

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

POLICIES & PROCEDURES MANUAL

POLICY 51.040 - PURCHASING CARD POLICY

Date: July 2021
Revision No: 1
Supersedes: July 14, 2020
First Adopted: July 14, 2020

POLICY:

It is the Department's policy to establish and maintain a Purchasing Card Program to allow Department staff to purchase within predefined spending limits, certain types of items directly from merchants, thus reducing the cost associated with low value purchasing activity. The purpose of this policy is to identify the guidelines and terms and conditions in which staff will be issued a Purchasing Card and rules for its use.

GENERAL:

In order to obtain a Purchasing Card, a Purchasing Card Request Form (Exhibit A) must be submitted for approval. Pre-established dollar amounts have been set based on job function, Department section, and intended use. Once approved, the Purchasing Section will assign a card to the employee and arrange for training and orientation.

Authorization for Purchasing Card use is restricted to the **cardholder only**. Employees will not use this Card for personal purchases. Prior to receiving their Card, employees will sign a Cardholder Agreement and receive a copy of the Purchasing Card Policy setting forth their obligations under this program. Employees will be required to re-sign the Cardholder Agreement on an annual basis.

Misuse of the Purchasing Card and/or violation of the Purchasing Card Policy may result in one or more of the following actions: revocation of the card; restricted use of the card; or other disciplinary action.

PROCEDURE:

This Card is a supplement to the Department's purchasing process, and as such, every purchase using the Purchasing Card must adhere to all provisions of the Purchasing Policy. As with other purchasing methods, the following conditions must be met when using

the Card:

- The Purchasing Card should be used whenever possible in lieu of petty cash and low dollar supplies from point-of-sale vendors not otherwise covered under other purchasing processes.
- Purchases must not be split to circumvent transaction limits or the Purchasing Policy.
- Each purchase may be comprised of multiple items, but the total including tax and freight cannot exceed the single purchase dollar limit on the Purchasing Card.

LIMITATIONS:

Purchasing Cards shall not be used for the following purchases/purposes:

- Capital items
- Cash advances
- Non-uniform clothing
- Communications equipment including cellular phones, radios, etc.
- Entertainment, alcohol or tobacco products
- Fuel/lubricants
- Furniture
- Hotel/motes (unless authorized for travel)
- Office Equipment
- Personal purchases of any kind
- Services of any kind

PURCHASING CARD RECEIPTS AND APPROVAL:

All receipts for purchases made with the Purchasing Card shall be attached to a Purchasing Card Receipt Submittal Form with the cardholder's name and coding information. Lost receipts must be documented using the Lost Receipt Form explaining what was purchased and the reason for the purchase. Once complete, cardholders will forward the Submittal Form to their direct supervisor for approval. Approving supervisors will then review cardholder's transactions for adherence to policy and ensure that all transactions are properly coded. Once approved, upload approved receipt to credit card provider's portal and code as a purchase within seven (7) days from the transaction. This is critical to allow Accounts Payable to make payment within the issuing bank's specified time limits.

RETURNS :

All receipts for returns must be submitted through credit card provider's portal and code return to the statement on which the return transaction appears.

LOST/STOLEN CARDS :

Cardholders must report lost or stolen cards to the issuing bank as well as their supervisor and the Purchasing Supervisor immediately. Replacement cards will be requested by the Purchasing Supervisor.

DISPUTES AND FRAUDULENT CHARGES :

Cardholders must monitor all transactions for validity and must report any disputed or fraudulent charges to the issuing bank as well as their supervisor and the Purchasing Supervisor as soon as possible. The cardholder may also be required to complete and sign any required documentation for fraudulent transactions requested by the issuing bank.

SEPARATION OF EMPLOYMENT :

Upon separation from employment with the Department, cardholder must turn in the procurement cards and any receipts to the Purchasing Supervisor or the Human Resources Section no later than their last day of service.

AUDITS :

Accounting Staff will review all Purchasing Card transactions to verify:

- Receipts are present
- Cardholders and supervisor have signed the submittal form
- No personal purchases were made
- Account coding is correct

Accounting Staff may alert an employee and their supervisor via e-mail of any deficiencies regarding purchasing card receipts and approval.

The Purchasing Supervisor, or designee, shall review purchasing card transactions monthly. A review of receipts may be performed on those purchases that appear to be high-risk type of purchases or appear to be of a questionable nature.

REVOCATION OF CARD PRIVILEGES :

The General Manager, Deputy General Manager, Directors, or

designees have absolute discretion to suspend or revoke a cardholder's privileges at any time.

Policy Review

Board Approved:

7/14/2020

Minor changes GM Approved:

7/2021



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PROCUREMENT CARD REQUEST FORM

Employee Name: _____ **Division:** _____

Is this a new card request or a change to existing limits? New Change

Goods must be delivered to Department Business locations only and shall not be shipped to personal addresses.

Individual Transaction Limit	Reconciler & Approver
Suggested limits are on page 2 of this form.	Employer will reconcile his/her own transactions in Procurement Card System Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/> One thousand (\$1,000) per transaction (Superintendents only)	
<input type="checkbox"/> Five thousand (\$5,000) per transaction	
<input type="checkbox"/> Other _____	
Credit Limit	If No, Name of Reconciler: _____
Suggested limits are on page 2 of this form	
<input type="checkbox"/> Five thousand (\$5,000)	
<input type="checkbox"/> Ten thousand (\$10,00)	
<input type="checkbox"/> Twenty-five thousand (\$25,000)	
<input type="checkbox"/> Thirty-five thousand (\$35,000)	
<input type="checkbox"/> Other _____	Name of person who will approve the transactions in Procurement Card System: _____
Describe the business need to issue the above employee a procurement card:	
APPROVALS	
Supervisor:	Date:
Director:	Date:
General Manager:	Date:



Suggested Credit Limits

Single Transaction Limit \$1000/Credit Limit \$5,000

-Superintendents

\$5,000 Credit Limit

- Executive Assistant to the General Manager
- Fleet Supervisor
- Contracts Administrator
- Engineering Manager
- Administrative Services Manager
- Water Conservation/Public Affairs Coordinator

\$10,000 Credit Limit

- Human Resource Coordinator
- Director of Water Utility
- Director of Environmental and Regulatory Compliance
- Director of Water Reclamation
- Deputy General Manager

\$25,000 Credit Limit

- Director of Finance
- General Manager

\$35,000 Credit Limit

- Purchasing Supervisor