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WV STATE AUDITOR'S OFFICE
LG P-CARD DIVISION

Cabell County
Purchasing Card
Policy and Procedure
Manual

Date: August 23, 2011

1. Program Objective

The Local Government Purchasing Card Program, also known as P-Card program for short, was created and implemented in 2008 by West Virginia Code §6-9-2a. The State Auditor's Office Local Government P-Card Division serves as the Program Administrator for the Local Government P-Card Program. This manual establishes minimum standards for the use of this program. Individual transaction limits and credit limits shall be determined by the Entity P-Card Coordinator with guidance from the Cabell County Commission. In order to achieve the full benefit of the program, use of the card is encouraged.

2. Policy

It is County policy to use the purchasing cards when efficient, economical, feasible, and within budgetary guidelines. The Cabell County Commission reserves the right to modify these policies and procedures if warranted. REMEMBER, THE P-CARD PROGRAM IS A PRIVILEGE NOT A RIGHT.

3. Card Issuance

A. Eligibility

P-Cards are issued at the request of the elected official with the approval of the county commission. Only elected officials or full-time county employees are eligible for the P-Card.

B. Types of Cards

Traditional P-Cards are plastic cards that are issued to designated employees to pay for goods and services to any vendor that accepts the card. The cardholder is responsible for the security and safekeeping of the card.

Ghost Account is a card account number issued to a designated employee to pay regular, routine bills that an entity processes. (Monthly waste removal, copy machine rental, phone bills, equipment leases, etc.)

Declining Balance P-Card is a card that will have a credit limit that can be used for purchases. As the card is used for payment, the balance of the card will decline until it has reached a zero balance.

C. Application Process

Application (Exhibit 1) for a card is made through the P-Card Coordinator. The card applicant will be scheduled for training and orientation by the P-Card Coordinator and Finance Department personnel. After training, the applicant will

complete the Purchasing Cardholder Agreement (Exhibit 2). The P-Card Coordinator will authenticate the signature of the county commission before sending to the bank.

D. Card Activation

Upon receipt of the card, the P-Card coordinator will activate the card and contact the elected official/employee that P-Card has been activated. A four-digit PIN number is required for P-Card activation which will be in the possession of the P-Card Coordinator.

4. Card Usage

- A. A purchase is one or several items bought from one vendor at one time and on one receipt. The P-Card may be used to make payments for goods and services described in this policy and procedure manual. All applicable laws, rules, regulations, and P-Card policies and procedures must be followed regardless of the method of payment.
- B. Individual transaction and credit limits will be approved by the county commission. Authorization for a purchase will be approved only if it falls within the cardholder's limits.
- C. Each cardholder will be required to complete a P-Card activity log (exhibit 3).
- D. Cardholders shall possess a copy of the county tax exemption certification and should remind vendors that government entities are tax-exempt and should not pay tax to in-state vendors prior to performing the transaction.
- E. Ordering is permitted with the P-Card by telephone, fax, mail, and secured internet. The vendor should be provided with a complete shipping address. Shipping and handling charges will be included in the total sale price and may not exceed the cardholder's assigned transaction limit. The vendor is to be instructed to provide an itemized invoice or itemized receipt of purchase. The vendor may not charge the account until the merchandise has been shipped.
- F. As required by WV §12-3-18, the cardholder is required to keep an itemized document or itemized receipt as proof of purchase. To assist the cardholder with keeping records, a P-Card activity log (exhibit 3) must be used. All appropriate logs, receipts, and documents will be retained in electronic or hardcopy format by the county commission and/or the county clerk's office.
- G. All cardholders are not only responsible for keeping their purchases within set limits, but must check with their Department Head/Elected Official prior to

purchase to confirm there are enough funds in the corresponding budget line item.

5. Card Restrictions

A. The following is a list of prohibited transactions

- Cash withdrawals, cash credits, and cash advances
- Fringe benefits such as fitness club memberships, civilian clothing allowances, etc.
- No food or beverages for county employees unless food purchase is for hospitality where the general public is invited.
- No meals can be purchased on the P-Card, however, meal allowances will follow the GSA schedule and be paid for by the use of Declining Balance Cards.
- Purchase of alcohol is prohibited.

B. Other Prohibitions

- It is a violation to manipulate the ordering, billing, or payment process in order to circumvent the established cardholder limits and guidelines.
- Purchase of any authorized goods or services, at terms that are excessive (e.g., price, quantity, plan).
- It is unlawful for any vendor doing business with the Entity to provide a bribe, gratuity, or kickback, in any amount, for using their services. Entities receiving gifts with nominal value (e.g., candy, gift baskets, etc.) should be shared fairly throughout the entity or given to charity. Any gift valued in excess of the amount noted in the State's Ethics Act, West Virginia Code 6B-1-1, et seq., should be returned to the vendor, if possible, and reported to the State Auditor's Office Local Government P-Card Division.
- Failure to produce proper documentation or reporting a lost or stolen card is a violation.
- No purchases can be made from vendors that create a conflict of interest, such as companies owned by County employees/Elected Officials.
- No cardholder shall delegate their P-Card or account information, to another employee/elected official for purchases. Only the person whose name is embossed on the card shall have access.

6. Account Maintenance

A. Maintenance

A P-Card Maintenance Form (Exhibit 4) must be completed to make modifications to a cardholder's account. The request should state the maintenance to be completed such as an address change, a name change, a change to card or transaction limits, or card cancellation. The request needs to be submitted to the P-Card Coordinator for processing.

B. Closure

P-Cards will be cancelled immediately upon termination of, or separation of employment from Cabell County. The card must be brought to the P-Card Coordinator, where the card will be destroyed and a maintenance request (exhibit 4) completed.

C. Lost or Stolen Cards

The cardholder shall immediately report a lost or stolen card to United Bank at 1-800-292-7600 or (1-800-VISA911) and the P-Card Coordinator, to limit cardholder liability. A maintenance request (exhibit 4) must be completed.

D. Disputed Items

These transactions may result from failure to receive goods or services or incorrect amounts being charged for the purchases. The cardholder must contact the vendor and attempt to resolve the problem or error. If the vendor is unwilling to credit the charge, the cardholder must provide documentation that the vendor was contacted and complete a dispute form (exhibit 5). This must be filed with the P-Card Coordinator within 60 days of the statement date of the disputed item.

7. Statement Reconciliation and Approval

A. Reconciliation

At the end of each billing cycle, the cardholder will reconcile the information on the statement, with evidence attached to the statement of each purchase. After reconciliation, the cardholder will sign their individual statement. The receipts or evidence of purchase should be attached to the statement in chronological order, matching the dates on the statement. If a disputed item or credit is not on the current billing cycle, the evidence of that transaction will be held until the following month, by the cardholder, to reconcile against the next month's statement. Any monthly bill being paid with the P-Card needs to be attached in its entirety.

B. Approval

After reconciliation, each statement will be forwarded to their department head/elected official to be checked for accuracy. After the statement has been checked for accuracy, the department head/elected official will sign-off on the statement, as approval. The cardholder statement, with attachments, shall be forwarded to the County Clerk's office, **before** the 10th of the month, for final reconciliation to the main account statement, approval, signature, and payment. The department head/elected official is ultimately responsible for all purchases made within their department and respective budget line items.

8. Audit & Record Retention & Training

A. Audit

As required by WV §6-9-7, an audit will be conducted on an annual basis by the State Auditor's Chief Inspector Division, as part of the county's regular audit.

B. Record Retention

All documentation pertaining to the P-Card Program shall be kept on each individual cardholder as long as the card is active, or for two years after the fiscal year of the final transaction on that account, whichever is longer. All documentation needs to be retained until an audit has been completed for that fiscal year.

C. Training

Each cardholder must complete mandatory initial training and orientation prior to obtaining a P-Card, and refresher training every three years, before their card is renewed.

9. Disciplinary Actions for Misuse

Failure to comply with P-Card Policies and Procedures, rules, and laws associated with the Local Government P-Card Program, may result in the following:

- Violations/Misuse may result in disciplinary actions according to the policy of the elected officials.
- Limitation of use by reduction of card limits and/or transaction limits.
- Period of probation from card usage.
- Card revocation.

- Any violation of West Virginia Code §6-9-2c*, is guilty of a felony, and, upon conviction shall be confined by the state for not less than one year nor more than five years in a correctional facility, or fined no more than \$5,000, or both fined and imprisoned.

Any instance of misuse, possible fraud, misappropriation, or mismanagement shall be reported to the P-Card Coordinator. The P-Card Coordinator shall report any of these discoveries to the State Auditor's Office Local Government P-Card Division within 24 hours of the incident.

10. Coordinator Designation and Responsibilities

A. Designation

The P-Card Coordinators will be appointed through approval by the County Commission. The county will have two coordinators, one from the County Commission office and one from the County Clerk's office. P-Card Coordinators will be persons of knowledge and experience of the purchasing cycle of the county. The coordinators shall attend training regarding the administration of the program.

B. Responsibilities

The County Commission's coordinator will be responsible for, but not limited to, all administrative duties relating to the P-Card program.

The County Clerk's coordinator will be responsible for, but not limited to, all financial duties relating to the P-Card program.

****§6-9-2c. Fraudulent or unauthorized use of a purchasing card is prohibited; penalties.***

"It is unlawful for any person to use a local government purchasing card, issued in accordance with the provisions of section two-a of this article, to make any purchase of goods or services in a manner which is contrary to the provisions of section two-a of this article or the rules promulgated pursuant to that section. Any person who violates the provisions of this section is guilty of a felony and, upon conviction thereof, shall be confined in a state correctional facility not less than one year nor more than five years, or fined no more than five thousand dollars, or both fined and imprisoned."

- **Contacts**

Call the United Bank at 1-800-242-7600 (24 hours, 7 day-per-week)

- To report lost/stolen purchasing card
- Emergency situations
- Account Inquiries

Call the County Commission's P-Card Coordinator:

- To report lost/stolen purchasing card
- To apply for P-Card
- For questions about policies and procedures
- To replace damaged purchasing cards
- To schedule training
- To cancel a purchasing card
- If you don't receive your monthly statement
- Billing Information

Call the County Clerk's P-Card Coordinator:

- For information on vendors and tax-exempt information or certificates
- For budgetary information regarding P-Cards or P-Card purchases

**CABELL COUNTY PURCHASING CARD POLICIES
AND PROCEDURES MANUAL
ACKNOWLEDGEMENT**

**I HAVE READ THE PURCHASING CARD POLICY AND PROCEDURES MANUAL AND
UNDERSTAND MY ROLE AS A CARDHOLDER AND THE CONSEQUENCES FOR MISUSE.**

CARDHOLDER SIGNATURE

DATE

DEPARTMENT HEAD/ELECTED OFFICIAL

DATE