

 Lake County Policy	<i>INTERNAL USE ONLY</i> <i>Procurement Card Policy</i>
	Version: 3.0
	Date: 02/19/19

1.0 Purpose

The purpose of this policy is to provide guidance on procurement card (P-card) usage for Lake County staff and elected officials, reviews by designated departmental administrators, and oversight by the County's assigned procurement card administrator. The Purchasing Card (P-Card) Program is designed to make purchasing appropriate operational supplies and services easy and flexible, reduce the length of time required to make a purchase or pay a vendor, pay travel expenses without relying on personal credit cards or travel advances, and reduce costs of payment per transaction through operational efficiencies.

2.0 Scope

This policy applies to all Lake County employees and elected officials. Cardholder must ensure that all purchases are made in compliance with the Purchasing Ordinance and other guidelines of Lake County. The P-Card is the County's preferred method of making small dollar purchases less than the amount required to issue a purchase order as well as recurring payments for utilities and other routine operational expenses that do not require a purchase order, as indicated in the Purchasing Ordinance.

3.0 Policy

3.1 General Responsibilities

Department heads are responsible for determining the appropriate cardholders in each department, setting the appropriate card controls for each cardholder, and ensuring appropriate use and approvals by each cardholder in her or his department. Requests for procurement cards should be submitted to the Card Administrator on the Procurement Card Request Form (see Attachment A). The department head may delegate approval authority to appropriate staff members with the P-Card Approval Signature Authorization Form (see Attachment B).

Cardholders must acknowledge receipt of the issued Procurement Card by signing the Receipt of Purchasing Card Form (see Attachment C). By signing the form, cardholders acknowledge and agree to responsible use, including but not limited to:

- Card will be used only for pre-approved transactions that meet all Lake County purchasing requirements and restrictions.
- All supporting receipts and invoices will be submitted with the monthly statement and designated with the specific business purpose of the expense.
- Monthly statements will be reconciled and submitted to the Finance Department within 20 days of the statement date.
- A lost, stolen or compromised card must be reported immediately to the bank issuing the procurement card, the department head or designee, and the procurement card administrator.

- The cardholder is responsible for ensuring that sales tax is exempted when appropriate. Sales tax credits will be the responsibility of the cardholder. If a sales tax credit is not obtained, cardholders may be required to reimburse the County for inappropriate sales tax charges.
- The cardholder is responsible for ensuring sufficient receipt of materials and supplies, and resolving any receiving discrepancies or damaged goods issues.
- Card will be used for business-related purposes only. Personal charges must not be made to the card and will be considered improper use.
- Improper use may require relinquishing the card and may result in disciplinary action up to and including termination and criminal prosecution.
- Card must be surrendered upon termination of employment or transfer to another County department.

3.2 Cardholder Controls and Spending Limits

The transactions and credit limits on the card are determined by the department head and program administrator and are dependent upon the requirements of the cardholder's position and responsibilities. With the approval of the Procurement Card Request Form (see Attachment A) by the department head, the cardholder has been delegated expenditure and purchasing authority. The department head and procurement card administrator will together determine the appropriate limits for:

- Single transaction limit - Maximum dollar amount in a single transaction
- Total credit limit - Maximum dollar amount for all purchases made within a given 30-day billing cycle
- Allowable Merchant Category Code (MCC) classification limitations - Each business/vendor classifies its services or products with a specific MCC classification.

Each time a cardholder makes a purchase, the limits are checked. The authorization request will be declined should the amount exceed the limit. If the credit limit is inadequate to handle a single or total planned purchases, the department head should submit a requested adjustment to the limits using the Procurement Card Request Form to the procurement card administrator.

The procurement card administrator will review cardholders and spending limits annually or upon request with each department head. Credit limits should be set at reasonable levels based on past usage and current budgets.

3.3 Requests for New P-Cards or Changes to P-Cards

Requests for new cards as well as changes to existing cards must be submitted on the Procurement Card Request Form (see Attachment A). These must be signed by the department head.

3.4 Guidelines for Use

The P-Card is not a personal credit card and remains the property of Lake County. Lake County carries the liability for all outstanding charges on the card. The card should only be used for purchases required in the normal course of business. Cardholders cannot use the P-Card for personal purchases with the intent of reimbursing the County. Improper use may require relinquishing the card and may result in disciplinary action up to and including termination and criminal prosecution.

Cardholders may make valid purchases for the department, themselves, or other members of their department, using the pre-approval process determined in their department. Cardmembers should not give their card to others to make purchases.

In limited circumstances, departments may request a “departmental card” in the name of their department or division when staff members make infrequent, small dollar purchases on demand. All departmental cards must have an assigned custodian who will be the primary keeper of the card and will be responsible for keeping a log of who the card has been given to, when, for what purpose, and when it was returned. The custodian must maintain the Departmental Card Log (see Attachment D) which they are required to complete and provide upon request. The custodian is also responsible for preparing and signing off on the monthly reconciliation.

Alternatively, departments may name a specific cardholder as the “departmental card” and must notify the procurement card administrator as such. The cardholder is considered the custodian and must track activity on the Departmental Card Log.

Department heads or their designee must authorize and approve all charges. If an unauthorized charge is made, it is the department head’s responsibility to resolve the issue with the cardholder. If necessary, the cardholder must obtain a credit from the merchant or reimburse the County for the purchase. The procurement card administrator must be notified of these situations and must process the reimbursement.

All credit card charges must be supported by a receipt or invoice for each transaction. If a receipt or invoice is not available, a Policy Exception Form (see Attachment E) must be submitted with the monthly statement reconciliation. This form must be signed by the employee and the department head or designee. Repeated submission of Exception Forms instead of receipts may require relinquishing the P-Card and may result in disciplinary action up to and including termination and criminal prosecution.

All transactions related to travel must comply with the Lake County Employee Reimbursement Policy and receipts must indicate the business nature of the charge (e.g., Illinois Government Finance Officers Association Annual Conference hotel).

The P-Card should not be used for individual purchases which have been artificially separated from larger or bulk requirements to fall within spending limits nor should it be used for repair and maintenance work that requires notification of Prevailing Wage requirements. If required according to the Purchasing Ordinance, cardholders must obtain and document price quotes from multiple vendors.

Certain vendors may charge a service fee or credit card handling fee to make payment with a credit card. Surcharges may not exceed 4% of the total purchase price or \$45. Invoices must be paid through Accounts Payable if the fee exceeds either or both parameters. Requests for exceptions must be discussed with the Finance Director prior to payment.

3.5 Reconciliation and Audits

Departments must conduct the same due diligence in review and approval of procurement card transactions as for purchases using any other method of payment. P-Card statements are to be reconciled within 20 days of the statement date by allocating transactions to the correct ledger accounts. Documentation of approvals and all supporting receipts must be submitted to the Finance Department by scanning into the document management system. All statements must be signed and dated by the cardholder or custodian AND one approver (either the department head or a designee). The original statement and receipts/invoices must be kept in the department for one year and then must be destroyed.

The procurement card administrator or his or her designee will perform an audit of a cardholder’s P-Card documentation to ensure that record keeping is complete and accurate and that P-Card program procedures are being followed. Improper use may require relinquishing the P-Card and may result in disciplinary action up to and including termination and criminal prosecution.

3.6 Transferred/Terminated Employees

Departments must notify the procurement card administrator to deactivate a P-Card when an employee leaves the department, whether transferred to another County Department or terminated.

3.7 Purchasing Card Security

Cardmembers are responsible for their own cards and must protect it accordingly. Cardmembers should not allow other employees to use their card. A lost, stolen or compromised card must be reported immediately to the credit card company, the department head or designee, and the procurement card administrator. The card will be inactivated immediately and a replacement card will be issued.

4.0 Procurement Card Program Administration

The procurement card administrator provides support for all aspects of the procurement card program. Please contact the administrator in the Finance Department at 847-377-2929 with any questions.

At least annually, the procurement card administrator will verify that all cardholders are active employees with the Human Resources Department.

The procurement card administrator will track improper use of credit cards and ensure timely reimbursement to the County. The administrator will report improper use monthly to the Finance Director and the County Administrator. Cardholders with repeat improper usage may require relinquishing the card and may result in disciplinary action up to and including termination and criminal prosecution.

On a random basis, the Finance Department and/or Internal Audit shall review P-card statements to ensure that all purchases made were appropriate, within established limits, and that the products were delivered to and used by the County.

5.0 Related Ordinances and Policies

Lake County Purchasing Ordinance
Expense Reimbursement Policy

6.0 Attachments

- A. Procurement Card Request Form
- B. P-Card Approval Signature Authorization Form
- C. Receipt of Purchasing Card Form
- D. Departmental Card Log
- E. Policy Exception Form



Procurement Card Request Form

Cardholder Information

Last Name:	<input type="text"/>
First Name:	<input type="text"/>
Department:	<input type="text"/>
Address:	<input type="text"/>
City:	<input type="text"/>
State:	<input type="text"/>
Zip Code:	<input type="text"/>
Email Address:	<input type="text"/>
Business Phone:	<input type="text"/>
Last 4 digits Employee ID:	<input type="text"/>

Card Controls

Credit Limit:	<input type="text"/>	Single Purchase Limit:	<input type="text"/>
Default Management Center	<input type="text"/>		

Cardholder Approvals

Cardholder	<input type="text"/>	Date:	<input type="text"/>
Department Supervisor	<input type="text"/>	Date:	<input type="text"/>

PCard Approval Signature Authorization Form

Department: _____

Department Head	
Name	
Title	
Signature and initials as it will appear on Pcard Statement	
Department Head's Designees:	Dollar Limitation, if any
Name	
Title	
Signature and initials as it will appear on Pcard Statement	
Name	
Title	
Signature and initials as it will appear on Pcard Statement	
Name	
Title	
Signature and initials as it will appear on Pcard Statement	
Name	
Title	
Signature and initials as it will appear on Pcard Statement	
Name	
Title	
Signature and initials as it will appear on Pcard Statement	



RECEIPT OF PURCHASING CARD

Please read these statements before signing to acknowledge your responsibilities regarding your U.S. Bank Visa Purchasing Card.

1. This card is to be used to purchase supplies and services having available and appropriate funding. With the approval of the P-Card application by the supervisor/manager, the cardholder has been delegated expenditure and purchasing authority for the County.
2. P-Card statements are to be reconciled monthly within 15 days of the statement date online using the County sponsored, web-based program that allows the cardholder or department designee to review and allocate monthly transactions to the correct ledger accounts. The Program Administrator will perform continual audits of a cardholder's P-Card documentation to ensure that a record keeping is complete and accurate and that P-Card program procedures are being followed.
3. A lost or stolen card must be reported immediately to U.S. Bank Customer service at (800) 344-5696. You must also notify your supervisor/department head who will notify the Program Administrator. The card will be inactivated immediately and a replacement card will be issued.
4. The cardholder is responsible for indicating to the supplier that the County is tax exempt, and should not be charged sales tax. The cardholder is responsible for any sales tax credit due to the County.
5. The cardholder is responsible for ensuring sufficient receipt of materials and supplies, and resolving any receiving discrepancies or damaged goods issues.
6. The card is for business-related purposes only. Personal charges are not to be made to the card and could be considered misappropriation of funds.
7. Improper use may require relinquishing the P-Card and may result in disciplinary action up to and including termination and criminal prosecution.
8. You must surrender the card upon termination of employment or transfer to another County department

By signing this document, I certify that I have received the Lake County U.S. Bank Visa Purchasing Card and understand and agree that I will comply with the above guidelines as well as the County P-Card Policies and Procedures.

*

Print Cardholder Name

Department/Division

*

Signature/Date

Departmental P-Card Log

Department: _____

Name on Card: _____

Custodian: _____

Last 4 digits of Card: _____

[illegible]



TRAVEL AND BUSINESS EXPENSE
Policy Exception Form

County Procurement Cards: Departments are encouraged to utilize the Lake County procurement card to cover travel and business expenses for themselves and their staff. The date, description and purpose of the travel expense and submittal of itemized receipts are required for each travel expenditure as part of the monthly account reconciliation, including restaurants. Lack of receipts will be allowed on an exception basis only, and continued failure to provide receipts will result in card privileges being revoked.

Reimbursement and Payment of Travel and Business Expenses: For each travel and business expense submitted for reimbursement, the employee shall complete the *Expense Reimbursement Form* detailing the date, description and purpose of the travel expense. Submittal of **itemized** receipts are required for each travel expenditure, **including restaurants**, for the following expenses; Lodging, Meals (exceeding per diem amounts), Transportation, Registration.

Policy Exception Statement

☐ The original receipt is not available for this expense
Amount: \$

☐ An **itemized** receipt was not available at the time of purchase
Amount: \$

■ **Description must include details of exception including number of participants/purchased item(s)**

I, the undersigned, certify that the receipt for the expense described above for personal reimbursement or P-card reconciliation was lost, not obtained or not available at the time of purchase and that the expense was for participation in job related training, professional affiliations, and business related functions which serve in the best interest of the County

■ Payee or Cardholder Signature:

Date

■ Department Head Signature:

Date

CAO Review ☐