasing Card**

Card Users are responsible for card security and are required to report loss or theft of the Purchasing Card immediately to their County Official, the Issuing Bank's customer service department, and the County's Purchasing Card Administrator.

## **11. Inappropriate Use**

### **a. Reporting Fraudulent Transactions**

Any unusual activity or charge from an unknown source that occurs on a Purchasing Card must be reported immediately by the Card User to their County Official, Issuing Bank customer service, and the County Auditor's Office. The County Auditor will also report known or suspected fraud to the Sheriff's Office and the Washington State Auditor's Office.

### **b. Card Use Violations**

Regardless of what is determined to be a material level of misuse found during the reconciliation and/or audit, all violations of Purchasing Card policy shall be reported immediately to the responsible County Official and the County Auditor's Office.

Discipline for improper use of Purchasing Cards will be the responsibility of the Card User's County Official. A violation may be cause for corrective action and/or discipline depending on the severity of the violation. This may include termination of employment and/or criminal prosecution.

If an employee has made unauthorized or fraudulent purchases, he/she will be required to reimburse the County (including interest if applicable). Repayments may be made in the form of payroll deductions, where allowed by law, or direct payments, and shall be deposited with the Treasurer's Office