

2400.4 SUBJECT: PROCUREMENT CARD POLICY

:1 OBJECTIVE:

To provide a more rapid turnaround of requisitions for low dollar (under \$5,000) value goods and services, and to reduce paperwork and handling costs. By using the Procurement Card (P-Card), a requisitioner can dramatically shorten the payment cycle of the traditional requisition process. Traditional purchase order processing includes pricing inquiry, order placement, delivery of goods, invoice and voucher review. City employees who have been issued a P-Card retain the option to initiate transactions in person, via the internet, or by telephone, and receive their goods and services, within the limits of this policy.

All purchases utilizing a government P-Card must be in accordance with this policy.

:2 AUTHORITY:

This procedure adopted by City Council December 9, 2019, Item A-3.

:3 DIRECTION:

Chief Financial Officer (CFO), as an appointed official, serves at the pleasure of, and receives direction from the Mayor.

:4 METHOD OF OPERATION:

The CFO shall adopt operational procedures outlining forms and procedures as per Chapter Seven, Article I, Sec. 7.10 of the City Code.

- A. This policy is applicable to those City Departments who have selected employees to use a P-Card to purchase goods, services, or for specific expenditures incurred under conditions approved by the City's Procurement Policy 2510.2. The decision of when a P-Card is issued, and to whom, will be the responsibility of the Division Manager or designee upon approval of the P-Card Administrator.
- B. For a P-Card issued to an individual, the P-Card will have the individual's name, their Department Name, City's account number and expiration date. See subsection G-2 for additional alternatives for P-Card for departments and disasters.

At no time should a City issued P-Card be used for personal purchases regardless of the circumstances. Utilizing the P-Card for personal use or for any item or service not directly related to such Cardholder's public duty may result in disciplinary action including, but not limited to, felony criminal prosecution.

- C. The P-Card Administrator will assign credit limit, number of transactions limit, and point of purchase limits based on needs of the Cardholder and approval from their supervisor and Division Manager. If a Cardholder attempts to purchase over their limit or at an unauthorized point of purchase, the purchase will be blocked.
- D. Certification on all purchases is required by each Cardholder, with verification performed by the

Approving Official.

E. Definitions

1. Approving Official: Cardholder's supervisor or designated approver as assigned by the respective Department Director.
2. Authorized Officials: Chief Administrative Officer (CAO), Chief Financial Officer (CFO), Chief of Staff, City Attorney and Chief Venues Officer, or their respective designees.
3. Bank Affiliate: The banking institution issuing the P-Card and the associated online banking system for tracking transactions, uploading receipts, and managing the Procurement Card program.
4. Business Purpose: A purpose that supports or advances the goals, objectives and mission of the City of Orlando, and is a necessary, reasonable, and appropriate business expense for the City of Orlando. The business purpose is the main intent of the business transaction; it is the reason why the transaction occurred. It includes a statement identifying who benefits from the purchase, what was purchased, and why the purchase was necessary.
5. Cardholder: An employee to whom a P-Card is issued for making designated business purchases/payments on behalf of the City of Orlando, or an employee designated as the primary user of a Departmental P-Card issued for making designated business purchases/payments on behalf of the Department.
6. Elected Officials: The Mayor and City Commissioners.
7. Employee: A person employed with the City for wages or salary.
8. OBFS: The Office of Business and Financial Services of the City of Orlando.
9. P-Card Administrator: Responsible for various administrative tasks including card issuance, account maintenance, card cancellation, and reporting.
10. Procurement Card or P-Card: The Procurement Card (P-Card) is a MasterCard or Visa branded credit card that is accepted by most suppliers and vendors.
11. Receipt: A detailed invoice or other document produced by the provider of the goods or services that shows each item purchased. Credit card receipts or restaurant check stubs that do not include details of items purchased do not meet the definition of receipt and are not sufficient to document an expenditure of funds.
12. Spend Authorization: Summary of estimated costs to be incurred for travel with required approvals in advance of travel taking place, in advance of travel costs incurred, or in advance of travel at no cost to the City. All Travelers, other than Elected Officials and Authorized Officials, must complete a Spend Authorization in the City's ERP system. A Travel Expense Worksheet must be attached if the number of days traveled exceeds one (1) day.
13. Spend Control Profile: A profile that restricts the monthly credit limit, single transaction limit, daily number of authorized transactions, and category of vendors allowed for

purchases.

14. Split Transactions: Transactions split into smaller amounts to avoid dollar limits placed on P-Cards by the Cardholder or a purchase divided among several Cardholders or a purchase split over several days.

F. Authorizations

1. Since the City, not the individual employee, will pay for the purchases made with the P-Card, controls have been added to these accounts. When a vendor seeks authorization for a purchase by the Cardholder using the P-Card, the Bank Affiliate's P-Card issuer authorization system will check the Cardholder's profile for a monthly limit, single transaction limit, and daily number of transactions limit before authorization for that transaction is granted.
2. Cardholder Spending Limits

The Spend Control Profile assigned to each Cardholder sets the maximum dollar amount limit for the monthly spending limit, the single purchase transaction limit, and the maximum number of daily transactions. Each time a Cardholder makes a purchase with the P-Card, the limits will be checked, and the authorization request will be declined if the amount exceeds the limits. Split Transactions are prohibited and may result in suspension or cancellation of the P-Card depending upon the severity of the infraction.

- a. Monthly Spending Limit: Each Cardholder is assigned one of many profile settings for the monthly spending limit. The bank will reject any transaction that exceeds the Authorized Profile setting which was assigned to the specific Cardholder.
- b. Single Transaction Limit: The City's single transaction limit is not to exceed \$5,000 without the approval of the Cardholder's Authorized Official within their chain of command.
- c. Daily Authorized Transaction Limit: Each Cardholder is assigned a daily authorized transaction limit as part of their spending profile. The bank will reject any transactions that exceed this limit.

G. P-Card Use

1. The P-Card is to be used for authorized City purchases only.
2. The City issues the following types of P-Cards:
 - a. Individual: The P-Card has the Cardholder's name embossed on it and is to be used only by that Cardholder. No other person is authorized to use the P-Card.
 - b. Disaster: The P-Card is numbered and maintained by the P-Card Administrator. The disaster card is only issued when there is a declared disaster event, and the P-Card Administrator is responsible for keeping track of the cards during the disaster. In the event of a declared disaster, additional instructions and guidance will be provided.
 - c. Departmental: The P-Card is issued to a department, and the responsibility is assigned to

a cardholder within the respected department. The department P-Card provides a mechanism to secure travel-related services and/or to purchase small-dollar supplies and is limited to the department and its members.

This P-Card bears the name of the department, not the name of an employee, and can be shared by employees within the department; however, it should be stored in the department's business office.

The department P-Card can be used to pay for business meals, food or catering expenses, supplies, air and rail travel and hotel/conference deposits to secure space. The department should maintain a record on who initiated each purchase and indicate the name of the initiator on the receipt. See Appendix A for a list of unacceptable items/services.

3. All items purchased over the counter and paid using the P-Card must be immediately available. An itemized receipt must be provided. Payment should not be made for items that are on back order with the vendor.
4. When placing a telephone or internet order, the Cardholder must confirm that the vendor will charge the P-Card. Also, the Cardholder should ask the vendor to send an itemized order confirmation/receipt via fax or e-mail and to include a packing slip with the shipment. These documents will serve as the Cardholder's purchase receipts. See Appendix A for a list of unacceptable items/services.
5. Personal purchases are not allowed. If a personal purchase is made, the Cardholder must contact the P-Card Administrator for directions on how to reimburse the City. Utilizing the P-Card for personal use or for any item or service not directly related to such cardholder public duty may result in disciplinary action, including but not limited to felony prosecution.
6. Non-compliance with this Policy may mean denial of future use of the P-Card.

H. Monthly Reconciliation Process

Each month, the Cardholder is required to review the P-Card statement and to correct any errors. The Cardholder shall attach copies of the itemized receipts, sign the statement, and forward them to the Approving Official.

If the Cardholder does not have documentation of the transaction to send with the Monthly P-Card Statement, an explanation that includes a description of each item, the number of items purchased, the unit prices, date of purchase, vendor's name and why there is no supporting documentation must be submitted. This explanation must be approved by the Approving Official.

The Approving Official shall review the statements from the Cardholders, and if the purchases are approved, sign the statements indicating that the items were procured for official City business, and forward them to the P-Card Administrator by the 15th of the month following the statement end date. Transactions must be approved in order to restore the monthly credit limit of the Cardholder.

NOTE: If a Cardholder had no purchase activity on their P-Card for a particular billing cycle, no statement will be generated for the Cardholder (unless adjustments for previously billed transactions are processed during that cycle).

I. Disputes

1. If items purchased with the P-Card are found defective or the repair or services faulty, the Cardholder has the responsibility to return the item(s) to the vendor for replacement or to receive a credit on the purchase. If the vendor refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in dispute.
2. All disputes are conducted through our Bank Affiliate where the Cardholder will provide a detailed explanation of the transaction issue. This generally will involve contacting the Bank Affiliate by phone or through online Procurement Card Program. Disputed procedures, as well as the Cardholder agreement, will be provided at the time P-Cards are issued to Cardholders.
3. It is essential that the time frames and documentation requirements established by the Bank Affiliate be followed to protect the Cardholder's rights in dispute. Dispute policies and procedures issued by the Bank Affiliate, as well as the Cardholder Agreement, will be provided at the time P-Cards are issued to Cardholders.

J. Requests for New, Changes, or Deletion of P-Cards

1. All requests for new P-Cards or changes to current P-Cards will be done by submitting a completed "Procurement Card Add/Change/Delete Form" (Appendix B) to the P-Card Administrator.
2. The P-Card Administrator will distribute all P-Cards with instructions for use and a copy of this policy. The Cardholder will personally sign the Credit Card Payment Cardholder Agreement (Appendix C) before the P-Card is released.

K. Lost or Stolen P-Card

1. In the event that a P-Card is lost or stolen, the Cardholder must immediately notify the Bank Affiliate. The telephone number of the Bank Affiliate will be provided when the P-Card is issued to the Cardholder
2. In addition, the Cardholder must also notify the P-Card Administrator and their Approving Official immediately after discovery of the loss or theft of the P-Card.

L. Declined Transactions

1. In the event of declined transactions or suspected fraud, the Cardholder should contact the P-card Administrator or the Bank Affiliate when outside of normal business hours.

M. Employee Terminations/Transfers

1. If an employee who has been issued a P-Card leaves the City, their P-Card must be collected and destroyed. The Approving Official will be responsible for collecting the P-Card and destroying it, and then forwarding a completed "Procurement Card Add/Change/Delete Form" (Appendix B) to the P-Card Administrator. In the event the Approving Official is not

- able to collect the P-Card when the employee leaves, the Approving Official shall immediately notify the P-Card Administrator by telephone or e-mail to take action to ensure the P-Card is canceled.
2. Should a Cardholder be transferred within the City to another Approving Official's area of responsibility, the new Approving Official will determine if the employee should continue to have P-Card privileges in their new position.

N. Documentation of Expenditures

Whenever a P-Card is used for a transaction, either over the counter, by telephone, or internet, the Cardholder is required to retain or maintain documentation as proof of purchase. The Cardholder must provide valid documentation of each transaction once a month to the Approving Official by attaching it to the appropriate monthly P-Card statement. The Approving Official, or their designee, must review all documentation submitted and determine if valid and complete documentation is on file for every transaction listed on each P-Card statement. All documentation for each transaction is to be maintained for at least three years from the date of purchase.

1. Valid source documentation includes:
 - a. A receipt and/or transaction slip from the vendor
 - b. An order form
 - c. An invoice showing P-Card payment
 - d. A packing slip from the delivery annotated as ordered and paid for by the Cardholder
 - e. A detailed memo if none of the above are available which must include a description of each item, the number of items purchased, the unit prices, date of purchase, vendor's name and why there is no supporting documentation must be submitted. This explanation must be approved by the Approving Official.
2. All documentation must include the following minimum information:
 - a. Vendor name
 - b. Date of purchase
 - c. Description and quantity of each item purchased
 - d. Per item cost, if available from the vendor
 - e. Total cost of the transaction
 - f. Cardholder name and at least last four digits of the card number

If an item has been returned and a credit received, the Cardholder shall verify that this credit is reflected on the monthly P-Card Statement.

O. Transaction Flow

1. Cardholder follows his/her department's purchasing approval procedure.
2. Cardholder makes a purchase from a vendor using the P-Card and obtains an itemized receipt.
3. Vendor delivers the goods or service and submits the transaction to the credit card company.
4. The Bank Affiliate pays the vendor.
5. Cardholder reviews his/her transaction in Bank Affiliate, enters a detailed description and the purpose of the purchase, and signs off electronically on his/her transaction.
6. The transaction is routed to the Cardholder's Approving Official. The Approving Official reviews and electronically approves the transaction.
7. The transaction is routed to the P-Card Administrator. The P-Card Administrator reviews and prepares the transactions for integration into the Financial System.
8. The Bank Affiliate furnishes Cardholder with a P-Card Statement of purchases at the end of the billing cycle.
9. Cardholder reconciles his/her receipts with the P-Card Statement and forwards the P-Card Statement, receipts, and other required supporting documentation to the P-Card Administrator.
10. P-Card Administrator files the signed P-Card Statement with supporting documentation.
11. NOTE: The Cardholder, Approving Official, and P-Card Administrator must be three different people and may only sign off in one role per transaction. Approvers may not sign off on their own transactions.

P. Compliance with Policy, Violations and Consequence

Violation of the Cardholder Agreement or improper use of the P-Card may result in disciplinary action, including, but not limited to: written warning, suspension or revocation of P-Card privileges, cancellation of delegation of purchasing authority, termination of employment, criminal prosecution, other appropriate disciplinary action. Human error and extraordinary circumstance may be taken into consideration when investigating any violation of the Cardholder Agreement or this policy. The CFO or designees have the authority to investigate and to determine whether a violation of the Cardholder Agreement or this P-Card policy has occurred and to determine action deemed most appropriate pursuant to applicable law and/or City policy.

Q. Suspending a P-Card

The Approving Official may suspend the right to use a City P-Card at any time for any reason. The Cardholder must return the City P-Card to the P-Card Administrator immediately upon request or upon termination of employment.

R. Sales Tax Exemption

Approved purchases paid for with a P-Card are exempt from the State of Florida sales and use taxes. Such a tax exemption applies to all purchases in-store, over the phone, and internet purchases. Verification of tax exemption may be required to prove exemption status. A copy of the City's Florida Sales and Use Tax Certificate of Exempt Status should be presented to the vendor. The most current certification of exemption is available on the City's internal website.

S. Internal Control & Compliance Reviews

The P-Card Administrator and the City's Office of Audit Services and Management Support will review the P-Card transactions each month. The P-Card internal review procedures are to verify Cardholders are using the P-Card appropriately, the Cardholders and the City departments are maintaining adequate records, and the City's P-Card Administrator knows about problems or certain trends so she/he may assist the Cardholders and departments with future transactions. The P-Card Administrator will select a number of random Cardholders to examine for appropriateness of transactions and record keeping procedures.

: 5 FORMS:

As referenced herein.

: 6 COMMITTEE MEMBERSHIP:

None.

: 7 REFERENCE:

This procedure adopted by City Council January 22, 1996, Item Z; amended November 18, 1996, Item Z; amended August 11, 1997, Item 6-A; amended June 12, 2000, Item 5-X; amended December 9, 2019, Item A-3.

: 8 EFFECTIVE DATE:

This procedure effective December 9, 2019

APPENDIX A

Card Restrictions – The following items/services shall not be purchased with a P-Card:

- ALL items intended for personal use
- Gift cards, gifts, and gift certificates, unless authorized for valid City Business Purpose
- Alcoholic beverages unless authorized for valid Orlando Venues business development purpose
- Automotive gasoline unless authorized during travel
- Capital equipment
- Cash advances
- Firearms and ammunition
- Party/holiday decorations and supplies, unless authorized for valid City Business Purpose
- Coffee, cream, sugar, soft drinks, cups, napkins, etc. – when intended predominately for consumption by City of Orlando employees, unless authorized for valid City Business Purpose
- Prescription drugs
- Computer hardware and peripheral equipment
 - (Exception: City cell phone/tablet cases and/or chargers)
- Dining unless authorized for valid City Business Purpose
- Entertainment, sporting events, and related expenses unless authorized for valid Orlando Venues business development purpose
- Medical services
- Money Orders
- Pre-Paid cards
- Special occasion items for specific individuals (flowers, fruit baskets, candy, balloons, etc.) unless authorized for valid City business purpose
- Food expenses (situations listed below)
 - Meals are taken with individuals doing business with the City during which no City business is discussed,
 - Department Director takes a City employee to lunch/dinner to show appreciation for the work the employee has done,
 - City staff meet at a restaurant with members/employees of a professional association since the annual meeting is in Orlando and there is no discussion of issues affecting the City,
 - A Department Director takes a group of employees to lunch for completing a difficult assignment, or
 - Department Director authorizes a section or division to hold a merit type recognition event at a local restaurant and the City pays for the food and beverages.
- For P-Card purchases related to approved travel refer to Travel Expense Policy 2400.3

APPENDIX B
Procurement Card Add/Change/Delete Form

CITY OF ORLANDO

PROCUREMENT CARD ADD/CHANGE/ DELETE FORM

Request For:	
Cardholder: _____	Email: _____
SS# (last 4 digits): _____	Phone #: _____
Employee# _____	Dept: _____
Date of Birth: _____	

Complete only the SECTION that corresponds to the request.
Send all requests to jennifer.izzo@cityoforlando.net
Contact Jennifer Izzo (x2576) for assistance

Section I - REQUEST NEW CARD / CHANGE EXISTING CARD

REQUEST NEW CARD

CHANGE EXISTING CARD

Cardholder	From: _____	Credit Card # (last 4 digits)	To: _____
Department	From: _____		To: _____
Cost Center/Grant/ Proj	From: _____		To: _____
Approving Official	From: _____		To: _____
Proxy Reconciler	From: _____		To: _____
Auditor	From: _____		To: _____
<u>Credit Limit per month:</u>	<u>Single Transaction Limit:</u>	<u>Number of Transactions per day:</u>	
From: _____ To: _____	From: _____ To: _____	From: _____ To: _____	

SECTION II - DELETE EXISTING CARD

Credit Card # (last 4 digits): _____	Effective Date: _____
Cost Center/Grant/ Proj: _____	Reason: _____

SECTION III - TEMPORARY PROFILE CHANGE

Credit Card # (last 4 digits): _____	Amount: _____
Card Open Date From: _____	To: _____
Explanation: _____	

***** For Travel Profile Changes- A copy of approved spend authorization is required * NO FURTHER APPROVAL NEEDED*****

Requester: _____	Date: _____	Phone Ext: _____
Cardholder: _____	Date: _____	Print Name: _____
Approving Official: _____	Date: _____	Print Name: _____
Director: _____	Date: _____	Print Name: _____

Accounting Use Only:	
Administrator: _____	Accounting Manager: _____
Group: _____	

APPENDIX C

CREDIT CARD PROGRAM CARDHOLDER AGREEMENT

Please review the terms stated below, sign and date. You will receive copies for you and your Approving Official's records. Please note that this Cardholder Agreement also acts as your signature card and will be kept on file in the Accounting and Control Division of the Office of Business and Financial Services.

I, CARDHOLDER NAME, hereby acknowledge receipt of a Bank of America Credit Card number XXXX (the "Card"), in good condition, with both the City's name and mine appearing on the face of the Card. I have verified the information contained thereon and attest to its accuracy.

I have received, read, and understand the City of Orlando Credit Card Instructions and Section(s) 2400.4, 2400.3, and/or 2510.2 of the City's Policies and Procedures Manual. I agree to accept responsibility for the protection and proper use of the Card in accordance with the above referenced instructions and policies and procedures. I understand that my use of the Card is subject to audit by the City, that my purchases with the Card are limited to the monthly spending limit, single transaction limit, and daily authorized transaction limit as set forth in policies and procedures, and that the Card is not to be used to make certain purchases as outlined in the policies and procedures.

I further understand that I am authorized to purchase only for the Fund/Program number(s) ABC0000_C and that all purchases must be for official business on behalf of the City.

If the Card is lost or stolen, I agree to immediately notify Bank of America at the numbers listed below, my Approving Official, and the P-Card Administrator. I also agree to immediately dispute unauthorized charges on my credit card through Bank of America Works application, in writing as indicated in the Bank of America dispute process and notify my Approving Official. I understand that failure to immediately notify my Approving Official of the presence of unauthorized charges on my Statement of Account could make me responsible for charges resulting from fraudulent use of the Card. **I further agree to notify Jennifer Izzo at (407) 246-2576, Accounting and Control Division of the Office of Business and Financial Services, of any unauthorized charges as soon as possible.**

Bank Contact: Bank of America

General Information and Lost or Stolen card (24 hours): 1-888 449-2273

Fraud Number: 1-888-329-6262

Card Activation Number: 1-888-571-1000

The improper or unauthorized use of the Card may result in any or all of the following: suspension or termination of the Card and all associated Cardholder privileges, deduction from pay of any charges resulting from the improper or unauthorized use of the Card, and **TERMINATION OF EMPLOYMENT** with the City of Orlando, Florida. The appropriate disciplinary action for misuse of the Card will be dispensed by my Department Director based on the recommendation of the Approving Official, which recommendation shall be in accordance with City's Disciplinary Action Guidelines.

I hereby authorize the City to (i) deduct from my wages or from any other amounts due to me, an amount equal to the total charges for improper or unauthorized purchases with the Card, even if I am no longer employed by the City, and (ii) audit my use of the Card.

If the City initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay court costs, reasonable attorney's fees, and other expenses incurred by the City in such proceedings assuming the City prevails in such legal action.

I understand that the City may suspend or terminate my privileges to use the Card at any time for any reason. I agree to surrender the Card immediately upon retirement, termination of employment, termination of Cardholder privileges, or upon the request of the Approving Official, the P-Card Administrator or an authorized representative from Bank of America. I understand that use of the Card after Cardholder privileges have been suspended or terminated is prohibited, and that I will be held responsible for charges resulting from such use.

Signature: _____

Date: _____

Print Name: CARDHOLDER NAME

Department: DEPARTMENT

P-Card Administrator Use only:

Approval: _____

Date: _____