

CITY OF EAST LANSING

POLICY RESOLUTION NO. 2022-12


A RESOLUTION ESTABLISHING A PURCHASING CARD (P-CARD) POLICY

WHEREAS, the City Council approved the Fifth Third Procurement Card (P-Card) Program August 11, 2020; and,

WHEREAS, the program is ready to be fully implemented, including issuing procurement cards to various employees; and,

WHEREAS, the City Council recognizes the need to have clear and concise policies with respect to the procurement card program;

NOW THEREFORE, BE IT RESOLVED, the City Council hereby adopts the attached Purchasing Card (P-Card) Policy.



Ron Bacon, Mayor

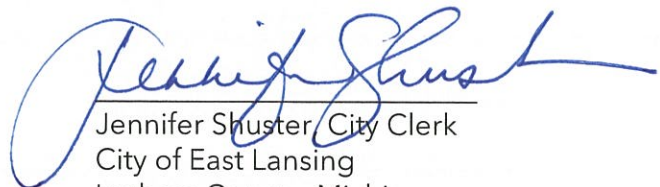
Dated: 5-27-22

Moved by Councilmember: Brookover

Supported by Councilmember: Gregg

Adopted: Yeas: 5
 Nays: 0
 Absent: 0

CLERKS CERTIFICATION: I hereby certify that the foregoing is a true and complete copy of a Policy Resolution adopted by the East Lansing City Council at its meeting held on May 24, 2022, the original of which is part of the Council's minutes.



Jennifer Shuster, City Clerk
City of East Lansing
Ingham County, Michigan

City of East Lansing



Purchasing Card (P-Card) Policy

May 25, 2022

Purpose

To set forth the official policy of the City of East Lansing regarding the purchasing card (P-Card) program. This policy provides instruction on the proper use of the City issued purchasing cards as a cost-effective supplement to other procurement techniques in an effort to increase the efficiency of the purchasing process and reduce employee reimbursements through payroll. The P-Card acts as a means of payment. All purchases must be made in accordance to the City's procurement policies and procedures.

1.0 Scope

This policy applies to all employees who are authorized to use a City purchasing card in the performance of their job duties. All purchases are to be for official City of East Lansing purposes, made in accordance with the Purchasing Policy, and within the confines of the approved budget and limits set on the purchasing card. Any areas of confusion and/or potential conflict should be discussed with and approved by the employee's supervisor or the Finance Department before the purchase is made.

2.0 Card Issuance

To be eligible for a P-Card, an applicant must be a regular, full-time employee of the City of East Lansing and have their job duties regularly require the purchase of goods and services. The applicant wishing to have a P-Card issued in their name/department must complete the *Purchasing Card (P-Card) Request Form*. The form must be approved by the department director and a Program Administrator.

The newly issued P-Card will be mailed to the Finance Department. When the card is received, the requester will be alerted that the card has been received and a time will be scheduled for the card to be picked up. The requester and anyone within the department that will be using the card will need to review the policy and sign the *Purchasing Card (P-Card) User Agreement* before the card can be picked up and activated.

3.0 Responsibilities

Card User – Employee that is authorized to make purchases with a City of East Lansing P-Card

- Utilize the card only for official City of East Lansing business which has been properly approved and budgeted. Misuse of the card (inappropriate, unauthorized, or fraudulent use) may be subject to disciplinary action, up to and including termination.
- Make purchases in accordance to the guidelines set forth in this policy, the Purchasing Policy, and the Overnight Travel Policy.
- Transactions will not be split in order to remain within the authorized limits of the card, if a per transaction limit is in place.
- Ensure that there is no sales tax being charged to any transaction made with the card. If necessary, a City of East Lansing sales tax exemption certificate should be provided to the vendor. This certificate can be found on the City's intranet, under Forms and Things.
- Return merchandise to the vendor when it is incorrect, damaged, or no longer needed.
- Maintain all itemized receipts to be used as supporting documentation for the allocation and approval within the invoice batch in the New World ERP. If no receipt is obtained, the employee that made the purchase may be responsible to reimburse the City for the transaction.

Cardholder – Employee with a card embossed in their name or that is responsible for the safeguarding of a card that is in a department's name

- Only the Cardholder whose name is embossed on the card is authorized to use the card and is responsible for all transactions made with the card. If the card is embossed in a department's name, the Cardholder is responsible for checking the card in and out to the Card User. The Cardholder must ensure that all employees making purchases with the card have signed the *Purchasing Card (P-Card) User Agreement*.
- Safeguard the purchasing card and keep the card numbers confidential.
- Immediately report a lost or stolen card to the P-Card provider and a Program Administrator.
- Monitor the statements for any unauthorized transactions, errant charges, or potential fraud. If any are noted, disputed charges should be resolved with the vendor and/or the P-Card provider.
- Transactions will not be split in order to remain within the authorized limits of the card, if a per transaction limit is in place.
- Ensure that there is no sales tax being charged to any transaction made with the card. If necessary, a City of East Lansing sales tax exemption certificate should be provided to the vendor. This certificate can be found on the City's intranet, under Forms and Things.
- Return merchandise to the vendor when it is incorrect, damaged, or no longer needed.
- Maintain all itemized receipts to be used as supporting documentation for the allocation and approval within the invoice batch in the New World ERP. If no receipt is obtained, the employee that made the purchase may be responsible to reimburse the City for the transaction.
- Statements will be reviewed and entered into the New World accounting software within five (5) business days subsequent to the statement date.
- In the event of separation from the City, the card, if embossed in the employee's name, is to be immediately returned to a member of the Finance Department and all outstanding receipts are to be provided to the Department Director. If the card is embossed in the department's name, any form of access to the card (i.e. key for locked drawer) is to be turned into the Department Director.

Department Director

- Approve a department employee's request for a card.
- Approval of all charges on the card and ensuring the charges being made are appropriate and necessary for official City of East Lansing business.
- Ensure the accuracy of the general account numbers being charged.
- Ensure proper documentation is attached to every transaction.
- Ensure that any cards that are embossed with an employee's name is returned to the Finance Department upon employee separation from the City.

Program Administrator – Responsible for overseeing and administering the P-Card program

- Approval of new cards being issued.
- Termination of cards embossed in an employee's name after separation from the City.
- Manage changes to a Cardholder's profile (change in credit limit, MCC codes, velocity restrictions, etc.) as needed.
- Provide trainings as necessary.
- Ensure all Card Users are in compliance with City of East Lansing policies.
- Update the Purchasing Card Policy as necessary.

4.0 Further Guidance

If there are any questions regarding specific purchases, or these policies in general, please contact a member of the Finance Department.

END OF POLICY

City of East Lansing Purchasing Card (P-Card) Request Form

Employee Name: _____

Department: _____

Credit Limit Requested: _____

I hereby request that a City of East Lansing purchasing card be issued in my/department name. The card will only be used for official City of East Lansing purposes. The purchasing card will be used for the following types of purchases:

How will the card be safeguarded?

Maintained on person Locked in safe/drawer Other (Explain) _____

If the card is locked in a safe/drawer, who has access to the safe/drawer?

I acknowledge that my job duties regularly require the purchase of goods and services. I will adhere to the terms of the City of East Lansing policies and procedures and the terms and conditions set forth by the P-Card provider. I also agree to complete and sign the Purchasing Card User Agreement upon the issuance and acceptance of the card.

Employee Name (Printed) (Signature) Date

I acknowledge that the above-named employee's job duties regularly require the purchase of goods and services. I will also ensure the employee is in compliance with the City of East Lansing's policies and procedures. I authorize a City of East Lansing purchasing card to be issued to the employee completing this application.

Department Director (Printed) (Signature) Date

Approved for purchasing card: Yes No

Finance Department (Printed) (Signature) Date

City of East Lansing

Purchasing Card (P-Card) User Agreement

Employee Name: _____

Department: _____

The above-named employee (Card User) of the City of East Lansing has been authorized to use a City of East Lansing P-Card. The Card User hereby agrees to comply with all terms and conditions set forth therein, including, but not limited to:

1. The Card User acknowledges that they have read, understand, and will adhere to the Overnight Travel, Purchasing, and Purchasing Card (P-Card) policies and procedures established by the City of East Lansing.
2. The purchasing card is to be used only for purchases pertaining to official business of the City of East Lansing that has been properly approved and budgeted for. Misuse of the card (inappropriate, unauthorized, or fraudulent use) may be subject to disciplinary action, up to and including termination.
3. To be responsible for the protection and custody of the purchasing card and to notify the P-Card provider and a member of the Finance Department immediately upon discovery of the card being lost or stolen.
4. To retain itemized receipts for each purchase made to be included as supporting documentation for entry within the invoice batch in New World ERP. If no receipt is obtained, the Card User may be responsible to reimburse the City for the transaction.
5. To ensure that no sales tax is included on any charges made to the card. If necessary, this will include providing the vendor with a City of East Lansing sales tax exemption certificate. The Card User may be responsible for any sales tax that is included on charges to the card.
6. The Card User will not split any transactions in order to remain within the established limits set for the card, if a per transaction limit is in place.
7. In the event of separation from the City, the card, if in my name, is to be immediately returned to a member of the Finance Department. The Card User may have withheld from their last paycheck any charges to the purchasing card that are unresolved or not in accordance with the Purchasing Card policy.

Employee Name (Printed)

(Signature)

Date

Finance Department (Printed)

(Signature)

Date