

POLICY: The purpose of the purchasing card is principally to facilitate the acquisition of goods and services for the City. Purchasing card purchases are intended to be under the \$5,000 threshold for quotes as indicated in the procurement policy and traditionally of a “non-capital” nature. All purchasing of budgeted capital items must have the proper approval of the appropriate General Manager or City Manager.

#### Cardholder Limits

- A. City employees and officials may be Cardholders in accordance with this policy.
- B. A maximum dollar amount for each single purchase and a total for all purchases made with the credit card within a given monthly billing cycle has been provided to each Cardholder. The City’s standard limits are as follows:
  - 1. Single Purchase Limit - Not to exceed \$5,000
  - 2. Billing Cycle Limit - Not to exceed your assigned card limit

If the situation arises that purchases are regularly required over the Cardholder’s established limit, a “Credit Card Maintenance” form must be completed and signed by the appropriate General Manager requesting the change and forwarded to the Administrative Services General Manager or designee. At the Administrative Services General Manager discretion, and with concurrence from the City Manager, approval may be granted or denied.

#### II. Use of Purchasing Card

- A. The purchasing card is to be used for City purchases only.
- B. No person other than the Cardholder is authorized to use the card unless prior written authorization is obtained from the Cardholder.
- C. Questions regarding purchasing card accounts and procedures should be directed to the Administrative Services General Manager or designee.
- D. The purchasing card may be used at any business establishment, which accepts purchasing cards for payment.
- E. The Cardholder must be prepared to justify that the use of the purchasing card was necessary and official City business purpose.
- F. Cardholder shall take all necessary precautions to keep the card and card number in a secure location.
- G. Cardholder’s department is responsible for all charges incurred on the purchasing card including any annual service fees and finance charges.

III. Telephone and Facsimile Orders

- A. When placing a telephone/facsimile order, confirm that the vendor agrees to charge the card when shipment is made and not sooner. The receipt charge date should coincide with the shipping date.
- B. All telephone/facsimile orders must be recorded and reconciled similar to any other purchase.
- C. Request that the vendor send, via facsimile or e-mail, a copy of the invoice marked "Paid by purchasing card" or with a zero balance. The original invoice is still necessary by the Finance Department for reconciliation purposes.
- D. NO backorders are allowed.

IV. Documentation

- A. Documentation must be retained as a proof of purchase any time a purchase is made using the P card. These documents are to be used to verify the purchases and for reconciliation in the Commercial Card Expense Reporting application available through Well Fargo Bank Commercial Electronic Office.
- B. If, for any reason, the Cardholder does not have documentation for a transaction, the Cardholder must make every attempt to obtain a copy from the vendor.
- C. If receipts are related to travel, a travel authorization form must be approved before the card is use and it is the Cardholder's responsibility to photocopy the receipts to attach to their "Travel Requisition" form. The original must be used for monthly reconciliation purposes.
- D. Copies of all necessary forms are enclosed within this section of the Financial Operations Guide.

V. Card Restrictions

- A. The following uses of a Purchasing Card are prohibited:
  - 1. Cash advances.
  - 2. Personal purchases. A Cardholder may not charge any personal items on the City purchasing card.
  - 3. Gasoline purchases or vehicle repairs unless outside the service area and/or in an emergency. Documentation will be required.
  - 4. Alcoholic beverage purchases.
- B. Per Diem. Per Diem requests shall be processed through Accounts Payable prior to travel.

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- C. Cardholders shall also comply with any applicable departmental restrictions on usage.
- D. A Cardholder may not violate any established procurement requirements, where it pertains to obtaining quotes, when using the City purchasing card.

VI. Reconciliation and Payment

- A. At the close of each month, every cardholder will reconcile their own P Card purchases using Wells Fargo's Commercial Card Expense Reporting.
- B. Any receipts necessary for reconciliation shall be emailed or faxed to Well Fargo by printing the cover sheet available from the reporting application.
- C. Wells Fargo will email every cardholder at the first of every month that they are ready for reconciliation.
- D. Reconciliation must be completed by the ninth (9<sup>th</sup>) of the month following the purchase.
- E. If unable to submit the required documentation by the due date, please contact the Finance Department as soon as possible.
- F. Payments are automatic and withdrawn on the 1<sup>st</sup> of the month.
- G. Any department not responding promptly to the request for information from the Finance Department or in any way delaying the timely monthly processing of the purchasing card account will be assessed the finance charges imposed by the issuing financial institution.

VII. Disputes

A disputed item could result from numerous circumstances including defective purchases and unauthorized use. The proceeding steps should be taken when an item is being disputed:

- A. Whenever possible, return item(s) to vendor for replacement or credit.
- B. If vendor refuses to replace the item(s) or credit the account, the "Statement of Disputed Item" form will need to be completed.
- C. If unauthorized charges occur, complete the "Statement of Disputed Items" form.
- D. Fax completed "Statement of Disputed Items" form to the Card Issuer at 1-415-975-6635.

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- E. Forward a copy of the “Statement of Disputed Items” form to the Finance Department.
- F. If, after notifying the Card Issuer, the Cardholder is not satisfied with the outcome, the Cardholder may contact the Administrative Services General Manager, or designee for assistance. At this time the Cardholder will need to inform the Administrative Services General Manager of any prior action taken to resolve this dispute.

VIII. Lost or Stolen Cards

Should any Cardholder lose, suspect of having lost, or have their purchasing card stolen, it is their responsibility to immediately notify the Card Issuer and the Finance Department of the loss. The following steps must be taken to report the loss:

- A. Report the loss immediately to the Purchasing Card Issuer at 1-800-541-2382. They can be reached twenty-four (24) hours a day, seven (7) day a week.
- B. Notify the Finance Department immediately upon discovering that the card is missing.

IX. Termination / Resigning Employees

- A. All efforts will be made by the Finance Department to obtain the purchasing card, any receipts, and other related forms when a Cardholder employee is terminated or resigns, or when a Cardholder official leaves office.
- B. If the purchasing card cannot be collected, a “Credit Card Maintenance” form shall be completed by the General Manager or City Manager, as may be appropriate, to insure the card is canceled.

X. Policy Violations

Failure to follow this policy may result in loss of Cardholder privileges and, for employees, may result in disciplinary action, including termination of employment.

**City of Cottonwood  
Purchasing Card User Agreement**

1. I understand that I am making a financial commitment on behalf of the City of Cottonwood and will strive to obtain the best value for the City.
2. I understand that under NO circumstance will I use the purchasing card to make personal purchases, either for others or myself.
3. I will follow the established Purchasing Card policy. I understand that failure to do so may result in either loss of privileges or other disciplinary actions, including termination of employment.
4. I agree that should I willfully violate the term of this Agreement, I will reimburse the City of Cottonwood for all incurred charges and any fees related to the collection of those charges.
5. All receipts received when making a purchasing card purchase will maintained for monthly reconciliation via Wells Fargo Commercial Card Expense Reporting.
6. I understand that I am restricted to specific limits when using the purchasing card for purchases.
7. I agree that should I leave City of Cottonwood employment, I will return my purchasing card and all appropriate documentation to the Finance Division.
8. I will use the City of Cottonwood purchasing cards with the highest degree of personal and professional integrity and ethics, recognizing my responsibility to the public and the City organizations.
9. I agree to promptly contact Wells Fargo at 1-800-932-0036 if I lose, misplace, or have my credit card stolen.

I have received, read, understand, and agree to comply with the City of Cottonwood Purchasing Card User Policy.

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Employee Name (Print)

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Employee Signature

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Date

Request for City of Cottonwood Purchasing Card

To: Finance Department

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

Subject: Request for Purchasing Card

I request that the following employee be issued a City of Cottonwood purchasing card.

Temporary Issue: \_\_\_\_\_ Length of Time: \_\_\_\_\_

Permanent Issue: \_\_\_\_\_

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

Employee Title: \_\_\_\_\_

Reason for request:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
General Manager Signature

\_\_\_\_\_  
City Manager Signature

\_\_\_\_\_  
Administrative Services  
General Manager Signature

**City of Cottonwood  
Purchasing Card  
Statement of Disputed Item**

Instructions: You should first make a good-faith effort to settle a claim or disputed charge directly with the vendor. If unable to resolve the dispute with the vendor, complete this form and fax to the Purchasing Card Issuer. Forward a copy of this statement to the Finance Division if you are not satisfied with the results of the Credit Card Issuer.

Fax to:                   Wells Fargo  
                              Merchant Dispute Department  
                              Fax # (415) 975-6635

Cardholder Name: \_\_\_\_\_ Account Number: \_\_\_\_\_

This charge appears on our statement (billing close date): \_\_\_\_\_

Transaction Date: \_\_\_\_\_ Reference Number: \_\_\_\_\_

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

Posted Amount: \_\_\_\_\_ Disputed Amount: \_\_\_\_\_

**Please check only *one* of the following:**

- Unauthorized Transaction**  
I did not authorize, nor did I authorize anyone else to engage in this transaction. No goods or services represented by the above charge were received by me or anyone I authorized. My purchasing card was in my possession at the time of the transaction.
  
- Charge amount does not agree with the order authorizing the charge**  
The amount entered on the sales receipt was changed from \$\_\_\_\_\_ to \$\_\_\_\_\_. I have enclosed a copy of the unaltered sales receipt.
  
- Merchandise or Services Not Received**  
I have not received the merchandise or services represented by the above transaction. The expected delivery date or services was \_\_\_\_\_. (On City letterhead, please describe any attempts to resolve this matter with the vendor, the date(s) you contacted them and their response.)
  
- Disputed Transaction**  
I did engage in the above transaction, which I am now disputing. I have contacted the vendor, but I have been unable to return the merchandise and /or I have been unsuccessful in reaching an acceptable resolution with them. (On letterhead, please describe your attempt to resolve this matter with the vendor, the date(s) you contacted them and their response.)

**Double or Multiple Charges**  
My purchasing card account has been doubled charged. The first charged appeared on the \_\_\_\_\_ (date) billing statement.

**Defective or Wrong Merchandise**  
I returned the merchandise on \_\_\_\_\_ because it was: (check one)  
 defective     wrong size     wrong color     wrong quantity  
(Please enclose proof of return)

**Other (Explain)**  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
Date

