

CITY CREDIT CARD PROGRAM

US BANK VISA CARD (Washington State Purchase Procurement Card/PCard)

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1.0 Introduction

The implementation of a City credit card program is recognized by the State of Washington as usual and customary for official government purchases as provided in RCW 43.09.2855. The State of Washington WSCA-NASPO Program, administered by the State Department of Enterprise Services, contracts with US Bank to provide local governments a Purchase Card Program. The US Bank Visa Card is this current product and operates much as a commercial credit card with the exception that no debt balance may accrue as the outstanding balance must be paid monthly in total.

The City of Edgewood City Council recognizes the use of credit cards is a customary and economical business practice to improve cash management, reduce costs, and increase efficiency and authorized the Mayor to enroll the City in the WSCA-NASPO Purchase Card Program in the Regular Council Session of April 14, 2015 (AB15-0015).

The City of Edgewood also recognizes the use of credit cards to be an appropriate and useful means of making payment for a variety of types of purchases; some examples may include travel expenses, departmental supplies, subscriptions, on-line purchases and recurring vendor payments (where appropriate).

The Mayor shall implement and administer the following procedures and processes related to the use of credit cards by City officials and employees.

2.0 Distribution

City credit cards will be directly issued to all City of Edgewood employees. The exception is the Finance Director/Card Administrator, who is not eligible to receive a city credit card due to the access given in order to administer the credit card program.

3.0 Application

Employees to be issued a City of Edgewood US Bank VISA Card shall make application for a card as follows.

1. Employee completes the City of Edgewood US Bank VISA Card Application Form (see Exhibit A) and signs the City of Edgewood Credit Card User Agreement (see Exhibit B).
2. Mayor approves the application and forwards it along with the signed user agreement to the City Credit Card Administrator.
3. The Administrator will process the application with the issuing bank.
4. Card is received and given to the employee to activate and retain, or return to the Administrator for safekeeping until the card is needed by the employee.
5. The Administrator may assign specific duties within the administrator's direct line of control to perform some or all of the daily duties associated with administering the credit card program, but will remain the controller and auditor regardless.

4.0 Authorization & Control

Issuing Bank

US Bank is the issuer of the City of Edgewood VISA Credit Card. They provide an on-line portal at: <https://access.usbank.com/cpsApp1/index.jsp> in which authorized users may review their credit card transactions within 2 days after the purchase is made. City Credit Card holders will also use this portal to print and reconcile their monthly statements. (Review Exhibit C for detailed how-to instructions)

Finance Director

The Finance Director will be the responsible authority acting as the City Credit Card Administrator who will set up and maintain each credit card account(s) with the banking facility. The Finance Director

shall be responsible to perform the audit required under RCW 42.24.080.¹

City Credit Card Administrator

The City Credit Card Administrator will be responsible for the overall administration of the procurement card program by reviewing, reporting and coordinating all aspects of the program. This administrator will act as the liaison between US Bank and the individual city credit cardholders.

Employee (Cardholder)

Before being issued a City of Edgewood US Bank VISA Credit Card each employee will be required to sign a City of Edgewood Credit Card User Agreement (see Exhibit B) acknowledging that they have read and understand this policy, that they understand violation of the policy will subject them to disciplinary action, and that in the event they make any unauthorized charges they expressly authorize the City to deduct the same from any wages or other sums due or to become due to the employee from the City.

State and Local Compliance

The Use of Purchase Cards shall fully comply with all applicable State and Local requirements governing purchase of good and services, specifically including without limitation the City's adopted Purchasing Policy.

Annual Control & Disclosure

The Finance Director will conduct an annual physical card inventory test to verify all city issued cards have been accounted for.

The Finance Director will also prepare an annual disclosure for city council that includes a review of credit limits, past year spending pattern, number of unauthorized expenditures (i.e. fraudulent charges), number of employee errors reimbursed (cards mistakenly used for personal purchases), any losses to the City, amount of PCard Revenue (rebates), and results of the physical inventory test.

5.0 Approved Uses for Credit Card Purchases

The use of the City of Edgewood US Bank Visa Credit Cards is a facilitating process for purchases pursuant to the City of Edgewood Purchasing and Personnel Policies and the City of Edgewood City Council Rules. All credit card purchases shall only be made for budgeted expenditures authorized by the City Council at the time of the purchase (current year budget).

Examples of allowable purchases may include advance payment of airline fares, lodging, registration

¹ This statute requires that every credit card invoice presented to the City by an employee for the furnishing of materials, rendering of services or performing labor, or for any other contractual purpose, shall be audited before payment. The invoice shall be submitted to the City Credit Card Administrator and allow the Finance Director to authenticate and certify that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract, and that the invoice represents a just, due and unpaid obligation against the City. No credit card invoice will be paid without such authentication and certification.

fees, tuition, conferences, on-line training, internet purchases, emergency purchases in the field, and specialized office/field equipment and supplies not ordered on a schedule . Authorized users may use their card for pre-approved one-time or recurring purchases from vendors. The use of the card for these purchases will be for timeliness and/or online access to goods and services not available through existing purchase policy processes (checks). These credit cards may be used anywhere that VISA is accepted.

Authorized users may use the credit card to purchase meals while in travel status. Those meals must fall within the normal and customary rates for the geographic area where the meals are purchased. All meals charged must have the original itemized receipt showing what was specifically purchased. Receipts that only have the total paid for meals are not acceptable. If the receipt does not show the detail or if the meal is over the normal and customary rate, the user will be responsible to reimburse the City for this purchase.

When considering use of the city credit card, you should:

1. Determine whether they can make the purchase through the existing check issue process.
2. Identify goods and services required to perform job-related task.
3. Determine if purchase is within your credit card limits.
4. Ensure that the items are not on the disallowed charges list (following page).
5. Obtain pricing and in-stock availability and only order items that are immediately available.
6. Ensure that the vendor immediately authorizes the purchase with VISA and provides you a itemized copy of the credit card purchase receipt.
7. Retain all receipts, packing lists and backup authorizing documents and attach to your pcard expense form (shared/forms/employee forms/purchase card expenditure report template.xls).

It is required that all credit card receipts and/or other documents identifying the credit card expenditures be detailed and itemized. Your pcard expense form(s) is due by the 5th of each month to the Credit Card Administrator or designee for review and preparation for the month vendor payment cycle.

Keep in mind that when involved in any aspect of purchasing, you are acting as an agent of the City of Edgewood. Therefore, you are responsible to act in the best interest of the City. Your actions must NOT show, or appear to show, personal favoritism to a vendor at the expense of the City.

6.0 Disallowed Charges

- A. Types of Disallowed Charges. The following uses are not authorized credit card purchases:
- Capital Equipment (unless approved by the Mayor)

- Personal Items and Services
- Cash Advances of any kind
- Alcoholic Beverages
- Money Orders/Travelers Checks/Gift Cards
- Charges made without pre-approval

B. Procedure to be used when Disallowed Charges Have Been Incurred.

Any charges against the credit card that are not properly itemized or identified on the expense voucher/invoice as required by this Policy, or not allowed following the audit of the invoice by the Finance Director, shall be paid by the official or employee by check, U.S. currency or salary deduction. If, for any reason, disallowed charges are not repaid before the charge card billing is due and payable, the City has a right to withhold any and all funds payable or to become payable to the official or employee, in an amount up to the amount of the disallowed charges and interest, at the same rate as charged by the credit card company.

Any official or employee who has been issued a charge card by the City shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand by the Finance Director. The City shall have unlimited authority, as provided in RCW 42.24.115(3), to revoke the use of any issued charge card, and once notice of this revocation has been delivered to the charge card company, the City shall not be liable for any costs.

Any employee with a demonstrated history of charge card defaults or misuse may be barred from using any City credit cards by the Mayor as appropriate.

7.0 Credit Limits

Credit limits are set to match field needs and are generally set at \$1500 for employees and \$2500 for Directors and Supervisors. Card limits can be temporarily raised for travel or a specific authorized purchase.

If an increase or decrease to these transaction limits is deemed necessary by the Mayor, the request must be submitted in writing to the City Credit Card Administrator. Please specify within this increase request whether this is a temporary or permanent request.

There also may be limitations on acceptable merchant category codes (MCC). In other words, some vendors may be disallowed and thus will cause a decline of any attempted purchase with them (allowable or not). If after adhering to the proper guidelines and limits stated above, you feel that your purchase has been mistakenly declined, contact your City Credit Card Administrator for assistance.

8.0 Receipt of Goods & Services

The cardholder is responsible for ensuring the receipt of the goods and services as ordered and any follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods. Should

any item(s) need to be returned to the vendor, the cardholder will follow the vendors return policy and also be responsible to ensure that proper credit is posted for said return item(s). In most cases, returns and errors can be resolved directly between the cardholder and the vendor.

If for any reason the cardholder is unable to reach agreement with the vendor, the cardholder must contact US Bank and explain the dispute and the reason behind it. In addition to contacting US Bank, the reporting cardholder will also contact the City Credit Card Administrator and apprise them of the situation. We will follow US Bank procedures in relation to the dispute and its process.

9.0 Payment of Bills

Monthly Billing statements will be retrieved on the first business day of the month by each cardholder via the on-line portal provided. Each cardholder will complete a pcard expense form and attach appropriate receipts and proper account coding, for the total amount of the monthly billing and submit to the City Credit Card Administrator or designee by the 5th of the month following the charges.

The City Credit Card Administrator will be responsible for reconciling the complete combined City card statement each month. The City of Edgewood will not pay interest and/or penalties on any credit card. The City of Edgewood is responsible for the VISA card payment and liability and it will not affect any City cardholder's personal credit in any way.

10.0 Card Security

Your City of Edgewood VISA Card should always be treated with great care and should be kept in a secured location. You are the only person authorized to use the card and it should not be lent to another person.

Be sure not to write the credit card number(s) down in any location and do not allow any vendor to write down your credit card number.

It is the responsibility of the cardholder to immediately report a lost or stolen City credit card. The City of Edgewood is liable for all transactions until the card is reported lost or stolen to, and only to, the extent expressly required by law. A cardholder must report a lost or stolen credit card by phone directly to US Bank Customer Service at 1-800-344-5696 and also to the City Credit Card Administrator. Verbal reports of lost or stolen credit cards must be followed up in writing to the City Credit Card Administrator. A replacement card will be sent within 10 days after report is filed.

11.0 Renewal of an Existing Credit Card

A renewal credit card will be sent automatically to the City Credit Card Administrator by the issuing bank approximately 30 days prior to the expiration date of the card. This renewed card will in turn be forwarded to the cardholder.

12.0 Extended Absence

If you will be absent from the City for an extended period, please seek assistance from the City Credit Card Administrator to determine the best options to cover your procurement responsibilities.

13.0 Audits & Enforcement

To ensure the continued success of the City Credit Card Program, as well as adherence to the policies as outlined, all individual credit card accounts will be open to internal audit requirements.

Statement Reconciliations not received by due date or without complete receipt detail – Your credit card limits may be set to ZERO until reconciliation is received. For continual offenders, your credit card may be cancelled at the discretion of the Mayor. See *also*, Section 6 on Disallowed Charges.

Personal Use – Personal use of a city credit card will NOT be tolerated and will result in:

- Disciplinary measures up to and including termination and/or legal action
- Permanent revocation of the card
- Direct payroll deductions for any unauthorized or personal charges made on the city credit card

Termination – You must return your credit card to the City Credit Card Administrator when you leave/terminate your employment with the City of Edgewood

14.0 Resources

Who to Call:

City of Edgewood

Mayor – Dave Olson
Phone: 253-952-3299
Email: Mayor@cityofedgewood.org

City Credit Card Administrator – Hardeep
Goraya
Phone: 253-952-3299
Email: hardeep@cityofedgewood.org

VISA – US Bank

General account inquiries including:	1-800-344-5696 or
Statements, transactions, and balances	701-461-2010
Lost or stolen cards	
PINs	

Password Resets & General Navigation	1-877-887-9260 or
	701-461-2042

*** Cardholders needing further Access Online support should contact their Program Administrator ***

Documents

City Credit Card Application – see Exhibit A City Credit Card

User Agreement – see Exhibit B

US Bank Web Portal How-To Instructions – see Exhibit C



City Credit Card Application – Exhibit A



CITY OF EDGEWOOD
PURCHASE CARD APPLICATION

Please forward application to: City of Edgewood- Credit Card Administrator

EMPLOYEE INFORMATION

First Name Middle Initial Last Name

Business Address

City State Zip

() _____
Business Phone

CITY OF EDGEWOOD INFORMATION

City of Edgewood
Company Name

2224 104th Avenue East Edgewood, WA 98372-1513
Company

APPROVAL INFORMATION

Monthly Credit Limit Single Transaction Limit

EMPLOYEE/APPROVAL SIGNATURE

Printed Applicant Name

Signature of Applicant / Date

Printed Mayor Name

Signature of Mayor

City Credit Card User Agreement – Exhibit B

CITY OF EDGEWOOD CREDIT CARD USER AGREEMENT

Your signature below verifies that you have read and understand the City of Edgewood Credit Card Program guidelines listed below and agree to comply with them.

1. I understand the City Credit Card is intended to facilitate the purchase of business-related goods and services for the conduct of City business and is not for my personal use.
2. I understand that my card may be revoked at any time based on change of assignment or location and that use of this card is not an entitlement nor reflective of title or position.
3. I understand that if I am issued a card with my name specifically, I am the only person authorized to use the card and I am responsible for all charges made against the card.
4. I understand that improper use of the card can be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.
5. I understand that all charges are billed directly to and paid directly by the City of Edgewood and any personal charges on the card could be considered misappropriation of funds since VISA/US Bank cannot accept any payment from me directly.
6. I understand that I will be required to provide detailed itemized receipts, to reconcile monthly statements and to comply with internal control procedures designed to protect the City assets. This may include being asked to produce the credit card to verify its existence and providing assistance in an audit review of its use.
7. I understand that I am responsible for resolving any discrepancies that may occur by contacting the vendor and/or US Bank directly.
8. I will safeguard use of the issued credit card and use appropriate security whenever and wherever I use the card. If my card is lost or stolen, I agree to immediately notify VISA as well as the City Credit Card Administrator.
9. I understand that the VISA card is the property of the City of Edgewood and it must be surrendered upon termination of employment or demand of surrender by the City Credit Card Administrator and/or the Mayor. At that point, no further use of the account will be authorized.

I hereby acknowledge receipt of the City Credit Card (ending in last 4 digits) _____

As a Corporate Cardholder, I agree to comply with the terms and conditions of the agreement, including the City of Edgewood's City Credit Card Program.

I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS.

Card Holder: _____ Date: _____

Signature: _____

US Bank Web Portal How-To Instructions - Exhibit C

- Log onto: <https://access.usbank.com/cpsApp1/index.jsp>
- Type in where indicated the following Organization
 - Short Name = CEDGE
 - User ID = specific to the user
 - Password = specific to the user

- To Review Transactions:
 - Choose Transaction Management on the left side of screen
 - Choose Transaction Listing
 - Enter in Last Name of Account you are reviewing

- To Review/Print Statements:
 - Choose Account Information on the left side of screen
 - Choose Cardholder Account Statement
 - View