

THE STATE OF TEXAS

COUNTY OF COLLIN

**Subject: Policy, Revised Collin County Procurement Card Policy & Procedure Manual – Purchasing**

On **August 22, 2011**, the Commissioners Court of Collin County, Texas, met in **regular session** with the following members present and participating, to wit:

**Keith Self  
Matt Shaheen  
Cheryl Williams  
Joe Jaynes  
Duncan Webb**

**County Judge, Presiding  
Commissioner, Precinct 1  
Commissioner, Precinct 2  
Commissioner, Precinct 3  
Commissioner, Precinct 4**

During such session the court considered a request for approval to adopt the revised Collin County Procurement Card Policy & Procedure Manual.

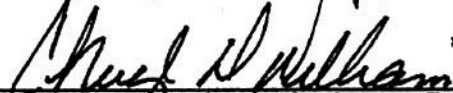
Thereupon, a motion was made, seconded and carried with a majority vote of the court for approval to adopt the revised Collin County Procurement Card Policy & Procedure Manual. Same is hereby approved in accordance with the attached documentation.



Keith Self, County Judge



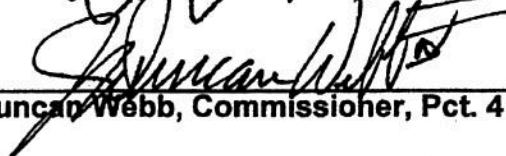
Matt Shaheen, Commissioner, Pct. 1



Cheryl Williams, Commissioner, Pct. 2



Joe Jaynes, Commissioner, Pct. 3



Duncan Webb, Commissioner, Pct. 4



ATTEST:



Stacey Kemp, Ex-Officio Clerk  
Commissioners Court  
Collin County, T E X A S

COLLIN COUNTY  
PURCHASING CARD  
POLICY & PROCEDURE MANUAL

# PURCHASING CARD

## POLICY AND PROCEDURE MANUAL

### 1.0 PURPOSE

To establish a methodology for use and to define the limits of use of County issued purchasing cards provided to certain personnel in order to make purchases of goods and/or services.

### 2.0 ATTACHMENTS

- 2.1 Enrollment/Request Form
- 2.2 Employment Agreement Form
- 2.3 Dispute Report

### 3.0 GENERAL

#### 3.1 DEFINITIONS

3.1.1 *Vendor:* A company (partnership, sole proprietorship, or corporation) from which a cardholder is purchasing materials and/or equipment or services under the provisions of this procedure.

3.1.2 *Cardholder:* Personnel who have been issued a purchasing card and who are authorized to make purchases in accordance with these procedures.

3.1.3 *Approving Supervisor:* This individual shall review and approve a cardholder's weekly department/division approval list.

3.1.4 *Purchasing Card Coordinator:* The person responsible for all program details, including all cardholder inquiries.

3.1.5

3.1.5 *Single Purchase Limit:* A dollar amount limitation of Purchasing authority delegated to a cardholder. This dollar limit may vary from cardholder to cardholder.

3.1.6 *Requisitioner*: An employee who has a need for materials or services that can only be fulfilled by a vendor. Under this Purchasing Card Procedure, a requisitioner may be a cardholder.

3.1.7 *Bank Account Manager*: Managing representative from the bank who issues the Purchasing Card.

3.1.8 *Auditor Accounts Payable*: An employee in the Collin County Auditor's Office who audits and reconciles Department/Division Approval List and process all payments to Bank.

3.1.9 *Procurement Card Department/Division Approval Report*: A weekly report generated by the Auditor Accounts Payable and notice sent to each Cardholder and Approving Supervisor to review purchases.

3.1.10 *Transaction Maintenance on HTE Computer System*: A weekly report provided by the Auditor Accounts Payable to the Cardholder and Approving Supervisor on the HTE Computer System under the GMBA Accounting System, Procurement Card menu.

#### **4.0 PROCEDURE:**

##### **4.1 INTRODUCTION:**

4.1.1 This program is being established in order to provide a more rapid turnaround of requisitions for low-dollar value goods and to reduce paperwork and handling costs. By using the Purchasing Card you dramatically shorten the payment cycle from the traditional requisition process. The traditional process includes pricing inquiry, order placement, delivery of goods, invoice and voucher review. Those requisitioners who have been issued Purchasing Cards may now initiate transactions in person, telephone or Internet within the limits of this procedure and receive goods. Payments to vendors are made via the MasterCard settlement system. Accounts payable will make monthly settlements with the Bank.

##### **4.2 RECEIVING A PURCHASING CARD**

4.2.1 Elected Officials/Department Heads and managers may propose personnel to be cardholders by contacting the Purchasing Card Coordinator. The Coordinator will issue an Enrollment/Request form. Personnel authorized to receive a Purchasing Card must be approved by the appropriate Elected Official/Department Head responsible for the department in which the employee works.

4.2.2 The proposed Cardholder shall be issued a copy of this procedure and shall be required to attend a Purchasing Card training session, sign a Cardholder Enrollment/Request Form and an Employee Agreement. The Enrollment/Request Form (Attachment 1) contains all information required to properly enter the Cardholder in the Purchasing Card Program. On the Enrollment Form, the Elected Official/Department Head or Approving Supervisor will designate:

4.2.1.1 a single purchase limit, and

4.2.1.2 a 30-day limit

The maximum limit shall be \$500.00 for a single purchase. In some cases, this amount may be increased with Department Head/Elected Official approval.

The Employee Agreement (Attachment 2) indicates that the Cardholder understands the procedure and the responsibilities of a Purchasing Card Cardholder.

4.2.3 The Purchasing Card Coordinator and Accounts Payable shall maintain all records of Purchasing Card requests, limits, cardholder transfers and lost/stolen/ destroyed card information.

#### 4.3 AUTHORIZED PURCHASING CARD USE

4.3.1 Departments may request (1) a personalized Purchasing Card and/or (2) a departmental general use Purchasing Card. The personalized card that the Cardholder receives will have his/her name embossed on it and shall **ONLY** be used by the Cardholder. **NO OTHER PERSON IS AUTHORIZED** to use that card. The Cardholder may make transactions on behalf of others in their department with the approval of a supervisor authorized to approve such purchases. However, the Cardholder is responsible for all use of his/her card.

4.3.2 Use of the Purchasing Card shall be limited to the following conditions:

4.3.2.1 A total value of a transaction shall not exceed a Cardholder's single purchase limits. Payment for a purchase **WILL NOT** be split into multiple transactions to stay within the single purchase limit.

4.3.2.2 All items purchased "over the counter" must be immediately available at time of Purchasing Card use. No backordering of merchandise is allowed.

4.3.2.3 Transaction volumes must not be exceeded (i.e. # and \$ amount of authorized transactions).

4.3.2.4 Spending limit must be adhered to.

4.3.3 The departmental general use card will have the department name embossed on it. The department head/Elected Official will delegate within their staff who will be authorized to use the departmental general use card. The departmental general use card should be safeguarded to prevent unauthorized use. The departmental general use card may be used for purchases and travel expenditures on behalf of others in their department with the approval of a supervisor authorized to approve such purchases.

4.3.4 Use of the departmental general use Purchasing Card shall be limited to the following conditions:

4.3.4.1 A total value of a transaction shall not exceed a Card single purchase limits. Payment for a purchase **WILL NOT** be split into multiple transactions to stay within the single purchase limit.

4.3.4.2 All purchased “over the counter” must be immediately available at time of Purchasing Card use. No backordering of merchandise is allowed.

4.3.4.3 Transaction volumes must not be exceeded (i.e. # and \$ amount of authorized transactions.)

4.3.4.4 Spending limit must be adhered to.

4.3.4.5 Travel expenditures that may include registrations, airline ticket purchase, hotel reservations, hotel expenses, meals, rental cars, etc. All travel expenditures must follow the guidelines set in the Collin County Travel Policy.

#### 4.4 UNAUTHORIZED PURCHASING CARD USE

4.4.1 The Purchasing Card **SHALL NOT BE USED** for the following:

4.4.1.1 Personal purchases or purchases for family members or friends or for identification.

4.4.1.2 A single purchase that exceeds the limit of \$500.00 or the Cardholder’s single purchase limit; unless a higher limit has been agreed in writing with the Elected Official/ Department Head.

4.4.1.3 Entertainment expense or meals and travel expenses for non-County related business.

4.4.1.4 Cash Advances.

4.4.1.5 Telephone calls/monthly service.

4.4.1.6 Gasoline for non-County related business trips.

4.4.1.7 Alcoholic Beverages

4.4.1.8 Any additional items/services as may be restricted by County policy.

4.4.1.9 Travel expenses for anyone other than Cardholder on a Personalized Purchasing card.

4.4.2 A Cardholder who makes unauthorized purchases or carelessly uses the Purchasing Card may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the Bank or other associated costs in connection with the misuse. The Cardholder will also be subject to disciplinary action.

#### 4.5 MAKING A PURCHASE

4.5.1. Procurement procedures permit a purchase of goods or services if their value is \$500.00 or less, to be made from a "Vendor of Choice." This implies the possibility of not comparing sources or competition between vendors. However, should any purchase exceed \$500.00, it is policy to seek competition and the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a Purchasing Card purchase the Cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery. Where possible the Purchasing Department will establish pricing agreements and identify the contract suppliers.

4.5.2 Cardholders will utilize the following "checklist" when making a purchase:

4.5.2.1 Check the Contract Suppliers list provided by Purchasing, to determine if vendors and prices have already been established for the required goods. If not, solicit a number of sources according to policy. If vendors furnish standing price quotations or catalog prices on a recurring basis, check that the price listed is current.

4.5.2.2 Assure that **sales taxes** are not added to the purchase.

4.5.2.3 Once a vendor is designated and that vendor confirms that the product or service is available which meets the specification and delivery requirements, take the following steps.

4.5.2.4 Confirm that the vendor agrees to accept MasterCard.

4.5.2.5 Direct the vendor to include the following information on the packing list/shipping label:

4.5.2.5.1 Cardholder's name and telephone number;

4.5.2.5.2 Complete delivery address;

4.5.2.5.3 The words "Purchasing Card Purchase";

4.5.2.5.4 The vendor's order number.

4.5.2.6 It is extremely important that all purchases be sent to the cardholder ordering the merchandise, as this will ensure that the documents necessary for record keeping are readily available to the cardholder.

4.5.2.7 If necessary, advise the individual within your area who receives merchandise of the vendor's name and order number, anticipated delivery date, number of boxes expected, carrier (UPS, Fed Ex, etc.). The receiver must notify the actual Cardholder when delivery is made so that proper documentation is recorded.

#### 4.6 CARDHOLDER RECORD KEEPING

4.6.1 Whenever a purchasing card purchase is made, either over the counter, telephone or by Internet, documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchases listed on the Department's weekly Procurement Card Department/Division Approval report. Documentation should include original packing slip, itemized invoice, cash register tape and purchasing card slips, etc. Prior to signing this slip, the Cardholder is responsible for making sure that the vendor lists the quantity, fully describes the item(s) on the charge slip, and sales tax has not been added.

4.6.2 At the end of each week, the Cardholder shall receive a notice from the Auditor Accounts Payable that the Cardholder's transactions for that time period are ready for approval and the date when the approvals are due. The Department/Division Approval List can be found on the HTE computer system under GMBA Accounting System, Procurement Card menu. It should be printed and appropriate documentation for each charge should be matched to the Approval List.

4.6.2.1 The original sales documents (packing slips, itemized invoice, cash register tape and purchasing card slips, etc.) for all items listed on the Department/Division Approval List MUST be neatly attached, in sequence, to the approval list. This data is critical to enable audit substantiation. IF THIS PROCEDURE IS NOT ADHERED TO, THE PURCHASING CARD WILL BE REVOKED.

The careful matching of complete support documents to the Department/Division Approval List is vital to the successful use of this program.

After this review, the Cardholder shall sign the Department/Division Approval List, and present this



weekly report to his/her Approving Supervisor for approval and signature.

4.6.3 The Approving Supervisor shall check the Department/Division Approval List and confirm with the Cardholder the following items as a minimum:

4.6.3.1 Receipts and shipping documents exist for each purchase.

4.6.3.2 The goods were received or the services were performed.

4.6.3.3 The Cardholder has complied with applicable procedures, including this Purchasing Card procedure.

4.6.4 The Approving Supervisor's signature/approval on the Department/Division Approval List indicates that the Cardholder was authorized to make those purchases and those purchases were made in accordance with the applicable procedures. In accordance with 4.6.2.1, the approved document package must be reconciled & submitted to the Auditor's office **within five (5) business days** of the original receipt of the report.

4.6.5 If the Cardholder does not have documentation of a transaction listed on the Department/Division Approval List, he/she shall attach a signed explanation that includes a description of the item(s) purchased, date of purchase, vendor's name and reason for lack of supporting documentation.

4.6.6 The transaction details shall be added to the Transaction Maintenance on HTE computer system under the GMBA Accounting System, Procurement Card Menu. This information includes the vendor name & number (if name & number have not already been assigned, contact Auditor's Office & provide the vendor name, vendor address, and vendor phone number), the department's general ledger account code, the Project Code (if necessary); and description of purchase. The description should include what the charge is for, the person's name/department receiving the goods, and dates/location if applicable. The Cardholder/Approving Supervisor shall enter the appropriate transaction maintenance for each charge. This should be completed **within five (5) business days** of receipt of email notification from Auditor Accounts Payable.

4.6.7 The Approving Supervisor shall approve all charges made by the Cardholder in the HTE computer system under the GMBA Accounting System, Procurement Card menu **within five (5) business days** of receipt of email notification from Auditor Accounts Payable.

4.6.8 If the Cardholder is disputing a charge, he/she shall:

- 4.6.8.1 First contact the supplier in an effort to determine a resolution. If that does not correct issue,
- 4.6.8.2 Complete a dispute Report (Attachment 3) and submit same to the Purchasing Card Coordinator and Accounts Payable. **Immediate** action to resolve a dispute is of extreme importance.

4.6.9 If purchased items or credits are not listed on the Department/Division Approval List, the appropriate transaction documentation shall be RETAINED by the Cardholder until the next Department/Division Approval List. If the purchase or credit does not appear on that Department/Division Approval List, the Cardholder or Approving Supervisor shall notify the Purchasing Card Coordinator.

4.6.10 If items purchased by the use of the purchasing card are found to be unacceptable, the Cardholder is responsible for obtaining replacement or correction of the item as soon as possible. If the vendor has not replaced or corrected the item by the date the Cardholder receives his/her Department/Division Approval List, then the purchase of that item will be considered in dispute. (See 4.6.8)

#### 4.7 DEPARTMENT/DIVISION APPROVAL LIST

4.7.1 Weekly Department/Division Approval List listing all transactions shall be issued by the Auditor's Office to the appropriate Cardholder and Approving Supervisor. These listings will allow the Approving Supervisors to track their Cardholder's activities.

More than two (2) reminders to a Cardholder and Approving Supervisor that an approved weekly Department/Division Approval List is delinquent will be grounds for withdrawing the Purchasing Card from that Cardholder.

#### 4.8

#### 4.8 CARD SECURITY

4.8.1 It is the Cardholder's responsibility to safeguard the Purchasing Card and account number to the same degree that a Cardholder safeguards his/her personal credit information.

- 4.8.1.1 The Cardholder must not allow anyone to use his/her account number. A violation of this trust will result in that

Cardholder having his/her card withdrawn and disciplinary action may occur.

4.8.2 If the purchasing card is **LOST OR STOLEN**, the Cardholder shall immediately notify the bank. Representatives are available 24 hours a day. Cardholder must advise the representative that the call is regarding a Procurement Card. The Purchasing Card Coordinator is also to be notified immediately.

4.8.3 A new purchasing card shall be promptly issued to the Cardholder after the reported loss or theft. A purchasing card that is subsequently found by the Cardholder after being reported lost shall be returned to the Purchasing Card Coordinator to be destroyed.

#### 4.9 CARDHOLDER SEPARATION

4.9.1 Prior to separation from the County or transfer to another department, the Cardholder shall surrender the Purchasing Card and current Purchasing Card purchasing documentation to his/her Approving Supervisor. Upon its' receipt, the Approving Supervisor will deliver the credit card to the County Purchasing Card Coordinator. The Approving Supervisor will retain and reconcile any purchasing documentation upon receipt of the Department/Division Approval List, and enter required information into the HTE computer system, GMBA Financial, Procurement Card Menu. Please be aware that the responsibility of the void card remains with the Cardholder/Department Head until it has been received by the Purchasing Card Coordinator.

**COLLIN COUNTY  
PURCHASING CARD PROGRAM  
ENROLLMENT/REQUEST FORM**

This form is to request and enroll in the County's Purchasing Card Program. I understand that if approved, I will be issued a MasterCard in my name to be used for official County business only. As a Cardholder, I understand that I will be required to sign a Purchasing Card Agreement and attend a Purchasing Card training session prior to issuance of a purchasing card.

CARDHOLDER'S NAME: \_\_\_\_\_  
SOCIAL SECURITY NUMBER XXX-XX \_\_\_\_\_ (last four digits only)  
CARDHOLDER'S E-MAIL: \_\_\_\_\_  
DEPARTMENT: \_\_\_\_\_  
DEPARTMENT ADDRESS: \_\_\_\_\_  
DEPARTMENT PHONE #: \_\_\_\_\_  
DEPARTMENT FAX #: \_\_\_\_\_  
DEPARTMENT HEAD NAME: \_\_\_\_\_  
DEPARTMENT HEAD SIGNATURE: \_\_\_\_\_  
IMMEDIATE SUPERVISOR NAME: \_\_\_\_\_  
IMMEDIATE SUPERVISOR SIGNATURE: \_\_\_\_\_

Request a single purchase limit of \$ \_\_\_\_\_, not to exceed \$ \_\_\_\_\_ / per month. Attached to this form is a list of merchants/product categories/activities that have been restricted by the Purchasing Department.

**For Purchasing Card Coordinator Use Only**

Card Number: \_\_\_\_\_ Date Issued: \_\_\_\_\_  
Date Returned/Cancelled: \_\_\_\_\_ Cardholder's Signature: \_\_\_\_\_  
Date of Training/Manual Issuance: \_\_\_\_\_  
Coordinator Signature: \_\_\_\_\_

As Cardholder, my signature acknowledges that I have received the listed purchasing card, training and purchasing card procedures manual.

\_\_\_\_\_  
*Cardholder Signature*

\_\_\_\_\_  
*Date*

## EMPLOYEE CARD AGREEMENT

I, \_\_\_\_\_, hereby request a Purchasing Card through the County's Purchasing Card Program. As a holder I agree to comply with the following terms and conditions regarding my use of the card.

I understand that I am being entrusted with the Purchasing Card and will be making financial commitments on behalf of the County.

I understand that the County is liable to bank for all charges made on the Card. I understand that I am liable for all charges not in compliance with this Agreement or with the Collin County Purchasing Card Program Policy Procedures Manual, (the Manual).

I agree to use the Purchasing Card for purchases in compliance with the Manual and agree not to make personal purchases or any purchase in violation of the policy set forth in the Manual. I understand that the County Auditor and/or Purchasing Card Coordinator will audit the use of the Purchasing Card and that appropriate actions will be taken to enforce this Agreement and violations of the Manual. Failure to follow the Manual may result in the revocation of my use of the Purchasing Card and other possible disciplinary actions.

I have received a copy of the Manual and understand the requirements of the use of the Purchasing Card. I agree to return the Purchasing Card immediately upon request or upon termination of my employment (including retirement).

If the Purchasing Card is lost or stolen, I agree to notify the Purchasing Card Coordinator and bank immediately. If the Purchasing Card is used in a manner not authorized by the Manual, I agree to notify the Purchasing Card Coordinator immediately.

I understand that the burden of proof will be upon me to show that the items purchased were made in compliance with the policy as set forth in the Manual. I agree to comply with competitive procurement policies and will obtain the best value when using the Purchasing Card to make a purchase.

**Purchases made in violation of the policy as set forth in the Manual will subject me to liability for the total dollar amount of such unauthorized purchase(s).**

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*Employee Signature*

*SS#(last 4 digits)*

*Date*

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*Elected Official/Department Head*

*Date*

**COLLIN COUNTY  
PURCHASING CARD PROGRAM  
DISPUTE REPORT**

In accordance with the Collin County Purchasing Card Program procedures, the listed product/service is in dispute:

Item Ordered: \_\_\_\_\_

Date Ordered: \_\_\_\_\_

Date Received: \_\_\_\_\_

Authorized Amount: \_\_\_\_\_

Statement Amount: \_\_\_\_\_

Vendor: \_\_\_\_\_

Card Number: \_\_\_\_\_

Cardholder Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Department: \_\_\_\_\_

Department Account: \_\_\_\_\_

Reason for Dispute: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Actions taken to Remedy: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_