



PURCHASING CARD POLICY & PROCEDURES HANDBOOK

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TABLE OF CONTENTS

1.	Introduction.....	1
2.	What is the P-Card.....	1
3.	Benefits of P-card use.....	2
4.	Non-Restricted and Restricted Charges.....	2
5.	Making a Purchase.....	3
6.	Parties Involved.....	4
7.	P-Cardholder Eligibility.....	4
8.	P-Cardholder Responsibilities.....	5
9.	Department P-Card Coordinator Responsibilities.....	6
10.	P-Card Administrator Responsibilities.....	8
11.	Accounts Payable Responsibilities.....	9
12.	P-Card Termination.....	9
13.	Documentation of Expenditures.....	10
14.	Rebates, Refunds and Promotional Items.....	11
15.	Card Decline.....	11
16.	Emergency Transactions.....	11
17.	Credits.....	12
18.	Unresolved Disputes and Billing Errors.....	12
19.	Security and Storage.....	12
20.	Vendor Set Up.....	12
21.	Merchant Category Code Blocking.....	13
22.	P-Card Set Up.....	13
23.	Taxes.....	14
24.	End of Fiscal Year Procedure.....	14
25.	Audit.....	15

1.0 INTRODUCTION

Welcome to the City's Purchasing Card (P-Card) Program. This program is designed to help departments manage purchases of predetermined dollar limits. The P-Card will facilitate the acquisition of lower dollar goods and services needed for conducting official City business. Personal purchases are strictly forbidden and may result in disciplinary and/or legal action.

- 1.1. Responsibility and accountability for P-Card transactions will reside at the department level.
- 1.2. It is accepted that no policy and procedure statement can cover all eventualities. Exceptional cases will be resolved as circumstances and prudent business practices warrant on a case-by-case basis.
- 1.3. City departments, as a condition of participation in the P-Card program, shall abide by the terms of these procedures unless written exception is requested and approved by the P-Card Administrator (Finance Director).
- 1.4. The success of the P-Card Program and its continuing use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this document.

2.0 WHAT IS THE P-CARD?

- 2.1. The P-Card is a credit card issued by a bank for which the City has procured purchasing card services. It is a fast, flexible, purchasing tool, which offers an alternative to the existing purchasing process. The P-Card is to be used only for official business purchases for the City. Use of the P-Card for personal purchases can result in disciplinary action including termination of employment and legal action.
- 2.2. The issuance of a P-Card to you represents the trust bestowed upon you by the City to protect its assets and integrity. Under your oversight, review and approval, you provide the key point of control to maintain appropriate spending activities to protect your departmental funds.
- 2.3. The P-Card will be issued in the individual P-Cardholder's name with the wording "City of West Memphis" and "For Official Use Only" clearly imprinted on the card. The card's application form may require some personal information from the prospective P-Cardholder, but this does not affect your personal credit in any manner. The information is for security and services purposes only.

3.0 THE P-CARD PROGRAM IS BENEFICIAL TO PARTICIPANTS

- 3.1. P-Cardholders - You will be able to obtain various supplies and services directly from our vendors without using a purchase order. This streamlines the purchasing process and can help improve turnaround time on receipt of your order. It significantly reduces the workload and processing costs related to the purchase and payment for supplies.
- 3.2. City of West Memphis - The P-Card program provides a cost-efficient, alternative method for purchasing low-dollar supplies and services. Built-in card features make the program easy to control, manage, and reduce processing costs at all levels by reducing the number of requisitions, purchase orders, blanket purchase orders invoices and checks.
- 3.3. Vendors - Vendors who accept credit cards will welcome the P-Card. When they accept the card for business purchases, vendors will receive payment within 72 hours and eliminate the expensive billing and receivable collection process.

4.0 NON-RESTRICTED AND RESTRICTED CHARGES

- 4.1. There are many items and services that can and cannot be charged to the City P-Card. The allowable items/services that can be purchased are vast. In general, the P-Cardholder may purchase goods and services that serve as official business purposes for the City of West Memphis.
- 4.2. Purchase of the following using the P-Card is generally NOT ALLOWED:
 - 4.2.0. Alcoholic beverages of any kind
 - 4.2.1. Cash advances, travelers checks, etc.
 - 4.2.2. Food purchases (May be permissible on a card by card determination)
 - 4.2.3. Meals of any kind
 - 4.2.4. Personal items of any kind (gift certificates, cards such as get-well or birthday, flowers, etc.)
 - 4.2.5. Travel expenses of any kind
 - 4.2.6. Any items listed on state contracts (contact Purchasing with questions).
 - 4.2.7. Any purchase that would involve a trade-in
 - 4.2.8. Any other purchases not permitted under City policy and/or procedure
 - 4.2.9. Vehicle or motorized field equipment repairs or parts except by Fleet Service.

4.2.10. If you are not sure of any of these requirements, or have any questions regarding this subject, contact the P-Card Administrator (Purchasing Office) before making the purchase.

4.3. NOTE: All purchases must be for official business for the City of West Memphis.

5.0 MAKING A PURCHASE / WAYS TO UTILIZE THE P-CARD

5.1. When making a P-Card transaction, it is not a requirement that competitive prices be obtained; however, the cardholder, obviously, should ascertain that the price being paid is reasonable. (Competitive pricing may be done if the cardholder so desires.)

5.2. Purchasing In Person - The P-Cardholder takes the P-Card to the vendor and verifies that the vendor accepts the Master card. The P-Cardholder selects the order, carefully ensuring that the selection is not listed as a restricted item/service that cannot be procured with the P-Card and makes sure that the total cost does not exceed the control limits set for the P-Card. The P-Cardholder takes the order to the vendor's cash register and presents the P-Card for payment. The vendor either swipes the P-Card through a card reader or calls for an authorization. The vendor then asks the P-Cardholder to sign for the charges. The vendor issues the P-Cardholder a copy of the slip, cash register tape or paid invoice. The P-Cardholder shall retain all P-Card transaction documentation and provide it to the Department P-Card Coordinator for logging on the Transmittal Report of P-Card Transaction Documents.

5.3. Phone Orders - The P-Cardholder may telephone an order to a vendor. The vendor shall request the P-Cardholder's P-Card number and expiration date. For security reasons, ensure others do not overhear or view this information. The P-Cardholder advises the vendor that the City is not Arkansas sales tax exempt and shall pay all applicable sales tax. The P-Cardholder shall ensure the vendor includes a P-Card authorization slip, cash register tape or paid invoice with the delivery of the order. All orders shall be made delivered to the location/address the Dept. wants them delivered to. The P-Cardholder shall ensure all transaction documentation is provided to the Department P-Card Coordinator for updating the Transmittal Report.

5.4. Internet Orders - The P-Cardholder may use electronic mail to submit an order to a vendor. The P-Cardholder shall ensure the vendor includes a P-Card authorization slip, cash register tape, paid invoice and/or delivery slip with the order. If the vendor intends to mail the P-Card transaction documentation as a separate item, the P-Cardholder shall ensure the documentation is mailed/faxed to the department address. The P-Cardholder shall ensure all transaction documentation is provided to the Department P-Card Coordinator for logging to the Transmittal Report. Internet orders may be subject to Use Tax.

6.0 PARTIES INVOLVED

- 6.1. Agency - The City of West Memphis who arranges with the card issuer, SunTrust Bank, for the issuance of P-Cards to approved department Personnel.
- 6.2. P-Cardholder - A full-time employee of the City of West Memphis who has been approved by his/her department head to use the P-Card to execute purchase transactions on behalf of their department. In cases where the P-Cardholder is the department head, approval must come from the Finance Director or Purchasing Agent.
- 6.3. Card Issuer - Bank services were contracted for/by the State of Arkansas, and the contract is offered to Cities thru the cooperative program. The card issuer bills the City for all purchases made on the cards and collects payment from the City.
- 6.4. Department Head – City of West Memphis official who must approve each employee's P-Card, assign Department P-Card Coordinators, and submit applications to the P-Card Administrator. The department head approval delegates transaction authority to the P-Cardholder.
- 6.5. Department P-Card Coordinator - An employee(s) in each department who is responsible for logging, maintaining and reconciling within their assigned department. Each P-Cardholder will be assigned to a Department P-Card Coordinator(s). The P-Card Coordinator will be responsible for reviewing transactions of individual P-Cardholders to make sure the transactions are classified as an appropriate expense.
- 6.6. P-Card Administrator (Purchasing Agent) - This person will coordinate the P-Card program and will act as an intermediary in correspondence with the card issuer and perform some audit functions.
- 6.7. Vendor - The merchant or service provider from whom a P-Cardholder is making a purchase.
- 6.8. Department - This is derived from the City's budget reporting structure. It is used to provide a means of security so that Department P-Card Coordinators can manage their P-Cardholders and account numbers.

7.0 P-CARDHOLDER ELIGIBILITY

- 7.1. Criteria to receive a P-Card are as follows:
 - 7.1.0. The applicant must be a full-time employee of the City of West Memphis.
 - 7.1.1. The Department Head must approve each P-Card for their department.
 - 7.1.2. Each individual P-Cardholder must attend a P-Card training session, sign a P-Card Employee Agreement and P-Card Receipt form.

8.0 P-CARDHOLDER RESPONSIBILITIES

- 8.1. P-Cardholders are responsible for knowing and applying all of the rules related to the P-Card program. Misuse of the card may subject the P-Cardholder to disciplinary action in accordance with City of West Memphis Policies and Procedures relating to disciplinary action and termination for cause. The "3 strikes and your out" principle will apply to all P-Cardholders. This is intended to allow for "honest" mistakes that can be made by an individual P-Cardholder. If an individual P-Cardholder makes procurement mistakes his/her card will be revoked upon the discovery of the third mistake. This ruling is for procurement mistakes only.

FRAUD is the intent to deceive and will not be considered a procurement mistake. Buying item(s) for personal use, purchases other than City official business, attempting to obtain cash, etc. will be considered as fraud.

The P-Cardholder must:

- 8.1.0. Ensure the P-Card is used only for legitimate City business purposes;
- 8.1.1. Maintain the P-Card in a secure location at all times;
- 8.1.2. Not allow other individuals to use their P-Card;
- 8.1.3. Adhere to the purchase limits and restrictions of the P-Card and ensure the total transaction amount of any single transaction does not exceed established limits.
- 8.1.4. Obtain all sales slips, register receipts, and/or P-Cards slips and provide those to the Department P-Card Coordinator for reconciliation, approval and allocation of transactions. Note: All sales slips are to be submitted to the Department P-Card Coordinator within ten (10) working hours after the transaction has occurred. **ALL DOCUMENTS MUST BE SIGNED BY THE CARDHOLDER.**
- 8.1.5. Attempt to resolve disputes or billing errors directly with the vendor and immediately notify the Department P-Card Coordinator and the P-Card Administrator if the dispute or billing error is not satisfactorily resolved;
- 8.1.6. Ensure that an appropriate credit for the reported disputed items(s) or billing error appears on a subsequent P-Cardholder's Statement;
- 8.1.7. It is not permissible to accept cash in lieu of a credit to the P-Card;
- 8.1.8. Immediately report a lost or stolen card to the credit card provider;
- 8.1.9. Notify Finance Director or Purchasing Agent of a lost or stolen P- Card at the first opportunity during business hours;

- 8.1.10. Return the P-Card to the P-Card Administrator upon termination of employment with the City or upon any event that would cause the cardholder to no longer need or qualify for the P-Card; and
 - 8.1.11. If the P-Cardholder changes departments or cost centers (sections within a department) they must contact the P-Card Administrator to coordinate the change.
 - 8.1.12. INDIVIDUAL P-CARD TRANSACTIONS CANNOT EXCEED \$1,000 (Including tax and freight). SPLITTING PURCHASES TO AVOID THIS LIMIT IS NOT ALLOWED. COMPETITIVELY PRICING PURCHASES MADE WITH THE PCARD IS NOT REQUIRED (BUT MAY BE DONE). In some cases, the Finance Director and Purchasing Agent may, with the permission of the Department Head, increase the amount of the individual P-Card transaction. This shall be documented with appropriate signatures.
 - 8.1.13. CUMMULATIVE MONTHLY TRANSACTIONS (16TH THRU 15TH) CANNOT EXCEED \$5000, unless changed as provided in section 8.1.12.
- 8.2. P-Cardholder Liability - The P-Card is a corporate purchasing charge card, which will not affect the P-Cardholder's personal credit. Your department is liable for all charges made on the P-Card issued to you. This includes transactions made on a lost or stolen card before it is reported lost or stolen. However, it is the P-Cardholder's responsibility to ensure that the card is used within stated guidelines of the City's Policies and Procedures as well as the City's guidelines and procedures relating to the expenditure of City funds. Failure to comply with program guidelines may result in revocation of the card, notification of the situation to management, and further disciplinary measures that may include termination of employment. The ultimate responsibility for use/misuse of the P-Card rests with the individual cardholder.

9.0 DEPARTMENT OR ORGANIZATIONAL UNIT P-CARD COORDINATOR RESPONSIBILITIES

- 9.1. The Department Head must designate at least one Department P-Card Coordinator. If the Department P-Card Coordinator(s) is also a P-Cardholder, it will be the responsibility of the P-Card Coordinator to have the monthly charges incurred on the coordinator's P-Card reviewed and signed by their department head. The Department P-Card Coordinator must attend all required training sessions and will be notified of these by means of a P-Card Listserv to which they will be subscribed. Responsibilities include:
- 9.1.0. Collecting transaction documents (receipts, sales slips, etc.) from each P-Cardholder, validation of those documents, logging them, signing them, writing the account number(s) that are to be charged and submitting them to Purchasing.

- 9.1.1. Maintain a P-Card Transmittal Report for each card within that department;
- 9.1.2. Enter the appropriate expense account number for each transaction by accessing the card provider's system.
- 9.1.3. Log each individual transaction as the P-Cardholder presents the transaction documents and maintain the originals [receipts, sales slips, packing list, etc. (copies are submitted to Purchasing)] for reconciliation to the monthly billing from the credit card provider and for future audit purposes;
- 9.1.4. If there is a disputed transaction, the coordinator will assist in reconciling the dispute.
- 9.1.5. All adjustments to the billing will be reflected in a future billing cycle.
- 9.1.6. NOTE: [for Purchasing] Remember that it can take up to three (3) days for the entire transaction to complete the entire process, therefore, in some cases a P-Card transaction that is posted to the Transmittal Report may not appear on the billing. This is known as a timing difference between the transactions that the bank processed and the transactions that were recorded on the Transaction Log. If this occurs, line through the posting on the Transaction Log, annotate it with "Not billed on this cycle" and re-enter the data on the log that will be used for the next billing cycle.
- 9.1.7. Identifying and updating transactions that require the submission of use tax.
- 9.1.8. If a change in account number has occurred these adjustments must be addressed within a 45-day period. The Department P-Card Coordinator is responsible for written notification to the Finance Department for the creation of a journal entry to correct the necessary charges. Note: Because of year-end processing, charges for the month of December may not have the standard adjustment period. Department P-Card Coordinators will be notified by means of the P-Card Listserv on how charges for the month of December are to be handled;
- 9.1.9. Attempts to resolve any disputes with vendors and/or the credit card provider that were not resolved by P-Cardholder are to be reported to the P-Card Administrator. Note: there is a 60-day period for resolution of disputes;
- 9.1.10. The P-Cardholder is responsible for notifying the Purchasing Agent of lost or stolen cards;

- 9.1.11. Requests to the P-Card Administrator to cancel a P-Cardholder's card (e.g., terminated employees, loss of purchasing card privileges) must be approved by the Department Head;
- 9.1.12. Department P-Card Coordinator is responsible for making sure that they are receiving messages from the P-Card List serv.
- 9.1.13. The schedule for coordinators to submit transaction documents to Purchasing is:

MONDAY – FRIDAY 8:00 AM - 5:00 PM

Additionally, all documents on hand on the 14th of the month, regardless of the day of the week, are to be submitted on the 14th (if 14th is a weekend, submit on Friday before. If a submission date is a holiday, submit the next previous work day).

10.0 P-CARD ADMINISTRATOR (PURCHASING OFFICE) RESPONSIBILITIES

- 10.1. Purchasing will be responsible for the over-all P-Card program. Responsibilities include:
 - 10.1.0. Initiating City contact with the credit card provider;
 - 10.1.1. Reviewing department P-Card applications
 - 10.1.2. Submitting completed application to the credit card provider and receiving approved P-Card from them;
 - 10.1.3. Training P-Cardholders and Department P-Card Coordinators before releasing P-Cards to the P-Cardholders;
 - 10.1.4. Requiring the P-Cardholder to sign the P-Cardholder agreement, which signifies agreement with the terms of the P-Card program;
 - 10.1.5. Assist in resolving disputed charges/discrepancies not settled by the P-Cardholder or Department P-Card Coordinators;
 - 10.1.6. Securing revoked P-Cards and submitting the information to the credit card provider;
 - 10.1.7. Reviewing usage of P-Card data for appropriateness;

- 10.1.8. Performing audit functions and/or coordinating them with the Auditor or other City officials.
- 10.1.9. Encumbering daily the P-Card transactions.

11.0 ACCOUNTS PAYABLE RESPONSIBILITIES

- 11.1. The credit card provider will electronically bill the City within 3-5 days after the close of the billing cycle on the 15th of each month.
- 11.2. Payment will be made to the credit card provider.
- 11.3. The City's Accounts Payable will pay the statement balance from a liability fund and charge the various default P-Card account numbers.
- 11.4. Department P-Card Coordinators will be provided a copy of their portion of the credit card statement.
- 11.5. Payment will be transmitted in accordance with the credit card provider's instructions.

12.0 P-CARD TERMINATION

- 12.1. Departmental heads must immediately notify the P-Card Administrator of a change in status of a P-Cardholder that would cause the cardholder to no longer need or qualify for the P-Card. Delays in notification may subject the department to unauthorized P-Card charges. The P-Card Administrator is required to void a P-Card if the P-Cardholder:
 - 12.1.0. Moves to a new job in which a P-Card is not required;
 - 12.1.1. Terminates his/her employment with the City; or
 - 12.1.2. For any of the following reasons:
 - 12.1.2.0. The P-Card is used for personal or unauthorized purposes; Note: Use of the card for personal and/or unauthorized purposes could be interpreted as fraud, which could be grounds for employee termination and prosecution;
 - 12.1.2.1. The P-Card is used to purchase alcoholic beverages or any substance, material, or service, which violates policy, law or regulations pertaining to the City;
 - 12.1.2.2. The P-Cardholder allows the card to be used by another individual;
 - 12.1.2.3. The P-Cardholder splits a purchase to circumvent the limitations of City purchasing procedures;

- 12.1.2.4. The P-Cardholder uses another P-Cardholder's card to circumvent the purchase limit assigned to either P-Cardholder or the limitations established by City purchasing procedures;
- 12.1.2.5. The P-Cardholder fails to provide the Department P-Card Coordinator with required receipts;
- 12.1.2.6. The P-Cardholder fails to provide, when requested, information about any specific purchase;
- 12.1.2.7. The P-Cardholder does not adhere to all of the P-Card policies and procedures.

12.2. The above conduct by the P-Cardholder may subject the employee to disciplinary action in accordance with the City's policies and procedures that relates to disciplinary measures and termination for cause.

13.0 DOCUMENTATION OF EXPENDITURES

13.1 The Department P-Card Coordinator must review all documentation submitted to them by the P-card holder and determine that valid and complete documentation is on file for every transaction listed on each P-Cardholder's 'transmittal form' statement. Each P-Cardholder will provide valid documentation of each transaction to the Department P-Card Coordinator within ten (10) working hours after each transaction. All documentation for each and every transaction must be maintained for audit purposes and shall be placed in a permanent file for a minimum of five (5) years, seven (7) years if federal funds were involved, from the date the current fiscal year the funds were expended.

ORIGINAL TRANSACTION DOCUMENTS WILL BE HELD BY THE DEPARTMENT; COPIES WILL BE SUBMITTED, ALONG WITH THE 'TRANSMITTAL FORM', TO PURCHASING.

13.1.0. Valid source documentation may be:

- 13.1.0.1. A receipt and/or card transaction slip from the vendor;
- 13.1.0.2. An order form for books, subscriptions, or similar items
- 13.1.0.3. An invoice showing credit card payment; and
- 13.1.0.4. A packing slip from the delivery annotated by the P-Cardholder as ordered by, received by, paid by and signature of the P-Cardholder.

13.1.1. All documentation must include the following minimum information (P-Cardholder must provide the information listed below if it is not already printed on the form):

- 13.1.1.0. Vendor name;
- 13.1.1.1. Date of the purchase;
- 13.1.1.2. Description and quantity of each item purchased;
- 13.1.1.3. Per item cost, if available from the merchant;
- 13.1.1.4. Total cost of the transaction; and
- 13.1.1.5. P-Cardholder name and card number.

13.1.2. If documentation is unavailable, the P-Cardholder is to complete a Missing Receipts form. Completion of this form will be required for each transaction where the documentation is unavailable. The form is to be completed whether or not the P-Cardholder failed to provide the documentation through no fault of his/her own, or through willful or negligent fault.

14.0 REBATES, REFUNDS AND PROMOTIONAL ITEMS

14.1 Any rebates or refunds received by the P-Cardholder resulting from the use of a P-Card transaction shall be deposited back into the appropriate department and documentation reflecting the transaction shall be attached to the P-Card Transaction Log for verification. Any promotional type items received as the results of a P-Card transaction shall become the property of the City and shall be utilized by the applicable department.

15.0 CARD DECLINES

15.1. Should a vendor decline the P-Card, the P-Cardholder should immediately contact the Purchasing Agent for assistance. If a declined purchase is being made outside normal business hours, the employee must find an alternate payment method or terminate the purchase. Contact the Purchasing Agent during normal business hours.

16.0 EMERGENCY TRANSACTIONS

16.1. Emergency transactions over \$1,000 may not be handled with the P-Card due to City procurement regulations, unless the card holder has been given a higher balance pursuant to Section 8.1.12. For any "emergency" type transaction, or one that exceeds the spending controls assigned to the card, the P-Cardholder must contact the P-Card Administrator for assistance.

17.0 CREDITS

- 17.1. Vendors will issue all credits to the individual P-Card for any item returned. This credit will appear on a subsequent bank statement. Under no circumstances should a P-Cardholder accept cash in lieu of a credit to the P-Card.

18.0 UNRESOLVED DISPUTES AND BILLING ERRORS

- 18.1. The P-Cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the P-Cardholder/Department P-Card Coordinator should:
- 18.1.0. Contact Suntrust Bank Customer Service at 1-855-821-0369 directly for assistance.
 - 18.1.1. If the problem cannot be resolved on the telephone, Suntrust Bank may request you to fax a signed Dispute Form to further clarify the problem and/or to document the reason for the dispute. In this case Suntrust Bank Customer Service will provide you a fax number.
 - 18.1.2. Contact the Purchasing Agent for assistance if an acceptable resolution is not obtained.

19.0 SECURITY AND STORAGE

- 19.1. P-Cards - P-Cardholders should always treat the P-Card with at least the same level of care as one does with their own personal credit cards. The card should be maintained in a secure location and the card number should be carefully guarded.

The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.

- 19.2. Program Documentation - The Department P-Card Coordinator assigned to each department will maintain the P-Cardholder's vendor receipts/packing slips/charge slips. The P-Card Administrator located in the Purchasing Department will maintain all other documentation concerning the P-Card program. This documentation includes, but is not limited to, applications, P-Cardholder agreements, documentation, and copies of transmittals and correspondence with Suntrust Bank.

20.0 VENDOR SET UP

- 20.1. If a vendor does not accept the Mastercard, the Purchasing Department may assist the vendor in taking the necessary steps to begin acceptance of the card. P-Cardholders should contact P-Card Administrator (Purchasing) when encountering vendors who do not accept the card and would like to do so. Otherwise, it will be necessary to find another vendor who can accept the card.

21.0 MERCHANT CATEGORY CODE BLOCKING

- 21.1. The City has adopted the State of Arkansas's blocked Merchant Category Code (MCC) List that will be blocked on the standard issue card. Transactions related to these MCCs will be blocked at the point-of-sale level for the type of vendors on the Blocked Merchant Category Codes.

These points of sale "blockings" prevent the P-Card from being used for the type of purchases within that category. If you attempt to use the card on a blocked item the transaction will be denied at the time the card is swiped. All denials of transactions create a "P-Cardholder Transaction Violation Report" that will be sent to the P-Card Administrator for review. The P-Card Administrator can make some adjustments to these codes with the approval of the Finance Director. You will be notified if additional MCCs are blocked for your individual card.

22.0 P-CARD SET UP

- 22.1. All contact with the credit card provider for card set up, maintenance and closure (except for disputes and reporting lost or stolen cards) will be handled by the Purchasing Agent.
- 22.2. Card Set Up:
- 22.2.0. Department Heads complete an application form and submits it to the Purchasing Agent for Finance Director approval and processing.
 - 22.2.1. The Department Head includes on the application the name of the cardholder's Coordinators.
 - 22.2.2. Department Head's signature of approval delegates transaction authority to the P-Cardholder.
 - 22.2.3. Purchasing Agent reviews the application form for completeness and submits the application to the credit card provider (after Finance Director approval).
 - 22.2.4. At that time the Purchasing Agent will schedule the P-Card training session for the applicant. Training must be completed before any P-Card can be issued to an applicant.
 - 22.2.5. Upon receipt of the P-Card from the credit card provider, the Purchasing Agent will notify the applicant of a date and time for training.
- 22.3. Purchasing Agent may use all available tools of the credit card provider's software for the maintenance of cards.
- 22.4. Levels of Access to the credit card provider's P-Card Data

Cardholders will not have access to credit card provider's P-Card data.

Departmental Coordinators will have access to those accounts for which they are the coordinator.

Department heads have access to all accounts of their department(s).

Purchasing Agent, all Purchasing personnel, Finance Director and Finance personnel designated by the Finance Director have access to all accounts.

23.0 TAXES

23.1. The City is not tax exempt. (except for a few specific items)

23.2. Use Taxes. Normally vendors collect a sales tax from the customer, and remit the tax to the State of Arkansas. If the vendor does not collect the sales tax, then the City must pay a "use tax" directly to the State of Arkansas equal to what the sales tax would have been. It is very important that when entering a transaction on the P-Card Transaction Log that you list separately the amount of sales tax paid to the vendor. Do not list the amount of use tax due. If sales tax is not paid, Accounts Payable will determine if any "use tax" is due from the description of the item.

23.3. Taxability of Items. As a general rule, the purchase of tangible property is considered taxable with few exceptions. A "tangible" item is something you can touch. An "intangible" item is something you cannot touch and is usually not taxable. For example software delivered on a CD is tangible (you can touch it), and therefore taxable. Software downloaded from the Internet is not tangible and is not taxable. There are some exceptions to this general rule. Freight is taxable unless billed separately by the shipping company. Subscriptions and periodicals are not taxable. If you have any questions on sales/use taxes in general, you can call Accounts Payable at 732-5106 or Purchasing at 732-7584.

24.0 END OF FISCAL YEAR PROCEDURE

24.1.

The City uses the accrual method of accounting, which means that goods and services are recorded in accounting records in the fiscal year in which they are received. The City's fiscal year is Jan. 1 – Dec. 31.

24.2.

The credit card provider's billing period ends on the 15th of each month. There could be a 2-3 day lag between the time goods and services are received and when they are billed.

- 24.3. In order to assure that all goods and services purchased in December are recorded in the proper fiscal year, the Finance Director may limit the use of the card during certain times in the month of December. Card holders will be notified by email well in advance.

25. AUDIT

- 25.1. City Audit of P-Card program will include:
 - 25.1.0. Review of P-Card charge, billing and some billing adjustments that may be required.
 - 25.1.1. Monitor the reconciliation and reallocation of the City P-card statement from the provider.
 - 25.1.2. Make periodic audits of card use and P-Card charges for appropriateness. Areas to be monitored include, but are not limited to:
 - 25.1.2.0. compliance with City of West Memphis Procurement Laws and Regulations;
 - 25.1.2.1. compliance with P-Card regulations;
 - 25.1.2.2. compliance with City Policy and Procedures; and
 - 25.1.2.3. non-use of P-Cards by P-Cardholders;