

PURCHASING REGULATIONS  
FOR  
FRANKLIN COUNTY CREDIT CARD

ISSUED DATE – NOVEMBER, 2000

BY: LINDA CARROLL, BUDGET DIRECTOR

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BY: Linda Carroll, Budget Director

Policy Approved by Budge Committee 11-20-00  
Motion to Approval: Henry Arnold  
Second: Sue Hill

## CREDIT CARD

### FRANKLIN COUNTY PURCHASING REGULATIONS

#### PURPOSE

The purpose of this directive is to establish those policies under which Divisions may contract for, and shall control the use of credit cards which will be assigned to and utilized by selected Franklin County employees to purchase goods and services on behalf of the County or when authorized by this directive. This directive has been prepared to accomplish the following.

1. To ensure that all purchases made with this credit card are in accordance with the County's ordinances and rules which have been established by the County.
2. To ensure appropriate internal controls are established so that the cards are used only for authorized purposes.
3. To ensure that the County bears no legal liability from inappropriate use of credit cards.
4. It is intended that the policies established herein be viewed as minimum standards. Individual Divisions may wish to establish additional controls beyond those suggested by these regulations.

#### SCOPE

This directive will be applicable to those County Divisions who have selected employees to use a credit card to purchase goods, services or for specific expenditures incurred under conditions approved by the directive. The decision of when a credit card is issued and to whom will be decided only by the County Executive and the Division Director.

#### APPLICABILITY

This Directive applies to all Division of Franklin County Government.

#### BACKGROUND

This directive is a direct result of one of the major suppliers of Franklin County refusing to honor the County's purchase orders. In order to utilize this vendor for miscellaneous items the County must use their credit card. However, the directive is intended to be broad enough to encompass any credit cards issued in the name of Franklin County Government. The controls attempt to ensure that the card can be used only for specific purposes and within specified dollar limits. In addition, certification of all purchases is required by each cardholder (Division Director), with verification performed by the Division Director or authorized designee before payment is made to the contractor, the issuer of the card. In any event the Division Director's signature will be required for all certifications.

#### GENERAL INFORMATION

## THE CREDIT CARD

The vendor's card will have the County Division's name, their account number and card expiration date. In the case of a universally accepted credit card, the card will have the employee's name, the County employee's number, the County account number and card expiration date. In either case the contractor, the issuer of the card, will have no individual cardholder information other than the cardholder's work address. No credit records, social security numbers, etc, will be maintained by the issuer of the card.

## THE SPENDING LIMITS

1. The Delegation of Authority that has been provided to each cardholder sets the maximum dollar amount for all purchases made with a credit card within a given billing cycle (30-day limit). Each time a cardholder makes a purchase with the credit card, these limits will be checked and the authorization request will be declined, should the amount exceed those amounts. The limits are as follows:

Sheriff's Department/Jail- Initial limit to be set by County Executive and Budget Director and shall be average of 6 weeks of purchases during the previous fiscal year. This is to allow for billing statements to be received, verified and paid while allowing continuing purchases during the monthly billing cycle.

All other County Offices - Same as for Sheriff's Department/Jail

County Wide Account for single purchases of \$250 and over - \$3,500.00

2. Division Directors may establish lower limits for their Departments.
3. Occasionally, a situation may require a purchase over a cardholder's established limits. If a cardholder makes such a request, it must first be approved by the appropriate Division Director and then by the Budget Director in the form of a separate purchase requisition. The purchase may be made after proper authorization with the use of the County Wide Account.

## THE USE OF THE CARD

1. The credit card is to be used for County purchases ONLY. In the case of individual vendor credit cards there is a broad range of products and services available. In the case of universally accepted credit card there is a broad range of acceptance of retailers and oil company service stations.

## 2. CARDHOLDER'S RESPONSIBILITY

The credit card that the employee receives has the Cardholder's name embossed on it and may be used Only by that cardholder. No other person/division is authorized to use the card.

### 3. CARDHOLDER'S RESPONSIBILITY

Use of the card must meet the following conditions:

- a. the total of a single purchase to be paid for using the card may consist of multiple items and cannot exceed the authorized limit. Purchases will be denied if the authorized limit is exceeded.
- b. All items purchased over the counter to be paid for using the card must be immediately available. No back-ordering is allowed.
- c. At this time all purchases must be made in person. No telephone will be allowed until such time as the County authorizes issuance of a universally accepted credit card and this directive is revised to encompass the additional regulations.

### **TRANSACTIONS, DOCUMENTATION, RECONCILIATION, & PAYMENT PROCEDURES**

#### GENERAL TRANSACTIONS

1. A Monthly Purchase Order will be issued for the Sheriff's Department, the Jail, solid Waste/Sanitations, County Buildings, and all others. This order will be used for all miscellaneous purchases during the monthly billing cycle.
2. Single purchase items of \$250 and over for any of the above listed Departments will require a separate purchase requisition signed by the Division Director and a separate purchase order issued by the budget Office. These purchases will be made with the County Wide Account card which will be kept in the Budget Director's Office. If the Department/Division does not follow this procedure the purchase will be charged against their monthly limit, no exceptions.
3. Each Department that has a card shall maintain a log showing the name of the employee who is using the card, the date and time the card was "choked out" by the employee and the office and time it returned. This log should contain the signature of each employee using the card and the signature of the person who secures the card for the Department.
4. At this time only the Sheriff's Department/Jail shall have an account solely for their use. All other departments will use the cards for All Other County Offices and County Wide Account. The cards for these two accounts will be secured and accounted for by the Budget Office.

#### DOCUMENTATION

Any time a purchase is made which will be paid using the credit card a document must be retained as Proof of purchase. The documentation will later be used to verify the purchases shown on the cardholder's Monthly statement. If for some reason the cardholder does not have documentation of the transactions to send with the statement, the cardholder must attach an explanation which includes a description of the item, the date of purchase, the employee who made the purchase and the reason why there is no supporting documentation. The Department Director must sign this explanation.

## PAYMENT AND INVOICE RECONCILIATION PROCEDURE

1. Purchases made by cardholders will be paid by the Office of Accounts and Budgets Accounts Payable Section, once the cardholder's certification and verification have been completed, and an Account coding has been assigned for each transaction.
2. At the end of each billing cycle, the credit card issuer will provide one copy of the billing statement to The Accounts Payable Section. The copy of the applicable statement will be forwarded to each Cardholder. This is called a Statement of Account and will have a listing of all the items processed During the previous 30 days.
3. The "Statement of Account" requires the cardholder to review the statement and to note any errors On the bill. The cardholder attaches to the statement copies of the receipt(s) received at the time of Each purchase. The cardholder signs the statement certifying the items purchased, assigns account Codes to each item and forwards it to the Division Director for review and certification. The Division Director will forward the statement to the Accounts Section within five(5) working days after it has Been received. Noncompliance may mean denial of future use of card and may lead to the Cancellation of the account.
4. It is responsibility of each Division Director to ensure return of all receipts for purchases made by their Department.

## CARD RESTRICTIONS

### PROHIBITED ITEMS

The following list covers purchases for which credit card use is **PROHIBITED**.

At this time the only prohibited purchases are for items of personal clothing or footwear, except in emergency situations when required for safety. Emergency purchases of this nature will require, in addition to the usual and customary documentation, a written authorization to the Budget Office from the Department Director explaining the purchase, the emergency situation requiring it, and the original signature of that Department Director.

### LOST OR STOLEN CREDIT CARDS

1. Should any employee lose or have the credit card stolen, it is the responsibility of that employee to immediately notify the credit card issuer and the Budget Office of the loss. The telephone number of the credit card issuer will be provided when the credit card is issued to the cardholder.
2. In addition to notifying the credit card issuer, the cardholder must notify their Division Director or Authorized designee and the Purchasing Office of the lost or stolen credit card **WITHIN ONE WORKDAY** after the discovery of the loss or theft of the card. The Division Director or authorized designee will be required to make a written report to the Budget Office within five workdays, which will include the complete information on the loss, the date the loss was discovered, the location where the loss occurred, if known, the purchases that the cardholder had made prior to the loss, and any other information that may be relevant to the incident.

Chairman Adams explained that Walmart has changed their policy and will no longer allow the County to charge items. A Walmart Credit Card was recommended.

Motion made by Henry Arnold, seconded by Sue Hill to approve. Discussion was held. Linda Carroll, Budget Director explained the process required for using the credit card. Roll call vote was as follows:

Ayes: 14

Don Cofer  
Larry Goodman  
Lynn Bean  
William Scharber  
Raymond Bean  
Mark Stovall  
J. M. McDonald  
Joe Williams  
Henry Arnold  
Louise Irwin  
Barbary Finney  
Sue Hill  
Robert Rose  
A. L. Shasteen

NAYS: 1

Ronnie Cowan

Motion to approve passed.

The following resolution was then considered for approval:

