



# **GILLESPIE COUNTY**

## **PROCUREMENT CARD POLICIES & PROCEDURES**

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## I. GENERAL INFORMATION

The purpose of the procurement card program is to provide Gillespie County with an efficient, controllable, and cost-effective method of purchasing and paying for small dollar commodities, services, supplies, and travel purchases where County charge accounts are not established. The County will issue cards via JPMorgan Chase. The card will be primarily used ~~in place of petty cash, small purchases,~~ for emergency purchases and travel/conference expenses per the Travel Policy. This card policy is not intended to replace, but rather supplement existing purchasing, travel, and other County policies.

## II. OBTAINING A PROCUREMENT CARD

### A. Steps:

1. The Auditor's Office selects employees who would benefit from receiving a procurement card. The Elected Official/Department Head may request a procurement card for employees not selected by the Auditor's Office, but the final decision is made by the Auditor's Office.
2. Employees submit the completed signed application form on page 9 to the Auditor's Office along with the signed cardholder agreement on page 7.
3. The Auditor's Office will request issue of the procurement card from JPMorgan Chase.
4. Upon receipt of the card, the Auditor's Office will contact the employee and issue the card to the new cardholder.

## III. DUTIES & RESPONSIBILITIES

### A. Cardholder

1. The employee who is issued a card is called a cardholder. The procurement card has transaction limits for the maximum amount of each transaction as well as the maximum monthly transaction total and the type of merchant where the card may be used.
2. The cardholder must use *only* his/her assigned card. Cards must not be loaned to another employee for his/her use. There will be **no exceptions**. If an employee does not have a procurement card they will not be able to make County purchases. **Procurement cards may not be used at vendors which the County has a charge account established.**
3. It is every cardholder's responsibility to ensure there is a receipt for each purchase. A hardcopy receipt **must** be obtained from the vendor each time the card is used. Online and telephone charges must also be documented by a receipt;

thus, the cardholder shall request the vendor to email, fax, or mail the cardholder a receipt. These receipts will be each cardholder's documentation for the monthly procurement card charges. If a receipt is lost or stolen, the cardholder should obtain duplicate copies of the receipts. If no receipt is provided the cardholder will be liable for the expense and will need to pay Gillespie County for the value of all missing receipts. **If payment for said expenditure is not received by the following month, the payment may be deducted from the next payroll.**

4. The cardholder is responsible for the security of the card. Guard the procurement card account number carefully. It should not be posted in a work area or left in a conspicuous place. It should be kept in a secure location. The only person authorized to use the procurement card is the cardholder whose name appears on the card. The card is to be used for business purposes only. The card is not for personal use. Personal purchases will be considered misappropriation of County funds, a criminal offense, and will be reported to the proper authorities. **The cardholder is responsible for immediately notifying JPMorgan Chase, their supervisor and the Auditor's Office if the card is lost or stolen. The contact number at JPMorgan Chase is 1-800-316-6056. The cardholder shall then complete the Lost/Stolen Card form on page 10 and submit it to the Auditor's Office promptly.**

5. Each cardholder must acknowledge receipt of the purchasing card, understand the rules of usage, and sign the user agreement. The cardholder will be required to reimburse the County for any unauthorized transactions.

#### B. Program Administrator – Auditor's Office

The program administrator manages the program. The administrator is the County's point of control for the card program, monitors all usage of the cards, and is the point of contact for any cardholder questions or problems. The administrator and his/her assistant are knowledgeable on all the procedures in the procurement card policy. The administrator may not modify or revise the procurement card policy, but rather is charged with implementing the policy and advising the Commissioners Court of problems that may prompt a need to revise the policy.

##### Administrator:

Marcie Schneider  
County Auditor  
Phone #: 830-997-6777  
Fax #: 830-992-2654  
E-mail: [mschneider@gillespiecounty.org](mailto:mschneider@gillespiecounty.org)

##### Assistant Administrator:

Karen Bernhard  
First Assistant County Auditor  
830-997-6777  
830-992-2654  
[kbernhard@gillespiecounty.org](mailto:kbernhard@gillespiecounty.org)

#### C. Elected Official/Department Head Responsibility

1. The Elected Official/Department Head ensures that purchases are authorized, budgeted, and within County policies. Departments may implement more stringent internal authorization procedures that its cardholders must follow in order to make purchases with the card.
2. Upon resignation or termination of employment of a cardholder, the Elected Official/Department Head shall collect the purchase card, notify the Auditor's Office, and turn in the card immediately to the Auditor's Office.

### IV. USAGE

#### A. The card may be used for the following:

1. Transactions that do not exceed the credit limit assigned to the card in a given month or the single transaction item limit amount,
2. Transactions which are purchased from a vendor that is not restricted,
3. Purchases if no charge account is established or if the vendor refuses to invoice (only if necessary to use that particular vendor due to reasonable limitations such as the sole source provider of the products) and,
4. Travel related purchases in compliance with the Travel Policy

B. Purchases made on the card will be for County business only. The card is not a personal line of credit. When in doubt as to whether a purchase is allowable under County policy, the cardholder should contact the County Auditor's Office before making the purchase. Unauthorized purchases are prohibited and purchaser will be subject to disciplinary action including termination of the purchase card.

## V. CREDIT/TRANSACTION LIMITS

### A. Credit Limits

All procurement cards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the County Auditor's Office in conjunction with the Commissioners Court. These limits automatically "refresh" on the 6<sup>th</sup> day of each month. Each cardholder will be given information on the limits of his/her card upon receipt of the card. In order to change the credit limit on any card, the cardholder must fill out and turn in a credit/transaction limit form on page 12 to the Auditor's Office. If approved, the cardholder will be notified by the Auditor's Office and then the cardholder can make the purchase.

### B. Transaction Limits

Your procurement card may have a single transaction limit. This is the amount available on the procurement card for a single purchase. Cardholders should not attempt to make a purchase greater than his/her approved amount. In order to change the transaction limit on any card, the cardholder must fill out and turn in a credit/transaction limit form on page 12 to the Auditor's Office. If approved, the cardholder will be notified by the Auditor's Office and then the cardholder can make the purchase.

## VI. SALES TAX

As a tax-exempt government agency, the County of Gillespie does not pay sales tax with the exception of hotel/motel tax. Cardholders are responsible for ensuring that the merchant does not include sales tax in the transaction. If tax is included, the cardholder will be responsible for reimbursing the tax amount to the County or will be responsible to contact the vendor to receive a credit for the sales tax previously charged.

## VII. RETURNS, CREDITS & DISPUTED CHARGES

Should a problem arise with a purchased item, service or charge, every attempt should be made to first resolve the issue directly with the vendor. All returns must be reimbursed by credit to the account; cash refunds for returns are prohibited. Review of future statements is vital to ensure the account is properly credited for returns, credits and disputed charges.

- ❑ **Returns:** If a cardholder needs to return an item to a vendor, contact the vendor and obtain instructions for return. Note that some vendors may charge a restocking or handling fee for returns. All returns should be indicated on the monthly statement. If the return is not shown on the monthly statement due to a timing difference, notify the Auditor's Office of what items were returned to ensure credit is given on the following monthly statement.
- ❑ **Credits:** If the vendor accepts an item as a return, a credit for this item should appear on the monthly statement.
- ❑ **Disputed Charges:** If a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the vendor and attempt to resolve the problem directly. If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder should complete the charge dispute form on page

11 and turn it in to the Auditor's Office immediately. The account may be placed in a "state of dispute" and the account may be given a provisional credit until receipt of adequate documentation from the vendor is received. If the documentation appears to be in order, the transaction will be reposted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, the card will be immediately blocked, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be re-issued to the cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

## **VIII. RESTRICTIONS & EXEMPTIONS**

A. Employees may **not** use the card for the following:

1. Any purchases of items for personal use,
2. Cash refunds or advances,
3. Any purchase of goods/services at a merchant type that has been restricted; if you present your card for payment at a restricted vendor, the authorization request will be denied,
4. Any transaction amount greater than the cardholder's transaction limits,
5. Items under contract, unless an emergency exception is granted by the Auditor's Office,
6. Alcohol or liquor of any kind,
7. Separate, sequential, and component purchases, or any transaction made with intent to circumvent County purchasing policy or state law, or
8. Any other purchase specifically excluded in the County purchasing policy or by laws and regulations.

C. Personal Use Restrictions

The card may **not** be used to pay spouse/family expenses incurred while traveling. Only County business expenses are allowable and the cardholder should pay personal expenses separately.

## **IX. REVOCATION OF THE PURCHASE CARD**

The procurement card is subject to revocation at any time at the discretion of the Auditor's Office. The card may be revoked upon indication of any violation of the procurement card policy and procedures.

## **X. SUBMITTING STATEMENTS**

At the end of each billing cycle, every cardholder will receive a monthly statement from the Auditor's Office which lists purchases made to that account. Upon receipt of this statement, the cardholder should reconcile the statement with their procurement card receipts. After attaching all original documentation and indicating the account number to be charged on the monthly statement or on the receipt, the report should be approved and signed by the Elected Official/Department Head and then delivered to the Auditor's Office for processing. The Auditor's Office shall then verify that all original receipts (no photocopies) and documentation are attached to the cardholder's monthly statement.

## **XI. SUMMARY**

As a public entity, the County is expected to be able to demonstrate to the public that it has spent their tax dollars wisely. All participants in the procurement card program are responsible for ensuring purchases made with the card are in accordance with the terms and conditions of this and all other policies of the County of Gillespie and all state and federal laws and regulations.



## CARDHOLDER AGREEMENT

By participating in the Gillespie County Procurement Card Program as a Cardholder, you assume responsibilities pertaining to the operation and administration of the Procurement Card Program. These responsibilities include but are not limited to the following:

The Gillespie County Procurement Card is to be used for business expenditures only. The Procurement Card may only be used under the parameters and procedures established for the Procurement Card Program which are detailed in The Procurement Card Policies & Procedures. The Gillespie County Procurement Card may not be used for personal purposes.

The Procurement Card will be issued in the name of the employee. By accepting the Card, the employee assumes responsibility for the Card and will be responsible for all charges made with the Card. The Card is not transferable and may not be used by anyone other than the Cardholder.

The Gillespie County Procurement Card must be maintained with the highest level of security. If the Card is lost or stolen, or if the Cardholder suspects the Card or Account Number to have been compromised, the Cardholder agrees to immediately notify JP Morgan Chase at 1 (800) 316-6056 and the Gillespie County Auditor's Office.

All charges will be billed and paid directly by Gillespie County. On a monthly basis, the Cardholder will receive a statement listing all activity associated with the Card. This activity will include purchases and credits made during the reporting period. While the Cardholder will not be responsible for making payments, the Cardholder will be responsible for the verification and reconciliation of all Account activity.

Items over \$1,000 must first be approved according to the purchasing policy. Any new vendor must be approved by the Auditor's Office. Any expenditure placed on the County credit card that are in violation of County policy will need to be reimbursed to the county within one month or they may be deducted from the next payroll.

Cardholder Accounts may be subject to periodic internal control reviews and audits designed to protect the interests of Gillespie County. By accepting the Card, the Cardholder agrees to comply with these reviews and audits. The Cardholder may be asked to produce the Card to validate its existence and produce statements and receipts to verify appropriate use.

Parameters and procedures related to the Procurement Card Program may be updated or changed at any time. Gillespie County will promptly notify all Cardholders of these changes.

The Cardholder agrees to surrender and cease use of their Card upon termination of employment whether for retirement, voluntary separation, resignation, or dismissal. In addition, the Cardholder must surrender and cease use of the Card in the event of transfer or relocation. The Cardholder may also be asked to surrender the Card at any time deemed necessary by management.

Misuse or fraudulent use of the Card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have read, understand, and agree to the terms and conditions of this document. I certify that as a participating Cardholder of the Gillespie County Procurement Card Program, I understand and assume the responsibilities listed above and in the Gillespie County Procurement Card Policies & Procedures.

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Employee Signature

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Title

---

Name (Print)

---

Date

# GILLESPIE COUNTY PROCUREMENT CARD APPLICATION FORM

## A. Application Type

☐

New

☐

Change (Only complete fields to be changed)

☐

Delete / Close

## B. Cardholder Information (Please print)

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ Middle Init: \_\_\_\_\_

Department / Title: \_\_\_\_\_

Address Line #1: \_\_\_\_\_

Address Line #2: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone:

Work: \_\_\_\_\_ Home: \_\_\_\_\_ Cell: \_\_\_\_\_

Social Security #: XXX-XX-\_\_\_\_\_ Date of Birth: \_\_\_\_\_

First 4 Characters of Mother's Maiden Name: \_\_\_\_\_  
(or a 4-letter code to be used as password)

County Email Address: \_\_\_\_\_

I, \_\_\_\_\_, allow the Gillespie County Auditor's Office to release my information to JPMorgan Chase Bank for use in setting up my purchase card.

Signature: \_\_\_\_\_

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

## AUDITOR USE ONLY

Credit Limit: \_\_\_\_\_ Single Purchase Limit: \_\_\_\_\_

Authorizations Per Day: \_\_\_\_\_ Transactions Per Cycle: \_\_\_\_\_

MCC (Merchant Category Code) Group:

☐

Law

☐

Management

☐

Other \_\_\_\_\_

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

Date requested from JPMorgan Chase Bank: \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

## GILLESPIE COUNTY LOST/STOLEN CARD FORM

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

The card was:

☐ Lost

☐ Stolen

Date the card was lost/stolen: \_\_\_\_\_

Place where the card was lost/stolen: \_\_\_\_\_

Have you reported your lost/stolen card to JPMorgan Chase Bank?

☐ Yes

Date reported: \_\_\_\_\_

☐ No

Are you requesting a new card? If yes, please fill out the application form and turn it in to the Auditor's Office.

☐ Yes

☐ No

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## AUDITOR USE ONLY

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

Date account verified with JPMorgan Chase Bank: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## GILLESPIE COUNTY CHARGE DISPUTE FORM

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

Date of Disputed Charge: \_\_\_\_\_

Amount of Disputed Charge: \_\_\_\_\_

Vendor of Disputed Charge: \_\_\_\_\_

Reason for Disputing this Charge: \_\_\_\_\_

\_\_\_\_\_

Has the vendor been contacted? ☐ Yes ☐ No

Name of Contact: \_\_\_\_\_ Date of Contact: \_\_\_\_\_

Vendor's response to dispute: \_\_\_\_\_

\_\_\_\_\_

Has the dispute been resolved? ☐ Yes ☐ No

If yes, please turn this form in to the Auditor's Office at the end of the month with your monthly statement and receipts.

If no, please turn this form in to the Auditor's Office immediately so the disputed charge can be handled further.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### AUDITOR USE ONLY

JPMorgan Contact: \_\_\_\_\_ Date of Contact: \_\_\_\_\_

STEP 1: General Account placed in "state of dispute" Account given provisional credit

☐☐

STEP 2: Legitimate charge ☐ Dispute closed

STEP 3: Fraudulent charge ☐ Card blocked ☐ New card issued

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## TEMPORARY CREDIT/TRANSACTION LIMIT CHANGE

Name of cardholder: \_\_\_\_\_

Requesting:

☐ Credit limit increase from \$\_\_\_\_\_ to \$\_\_\_\_\_

☐ Credit limit decrease from \$\_\_\_\_\_ to \$\_\_\_\_\_

☐ Transaction limit increase from \$\_\_\_\_\_ to \$\_\_\_\_\_

☐ Transaction limit decrease from \$\_\_\_\_\_ to \$\_\_\_\_\_

Reason for Request: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## AUDITOR USE ONLY

☐ Request approved

☐ Request denied

☐ Request denied, but approved as: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date