

City of Redmond

**Procurement Card (Procard)
Program**

**Policies & Procedures
Instruction Manual**

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The Procurement Card (Procard) Program - Overview

Purpose

The Procard Program allows you, the city cardholder, to purchase goods and services with a total dollar up to \$1,500 using a credit card for a single transaction. The program enables the City to eliminate the purchase requisition, purchase order, invoice and check requirements for these purchases.

The Procard is a VISA card issued through US Bank to support City procurement functions. It is an ideal tool to streamline the procurement process, and is the preferred method to purchase goods and services under \$1,500(see exceptions listed on page 6).

Any exceptions granted under this program must be approved by the Purchasing & Contracts Manager or Finance Director and must be documented in writing.

Benefits

City Cardholders can:

- obtain goods and services fast and easy
- reduce paperwork and processing time
- reconcile purchases and account coding on-line and increase flexibility in the coding of a particular purchase
- increase productivity
- have the ability to electronically track Procard activity

Purchasing & Accounts Payable can:

- reduce transaction volumes for low dollar purchases
- issue one (1) payment per month to US Bank vs. multiple payments to multiple suppliers
- focus their efforts on increasing customer service and on higher value purchases

City Suppliers/Merchants can:

- receive immediate payment
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Section 1: Obtaining a Procard

Application Process

Policy

All regular full time, City employees are eligible for the Procard with their manager's approval. If you place an order with a total transaction value (including tax and freight) under \$1,500 from a supplier who accepts VISA, we strongly encourage you to take advantage of the benefits of the Procard.

Requirements

There are three (3) simple requirements for receiving your Procard:

- An approved Procard Application (obtaining your dept./division manager's signature)
- A signed City of Redmond, Employee Procard Agreement
- Completion of Procard Training

Application Process

To obtain a Procard, follow the process below. For assistance, complete a cardholder application located on the City's Intranet site on the [Finance Resources](#) page.

Stage	Who Does It	What Happens
1	Employee	Complete and Application
2	Dept/Division Manager	Approves Procard Application
3	Employee	Submits completed application to Procard Administrator
4	Procard Administrator	* Processes application with card issuer * Conducts employee Procard training & distributes cards * (US Bank send card's PIN directly to new cardholder)
5	Employee	* Attends training * Signs City of Redmond Employee Procurement Card Agreement * After training, receives Procard. * Procard is active immediately upon receipt

Section 1: Obtaining a Procard

Procard Security

Introduction

Your Procard should always be treated with great care, the same as your own personal credit card. The only person entitled to use the Procard is the person whose name appears on the face of the card. Remember **YOU** are the only person authorized to use your card.

Safeguarding

The following security measures should be taken to safeguard your Procard:

- **Do** sign your Procard immediately upon receipt
- **Do** keep your Procard in an accessible but secure location
- **Do** guard your Procard account number and PIN carefully
- **Do not** post your Procard account number at your desk or write it in any other place that is accessible to others
- **Do not** lend your Procard to another person

Policy: Lost or Stolen Procards

The City of Redmond is liable for all unauthorized charges against its Procards until US Bank has been properly notified. **It is very important that cardholders secure them properly.** Failure to promptly report a lost, misplaced or stolen Procard may result in the City seeking reimbursement from the cardholder for unauthorized charges.

Procedure: Lost or Stolen Procards

To report a lost or stolen Procard, please use the following procedure.

Step	Action
1	Notify US Bank immediately at #1-800-344-5696 Representatives are available 24 hrs/day, 7 days/wk. Provide the representative with requested Procard information, the card will be deactivated immediately
2	Notify City's Procard Administrator. US Bank will provide Procard Administrator with a replacement card typically within 5-7 days

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Section 2: Purchasing with the Procard

Commodity Guidelines

Policy

The Procard should be used for all City business-related purchases under \$1,500 unless identified in the exceptions listed below.

NIGP (National Institute of Governmental Purchasing) Commodity Codes

The City has adopted these commodity or category codes to allow you to identify the type of product or service you are purchasing. When reconciling each transaction, you will be required to identify the proper code which best describes the goods/services you are purchasing by selecting an NIGP code.

EXCEPTIONS/RESTRICTIONS:

The Procard can be used anywhere the VISA card is accepted with the following exceptions and/or restrictions:

- No Cash Advancements
- No College or Graduate School Degree Program Tuition Reimbursements
- No Computer Hardware/Software purchases **WITHOUT** prior written approval from I.S. Manager (or his/her designee).
- No Office furniture purchases **WITHOUT** prior written approval from Purchasing Manager (or his/her designee).

OTHER EXCEPTIONS: Purchase Order or City Contract/Agreement Required

The following goods and services must be obtained through the use of a City Purchase Order or City contract/agreement, originating from a completed and approved *Purchase Requisition Form* submitted by the employee. Refer to the City Intranet site, [Finance Resources](#) page for additional instructions.

- Capital Equipment
- Professional Services Agreements (all)
- Maintenance & Repairs (when individual transaction exceeds \$1,500 Procard limit)
- Public Work Contracts (all)
- Transactions made possible through the use/access of an Interlocal Agreement
- Human Services Agreements (all)
- Engineering/Surveying/Architectural Agreements (all)
- Instructional &/or Artistic Services Agreements (all)

Section 2: Purchasing with the Procard

Placing Procard Orders

Policy

When involved in any aspect of purchasing, you are acting as an agent of the City of Redmond. Therefore, you are responsible to act in the best interest of the City. Your actions must not show, or appear to show, personal favoritism to a supplier at the expense of the City.

Responsibilities

There are two types of transaction limits.

- Dollars per transaction - the maximum limit is \$1,500
- Transaction dollars per month - the maximum limit is \$5,000

Your Authorization Limits are listed above and on the City's Application form. These limits may be adjusted to meet your dept./divisional needs with your manager's approval. Any exception to these limits must be approved by the Finance Director on a case-by-case basis. For assistance, contact your Procard Administrator.

Acceptance of the Procard

The Procard is a VISA card and can be used where VISA is accepted. (If the supplier is not set up to accept VISA, refer them to US Bank for assistance.) The Procard may be rejected if:

- You have exceeded your individual transaction dollar limit
- You have exceeded your monthly transaction dollar limit
- Your Procard has been canceled, or reported lost or stolen

Should this occur, contact the Procard Administrator for assistance.

Procedure

The procedure for placing Procard orders is as follows:

Step	Action
1	Identify goods and services required to perform job-related task
2	Determine if purchase is within your Procard Authorization Limits
3	Ensure the items are not on the exception list (see page 6).
4	Obtain pricing, stock and delivery information for items needed. Order items or services that are immediately available. Ensure one complete shipment or pick-up per Procard order.
5	Ensure the supplier immediately processes your charge
6	If used, update your Procard Transaction Log (see page 9)
7	Retain all Procard receipts, packing lists and shipping documents in a safe place until you are ready to reconcile your statement, as you will need to forward these with your reconciled transaction summary

Section 2: Purchasing with the Procard

Product Delivery

Policy

Procard orders must be shipped complete. If the supplier does not have all of the items in stock, order only what is immediately available. You may order the balance on a separate transaction when the items are in stock. Likewise, if a needed service is desired to be performed over several intervals, order the services on separate transactions.

Supplier Shipments

Please use the following procedure for supplier shipments.

Step	Action
1	Order item(s) or request service(s) that are immediately available. Do not allow the supplier to make a partial shipment, backorder the balance, and charge you for the total quantity
2	Request the supplier enclose a copy of the Procard sales receipt with each shipment
3	Give the supplier complete shipping instructions, including your name, location address and your mailstop
4	Request the supplier note on the outside of the package in bold letters " Procard Purchase " and " Your Name " this will ensure the package gets forwarded unopened, directly to you
5	Inform the supplier they are NOT to write your Procard number anywhere that will be visible to anyone other than yourself
6	Upon receipt of goods and services ordered, file your Procard receipt, packing list and shipping document in a safe place until you are ready to reconcile your monthly statement, as you will need to forward these with your reconciled transaction summary

Will Call Orders & Services Performed On-Site

Please use the following procedure for will call orders and on-site services.

Step	Action
1	Ensure you receive all items/services in the quantities specified on your Procard receipt
2	Obtain your copy of the Procard sales receipt at time of will call or on-site performance of services
3	File your Procard receipt in a safe place until you are ready to reconcile your monthly statement, as you will need to forward these with your reconciled transaction summary

Section 3: Managing Your Procard Account

Documenting Your Procard Transactions

Policy

You are encouraged to maintain the following records and documentation:

- Procard Transaction Log
- Procard File

Transaction Log (optional use)

The *Procard Transaction Log* (see Appendix A), if used, should be updated immediately each time you make a purchase. The transaction log contains the following fields:

- Transaction/purchase date
- Merchant/supplier name
- Item/service description
- Transaction total
- Deliver/service date
- Notes

Procard File

Maintain a separate file for each containing the following information:

- Original Procard receipts
- Packing lists
- Shipping documents
- Any other supporting documentation

Section 3: Managing Your Procard Account

Reconciling Your Procard Transactions

US Bank Access On-Line web application will allow you to verify the transactions appearing on your Procard account, change the accounting information and or the budget account code(s) for each transaction.

Policy

Procard holders are required to substantiate all transactions shown on their account and edit the account code(s) for accurate cost accounting. Once the *Access Online* system has informed you that there are charges appearing on your account, you must reconcile all charges (debits and credits) in a timely manner but in no case, less than 30 days. If you will be unavailable to complete the required review during this time, you are responsible for designating someone in your area to complete it in your absence.

You are encouraged to reconcile just as soon as the statement period has closed on the 25th of each month. On or near the 5th of each month you must complete the reconciliation process within the software. On or near the 10th of each month you must send the corresponding transaction summary and all receipts to Accounts Payable 3SFN. If you fail to reconcile your software by the 5th of each month, your default budget account number will be used to auto-reconcile any remaining unreconciled charges.

If your reconciled charges and supporting documentation are not submitted to the Procard Administrator within the designated 30 day time period, your procard account may be suspended for an initial 30 day period or until the information is received. **After the second occurrence, your Procard may be canceled.**

Procedure

Please use the following procedure to reconcile your procard transactions.

Step	Who Does It	Action
1	US Bank's Access Online system	Sends email stating a charge has appeared on your account
2	Employee	Access your personal Procard profile and verify purchases against your account. Verify and/or change budget account code(s) for each transaction (<i>Unchanged or invalid codes will be paid against your specific default account code</i>). Contact the Procard Administrator if you need to change your default account code.
3	Employee	Print hard copy of the <i>Access Online</i> transaction summary, attach all original receipts and packing slips (<i>if original receipt is not available, a scanned or faxed copy of the original is acceptable</i>).
4	Employee	Forward both the US Bank transaction summary and corresponding receipts to Accounts Payable (3SFN)

Section 4: Returns and Disputes

Processing Returns & Billing Errors

Policy

Merchandise returns and billing errors are the cardholder's responsibility. Procard is much like a consumer credit card -- cardholders must communicate with suppliers to process returns, correct billing errors, and ensure the proper credit has been issued. In most cases, returns and errors can be resolved directly between the cardholder and the supplier.

Procedure

Use the following procedure to handle returned items.

Step	Action
1	Contact the supplier that provided the item/service to discuss the problem and agree to a solution. (For billing errors not involving a return, skip to Step 5)
2	Request return instructions and/or obtain a Returned Materials Authorization (RMA) number from your merchant
3	Package and ship product back to merchant
4	Obtain a mailing or shipping receipt for the package. This will be needed in case the merchant does not process the credit promptly
5	Request a copy of the credit receipt from the supplier, record credit in your " <i>Procard Transaction Log</i> " (if used) and retain this credit receipt in your <i>Transaction File</i> "
6	Verify that credit has been processed in the next billing cycle

Section 4: Returns and Disputes

Handling Billing Disputes

Definition

A **dispute** is the action taken by the cardholder to notify US Bank, that a specified charge appearing on your account is an unauthorized transaction.

Policy

The cardholder is responsible for resolving all disputes with US Bank. The **City of Redmond will not handle disputes**. All charges will be paid upon invoicing. Once the cardholder has reached a resolution with US Bank, a credit to the cardholder's account will be processed by the next billing cycle.

US Bank Customer Service

US Bank Customer Service Representatives are available 7 days/wk, 24hrs/day by calling 1-800-344-5696 (this number is also located on the back of your Procard).

Procedure

Because you, the cardholder, are the closest person to the transaction, you should attempt to resolve dispute issues first with the supplier. Typically, most issues can be handled at this level with the supplier placing a credit on your Procard account. If unsuccessful at resolving the issue with the supplier **you will need to dispute the transaction within the Access On-Line application.**

Step	Action
1	Under Transaction Management, select a Dispute Reason
2	Complete all required fields and click "Continue" for a printable version of the form. All disputes require a physical signature of the Cardholder.
3	Print, sign, fax or mail your dispute form. Your dispute will <u>not</u> be processed if this form is not received within 21 day of the dispute date. Mail: US Bank Customer Service PO Box 6344 Fargo, ND 58125-6344 Fax: 1-701-461-3463
4	Expect this process to take 3 - 4 weeks to complete.

Section 5: Things You Should Know & Things You Do Not Want to Do

Extended Absence, Changes, Audit & Enforcement

Extended Absence

If you will be absent from the City for an extended period, please seek assistance from the Procard Administrator to determine the best options to cover your procurement responsibilities.

Changes

Each Procard has an account number linked to a specific budget account number default. If you change departments or leave the City please contact the Procard Administrator.

If you are making an internal move (to a new department or division), you will need to complete an application revision and have it signed by your new manager.

Audits

To ensure the continued success of the Procard Program, your account number will be open to internal audit requirements. Routine review of your files may be conducted by the internal Procard Team and periodic review as part of the annual audit by the state.

Enforcement

Statements Not Reconciled - Your Procard may be canceled if timely reconciliation's are not received.

Personal use of the Procard – Procards are to be use for City business only and no personal use is authorized. In the event that personal use occurs on a City Procard, the cardholder shall be billed for any such charge and shall remit payment for such charge within seven (7) days of the issuance of the bill and may also result in:

- Disciplinary measures that may include termination and/or legal action.
- Permanent revocation of the card.
- Direct payroll deductions for any unauthorized or personal charges made on the Procard.

Termination of Employment – We request you return your Procard to the Procard Administrator when you leave/terminate your employment with the City of Redmond.

Section 6: Reconciliation Process

Using the US Bank Access *Online* Reconciliation Application

This Internet tool will allow you to view and make changes to your incoming Procard transactions. In order to access this tool, you must first register as a user (create a personal profile).

1. Log-on to the US Bank Access Online website at: <http://access.usbank.com>
2. First time entry only: Follow the procedures required to establish a “personal profile” including typing in the City’s Organizational Short name: **REDMON**, once you have created a profile in this system and connected your personal Procard number to the City’s account, you will receive a temporary password to use the system.
3. Once your personal profile has been created in the system each time you log in, you will be asked to enter:
 - User ID
 - Password
4. Reconcile all of your charges (refer to the PowerPoint from the *Access Online* Reconciliation training class) for specific instructions on how to use the application.

The Procurement Card (Procard) Instruction Manual Appendix A

Who to Call

City of Redmond:

Procard Administrator

Jessie Morgan

Phone – X2196

MailStop – 3NFN

Email – JRMorgan@redmond.gov

New Cards & Changes, Unlock your Cardholder Account & General Questions

Reconciliation Administration

Accounts Payable

Phone - x2148 & x2149

MailStop – 3SFN

Email – accountspayable@redmond.gov

US Bank:

Customer Service Access Online (*Software System Help, Password Reset*)

1-877-887-9260

Customer Service (*Lost/Stolen Card, Unlock your Cardholder Account & General Questions*)

1-800-344-5696

GUIDELINES FOR USING THE PROCARD FOR TRAVEL

ProCards may be used for making travel arrangements and payment of travel expenses for the items listed below. **Itemized receipts are required.** The traveler is responsible for obtaining a receipt and submitting it with the monthly ProCard reconciliation, along with a completed, approved Travel Authorization Form. If the Travel Authorization Form is already on file with Accounts Payable there is no need to submit duplicate copies.

Airfare – requires itinerary/receipt

Baggage fees

Lodging - Personal charges such as movies, laundry service, phone calls, etc. must be paid with personal funds upon check-out. These may not be paid with a ProCard and reimbursed to the City later.

Vehicle rental - Requires director's advance approval.

Fuel - Only allowed if using a City vehicle or an approved rental vehicle. Personal vehicle mileage rates include fuel costs.

Shuttle, taxi, etc.

Meals: The receipt must list all food and beverages purchased. No alcohol may be included on the receipt. The maximum allowable tip is 20%. If you have received a travel advance for meals or plan to claim daily per diem for meals, you may not charge meals to the ProCard. You may not use receipts for some meals and per diem for other meals on the same trip. All meals must be reported as per diem only or receipts only.

City of Redmond - Employee ProCard Agreement

This agreement outlines my understanding and acceptance of the responsibilities I have as a holder of a City of Redmond ProCard.

I understand that it is my responsibility to:

1. Read and understand this entire agreement before signing. (Contact the ProCard Administrator for clarification, if needed.)
2. Read, understand, and comply with all Purchasing Policies and ProCard Policies and Procedures.
3. Comply with the transaction limit imposed on my ProCard. I understand that "splitting" of purchases to bypass the transaction limit is not allowed.
4. Use my ProCard for the purchase of goods and payment for allowed services for the conduct of City business only, and never for personal use.

Personal use of my ProCard is not acceptable. I understand the consequences of using my ProCard for personal purchases will include:

- A written warning for the first offense.
 - Suspension of my ProCard privileges for one year with a second offense.
 - Loss of ProCard privileges which may result in disciplinary or legal action for a third offense.
5. Keep my ProCard secure and stored separately from personal credit cards in the City-provided RFID sleeve to prevent skimming or accidental personal use.
 6. Never loan my ProCard to anyone else.
 7. Obtain and retain detailed, itemized receipts for all purchases.
 8. Use the U.S. Bank Access Online program to set up email notification reminders of statement closing dates.
 9. Immediately following statement closing (approx. the 25th of each month), use the U.S Bank Access Online program to electronically reconcile all activity that appears on my monthly ProCard statement, including:
 - a. Verify the accuracy of each charge against the receipt.
 - b. Verify budget account codes and, if necessary, reallocate charges to the appropriate budget account consistent with the type of purchase.
 - c. Print a Transaction Summary Report and attach all receipts in the order in which they appear.
 - d. Obtain NBU approval signatures for each budget account charged.
 - e. If you are the NBU owner, obtain your supervisor's approval signature.
 - f. Submit the completed, approved Transaction Summary Report with all receipts attached to Accounts Payable, MS: 3SFN, by the 15th of the following month (or the next business day if a Saturday, Sunday, or holiday).
 10. Report a lost or stolen card, fraudulent activity or discrepancies immediately to US Bank at 1-800-344-5696, as well as to the City's ProCard Administrator. U.S. Bank representatives are available 7 days a week, 24 hours/day. This action is required to relieve the City and myself of liability for fraudulent use.
 11. Resolve all discrepancies by working with the merchant/supplier, U.S. Bank, and the City's ProCard Administrator as needed.

I understand that if I do not meet the monthly deadlines I will receive an email notification. If I receive three of these notifications my ProCard will be suspended and no further purchases allowed. To remove the suspension, I must submit a written explanation and request to reinstate ProCard privileges to my department director. Final approval from the Finance Director is required to reactivate my cardholder account.

I understand that my ProCard is the property of the City of Redmond, and therefore, I may be periodically required to comply with internal control procedures designed to protect City assets. This may include being asked to produce the ProCard to verify its existence and providing assistance in auditing review of its use.

I understand that all charges will be billed directly and paid directly by the City of Redmond, and that U.S. Bank cannot accept any payment from me directly.

I understand that any misuse of the ProCard or failure to comply with ProCard policies and procedures may result in (a) disciplinary measures that may include termination and/or legal action, (b) permanent revocation of the ProCard and/or (c) direct payroll deduction for any unauthorized or personal charges made on the ProCard.

I understand that this signed agreement will be kept in my personnel file in Human Resources.

My signature below indicates that I have read and understand my responsibilities as a ProCard holder, and that I agree to adhere to the guidelines established for the program as outlined in the City's ProCard Policies and Procedures. I also agree to be responsible for my ProCard use and authorize the City of Redmond to deduct charges resulting from my misuse of the ProCard from my paycheck.

Employee Signature _____ Date _____

Employee Name (Please Print) _____