

**STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES**

NUMBER: 047
EFFECTIVE DATE: 07-03-2012
REVISED:
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: Purchase Cards (Credit/Procurement Cards)

- I) Purpose:** The Purchasing Card program provides a cost-efficient, alternative method for purchasing supplies. Built-in card features make the program easy to control and manage and reduces processing costs at all levels by reducing the number of requisitions, purchase orders, invoices and checks. The Purchasing Card enables all departments to focus on higher value added activities.
- II) Policy:** Employees may use county purchasing cards. It is a flexible purchasing tool which offers an alternative to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for small dollar items with individual purchase limits and a monthly total expenditure as assigned to each cardholder (any item with a cost of \$1,500 or higher will need prior approval). The card is to be used for official purchases; primarily goods and services, including official travel (see policy 004 section J). The Purchasing Card will enable you to purchase non-restricted commodities and services, by telephone, internet or in person, directly from the vendors.

A. Establishment:

Request for establishment of a new vendors purchasing card program must be made in writing by the elected official or department head to the Comptroller or his/her designee stating the purpose. Contract and/or agreement must be submitted at the time of request to be reviewed by the Comptroller or his/her designee. The Comptroller must review the request, must consider the recommendation from the elected official or department head and the contents of the contract/agreement; must determine whether or not to approve the new vendor contract or agreement. All county purchasing card contracts/agreements must be signed by the Comptroller or his/her designee.

B. Comptroller:

The Comptroller's Office or his/her designee must coordinate all Purchasing Card program for Storey County and act as Storey County's intermediaries in correspondence with the card issuer.

RESPONSIBILITIES:

- Storey County liaison with purchase card vendor.
- Reviewing Department approved applications for completeness of required information.
- Submits a completed application to the vendor.

- Will set limit amount of purchase card and may adjust limits as determined by demonstrated need.
- Arranges with the card issuer, to have Purchasing Cards issued to employees.
- Having Cardholder sign Cardholder Agreement, signifying agreement with the terms of the Purchasing Card program.
- Securing revoked Purchasing Cards.
- Distributing monthly reports to Departments.
- The Comptroller will perform periodic audits for compliance with the guidelines of the Purchasing Card programs, Storey County policies and procedures relating to the expenditure of Storey County funds, as well as Cardholder statements and other required documentation.

C. Elected Official or Department Head:

Storey County official must approve employee's request for a Purchasing Card and submit a request to the Comptroller or his/her designee. Approval by an elected official or department head delegates transaction authority to the employee cardholder. The elected official or department head must be responsible for reviewing transactions of individual Cardholders to make sure the transactions are legitimate business expenses and are classified appropriately.

RESPONSIBILITIES:

- For the use of cards issued to their employees.
- Reviewing Cardholder transactions on the monthly basis, receipts vs. statements.
- Submitting one (1) voucher to the comptroller's office for payment on a monthly basis. The voucher (VR) should include all receipts associated with charges on the statement.
- Sending voucher to the comptroller's office within 14 days after statement date.
- Any purchase \$1,500 or higher must have prior approval of the County Manager and the Comptroller (*Form # 040F Budget Request*).
- Requesting the Comptroller or his/her designee to cancel a Cardholder's card (e.g. terminated employees, transferring departments, and loss of purchasing card privileges).
- Collecting canceled cards from Cardholders and forwarding to the Comptroller or his/her designee.

D. Cardholder /Employee

An employee of Storey County who is approved by his/her elected official or department head to use the Purchasing Card to execute purchase transactions on behalf of Storey County. Before receiving a Purchasing Card, you are required to sign the Storey County Purchasing Card Cardholder Agreement. By signing this agreement, you indicate that you understand the intent of the program, and will comply with all guidelines as well as Storey County Policies and Procedures relating to the expenditure of Storey County funds.

ELIGIBILITY:

- Applicant must be an employee of Storey County.
- His/her elected official or department head must approve applicant's request for a Purchasing Card.
- Each individual Cardholder must sign the receipt section of the Cardholder Agreement in the presence of the Comptroller or his designee.

RESPONSIBILITIES

The Cardholder must use the Purchasing Card for legitimate business purposes only and may not be used for cash. Misuse of the card will subject Cardholder to disciplinary action in accordance with Storey County Policies and Procedures relating to disciplinary action and termination for cause.

The Cardholder must:

- Ensure the Purchasing Card is used for legitimate business purposes only.
- Maintain the Purchasing Card in a secure location at all times and the card account number should be carefully guarded.
- Not allow other individuals to use their Purchasing Card.
- Adhere to the purchase limits and restrictions of the Purchasing Card and ensure the total transaction amount of any single transaction does not exceed the authorized threshold.
- Obtain and reconcile all sales slips, register receipts, and/or Purchasing Card slips to Cardholder statement.
- Attempt to resolve disputes or billing errors directly with the vendor.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement.
- Not accept cash in lieu of a credit to the Purchasing Card account.
- Identifying and notifying the Comptroller of transactions that require the submission of use tax to the Department of Revenue.
- Immediately report a lost or stolen card to vendor and the Comptroller or his/her designee.
- Return the Purchasing Card to elected official or department head upon terminating employment with Storey County or transferring Departments within Storey County.
- Adhere to Account Payable Policy for payment of Purchase Card expenses.

E. Cardholder Liability:

The Purchasing Card is a county charge card and will not affect your personal credit. It is your responsibility to ensure that the card is used within stated guidelines. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and disciplinary action in accordance with Storey County Policies and Procedures relating to disciplinary action and termination for cause.

- Ask the vendor for any appropriate or previous discounts given to the County.
- Obtain a copy of the charge slip, sales receipt and/or packing slips and reconcile to the Cardholder statement.
- For mail, telephone, fax and Internet orders, advise the supplier the delivery will be rejected unless the charge slip, sales receipt and packing slip all accompany the shipment.
- Provide Cardholder statement with attached receipts within 30 days.
- If order is by mail, Internet telephone internet or fax, provide a copy of the order blank or description of the order and submit with statement.
- Missing Receipt(s) – A letter of explanation is required when no original documents are available after all reasonable attempts have been made to received a copy. The letter should describe the expense, the date(s) of the expense and purpose, the name of the payee and address. The letter must be signed by employee who incurred the expense and the department head or elected official.
- Should always attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the card account. If an agreement cannot be reached with the vendor, you should contact the Comptroller.

F. Sales and Use Tax:

The Nevada Revised Statutes have granted Storey County sales/use tax exempt status. Direct purchases of tangible personal property made by Storey County are exempt from sales/use tax. Therefore, do not agree to pay sales/use tax. If a vendor requests verification of the County's exempt status at the time of purchase or when setting up an account, you must provide a copy of the letter from the State of Nevada Department of Taxation.

G. Disciplinary Action:

The use of a Purchasing Card is a privilege, not a right. The Comptroller is required to close an account if a Cardholder for any of the following reasons which will also subject Cardholder to disciplinary action in accordance with Storey County Policies and Procedures relating to disciplinary action and termination for cause:

- The Purchasing Card is used for personal or unauthorized purposes.
- The Purchasing Card is used to purchase any substance, material, or service which violates policy, law or regulation pertaining to Storey County.
- The Purchasing Card is used for unauthorized or personal entertainment and cash transactions.
- The Cardholder allows the card to be used by another individual.
- The Cardholder splits a purchase to circumvent the limitations of the Purchasing Card.
- The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Purchasing Card.
- The Cardholder fails to provide receipts as required.

- The Cardholder fails to provide, when requested, information about any specific purchase within 30 days.
- The Cardholder does not adhere to all of the Purchasing Card policies and procedures.

RESPONSIBILITY FOR REVIEW: The Comptroller will review this policy every 5 years or sooner if necessary.