

SALT LAKE COUNTY
COUNTYWIDE POLICY
ON
PURCHASING CARDS AUTHORIZATION AND USE

Purpose –

The purpose of this policy is to establish a policy and related procedures for the authorization and use of the Vounty purchasing card.

Scope –

County agency management may designate one or more employees as authorized purchasing card holders to facilitate making purchases authorized by this policy and other referenced policies. Generally, a purchasing card should be used to facilitate small dollar-value or high-volume transactions.

Reference –

County Code of Ordinances § 3.15 to 3.28

Countywide Policy #1019 – *“Authorization and Payment for Travel-Related Expenses”*

Countywide Policy #1020 - *“County Meals”*

Countywide Policy #1203 *“Petty Cash and Other Imprest Funds”*

Countywide Policy #7021- *“Small Cost Purchasing Procedures”*

Definitions –

County Agency (Agency) – Any elected office, executive branch department, division, or other subdivision of county government.

County Agency Management (Agency Management) – With respect to their own individual offices or departments, any of the following or their designees: county mayor, county executive department directors, county elected officials, division Administrators, or the county council (as a whole.)

Cardholder Agreement – The agreement entered into between the cardholder and the county setting forth terms and conditions for use of the P-Card by the cardholder.

Purchasing Card (P-Card) – A charge card to be used for the payment of goods and services.

Purchasing Card Holder (Cardholder) – A county agency-designated employee authorized to use a P-Card to facilitate the purchasing or payment process for goods and services.

Purchasing Card Issuer (Issuer) – A bank or financial institution that issues P-Cards and maintains records of P-Card transactions for P-Card holders.

Purchasing Card Program Administrator (Program Administrator) – An employee(s) designated by the Division of Contracts and Procurement to coordinate and administer the authorization and use of county P-Cards for all county agencies.

1.0 Obtaining a P-Card

- 1.1 The application form for obtaining a P-Card shall indicate the authorized single-purchase and monthly credit limits. The application shall be signed by the applicant's supervisor, the agency fiscal manager, the agency division director, and the agency department director or elected official, and submitted to the Division of Contracts & Procurement.
- 1.2 The P-Card shall be issued in the name of the authorized applicant/cardholder, who is solely responsible for its use.
- 1.3 The cardholder agreement with the county shall be signed by the applicant/cardholder. The cardholder, their supervisor, and the agency fiscal manager shall attend P-Card training provided by the Division of Contracts and Procurement.
- 1.4 Any cardholder training materials and usage guidelines related to the use of a county P-Card are, by reference, incorporated as part of this policy, and shall be reviewed, understood, and followed by the cardholder, their supervisor, and the agency fiscal manager prior to use.

2.0 Using the P-Card

- 2.1 Immediately, upon receipt of the P-Card, it shall be signed by the cardholder.
- 2.2 Thereafter, the cardholder shall be responsible for authorized and allowable use and safeguarding of the P-Card.
- 2.3 Allowed purchases, as defined in Section 3.0, may be made in-store, by mail, by telephone, by fax, or by means of the Internet.
- 2.4 Payment may be made at the time of purchase or afterward upon receipt of an original invoice.
- 2.5 Cardholders will comply with all P-Card training documents provided by the county Division of Contracts & Procurement.

3.0 Allowed P-Card Purchases

- 3.1 Small Cost Purchases. Use of a P-Card for transactions covered by Countywide Policy #7021, "*Small Cost Purchasing Procedures*" is allowed.
- 3.2 Meal Purchases. Use of a P-Card for transactions covered by Countywide Policy #1020 "*County Meals*" is allowed.
- 3.3 Airfare, Hotel, and Rental Car. Use of a P-Card for transactions covered by Countywide Policy #1019 – "*Authorization and Payment for Travel-Related Expenses*" is allowed.
- 3.4 Public Utility Charges. Use of a P-Card for payment of county agency utility charges is allowed.
- 3.5 Purchases Authorized by the Purchasing Agent. Use of a P-Card for purchases authorized in writing by the county purchasing agent is allowed.

4.0 Prohibited P-Card Purchases

- 4.1 Use of a P-Card for making the following transactions is prohibited:
- 4.1.1 Sales Tax on P-Card Purchases. County purchases are exempt from sales tax. Therefore, if sales tax is mistakenly paid and the tax to recover is worth the cost of the recovery effort, the cardholder shall take actions to obtain a credit to the P-Card account for the tax paid. Otherwise, the cardholder may be held responsible, at the discretion of their county agency management, for reimbursing the county for the amount of the sales tax.
 - 4.1.2 Cash Advances. Use of P-Cards to obtain cash advances is prohibited.
 - 4.1.3 Personal Purchases. Use of a P-Card for personal purchases and non-business items are prohibited. See Countywide Policy 1203-10.4 “Petty Cash and Other Imprest Funds” for a description of non-business items.
 - 4.1.4 Split Purchases. Splitting a single purchase into two or more small purchases to disguise the purchase of “related items” which would exceed the authorized limit for small purchases is not allowable. (“Related” items include, for example, items purchased for a related event, or purpose, or as an essential part or element of an item of equipment.)
 - 4.1.5 Purchases by an Employee not Designated as an Authorized Cardholder. The cardholder is solely responsible for the use of the P-Card issued in their name and purchases by anyone other than the cardholder, personally, are prohibited.
 - 4.1.6 Internet Auction Purchases. Use of the P-Card for purchases of county goods and services using internet auction sites, are prohibited by this policy unless specifically authorized by the county purchasing agent.

5.0 Credit Limits

- 5.1 Each P-Card shall have a monthly credit limit, as requested by agency management, and approved by the county purchasing agent. Each P-Card shall also have a per-transaction limit not to exceed the small-cost purchase limit, with the exception provided in Section 3.5 above for payments authorized by the purchasing agent and Mayor’s Financial Administration in compliance with county code.
- 5.2 To increase the monthly or per-transaction credit limit, agency management must submit a written request to the program administrator in the Contracts & Procurement Division.

6.0 P-Card Account Reconciliation and Records Retention

- 6.1 Original itemized receipts showing the detail of the goods or services purchased shall be retained and maintained by the agency. The agency fiscal manager shall be provided with unrestricted access to the P-Card files.
- 6.2 The cardholder shall reconcile original receipts with the issuer’s statement of monthly activity, and note any items of reconciliation that require further documentation or inquiry.
- 6.3 The issuer shall be notified by the agency of any disputed transactions within 60 days of the Issuer’s statement date. The program administrator shall also be notified. Disputed items should be noted on the P-Card transaction log or in the bank online system.

- 6.4 The agency fiscal manager or designee shall be responsible for properly allocating and classifying the charges made by the cardholder to the appropriate object of expense using either the issuer's online system or the county's financial system.
- 6.5 A signed transaction log shall be requested from the cardholder by their agency fiscal manager in the event that the transactions were not approved electronically. The agency may be required to forward a copy of the log to the program administrator.
- 6.6 County records, including itemized receipts, quotes, and other supporting documentation discussed in this policy, will be maintained pursuant to the Government Records Access and Management Act, §63G-2-101 et.seq., Utah Code Annotated, and in compliance with County Ordinance §2.82, Records Management. Therefore, these supporting documents and materials shall be retained according to the general accounting retention schedule either on-site or at the county records' storage warehouse.

7.0 Discipline

- 7.1 Failure to comply with this policy and the P-Card operating standards may result in discipline including, but not limited to, rescinding the P-Card or terminating employment.
- 7.2 County agency management or the purchasing agent may rescind a P-Card at any time.

8.0 Lost or Stolen Cards

- 8.1 If a P-Card is lost or stolen, the issuer, the cardholder's supervisor, agency fiscal manager, and the program administrator shall be notified immediately.

9.0 Audits

- 9.1 Audits of the P-Card system may be conducted at any time. Agency fiscal managers shall review P-Card activity and compliance with this policy at least annually.

10.0 Transfer or Termination of Cardholder

- 10.1 Upon notification by county agency management of a cardholder terminating their county employment or their transfer to another county agency, the cardholder's fiscal manager shall take possession of their P-Card and any outstanding original receipts that have not been reconciled. The agency fiscal manager shall immediately notify the program administrator of the cardholder's pending termination or transfer to another county agency.

APPROVED and ADOPTED this 3 day of June, 2014.

SALT LAKE COUNTY COUNCIL

By: _____
Michael Jensen, Chairman

ATTEST:

Sherrie Swensen
Salt Lake County Clerk

APPROVED AS TO FORM:

Deputy District Attorney Date