



CITY OF SMYRNA

**VISA – Bank of America
State Purchasing Card Program**

PURCHASING CARD POLICY MANUAL

**Kelly Brown, CPPB
Purchasing Manager**

To all VISA Cardholders:

Welcome to the City of Smyrna VISA Purchasing Card program. The Purchasing Card program is the outcome of a redesign project initiated to develop a procurement process that is simpler, more efficient, and better serves the city, providing a program that can be monitored to insure proper expenditure of taxpayer funds.

The Purchasing Card is a VISA program, managed by State of Georgia and Bank of America and monitored by the City of Smyrna. The Purchasing Card has been implemented to provide departments with a more efficient program for making single purchases less than \$5000.00. Purchases will be charged directly to your departmental account number and will show in your budget/financial statement. The City will issue, via SunTrust Bank, one payment each month to VISA for all Purchasing Card purchases.

The primary benefits of the program for departmental users are:

- acceptance by any supplier who accepts VISA
- more timely purchase and receipt of goods
- reduction in costs associated with processing purchase orders
- increased information about purchasing transactions
- controls and criteria for making purchases using the card

The Purchasing Card Program is administered by the Finance Department via Purchasing. Your primary contact for questions or issues resulting from use of the card is

Kelly Brown, Purchasing Manager 678-631-5406

We hope you will enjoy the benefits of using your Purchasing Card. If we can be of any assistance, please call on us.

Sincerely,

Kelly Brown

Kelly Brown, CPPB
Purchasing Manager

Table of Contents

Cardholder Responsibilities	4
Unauthorized Purchases	6
How to Make a Purchase	7
Transaction Limits and Card User Profiles.....	8
Monthly Statement Reconciliation	9
Handling Discrepancies / Returning Purchases	10
Suspension of Purchasing Card Privileges	11
Exhibits	12
Purchasing Card Missing Receipt Form	
Purchasing Cardholder Agreement	
Sample Purchasing Card	

Cardholder Responsibilities

Issuance of a Purchasing Card is a relationship of trust between Cardholders, departments, and the City. The Purchasing Department's responsibility is to provide quality service and information to Cardholders and departments. Cardholders' responsibilities are outlined below. This is a State Purchasing Card program in conjunction with Bank of America, and State Policies are the underlying foundation for this Policy.

Before using the Purchasing Card, determine if it is the appropriate purchasing method. Generally, the Purchasing Card can be used for most purchase transactions less than \$5000.00. If \$5000.00 or more, then the purchasing policy of three written quotes must be obtained prior to the actual charge purchase. There are, however, a number of exceptions for the specific types of goods and services that can be purchased using the Purchasing Card. For a complete list of these exceptions, please see *Unauthorized Purchases*.

- The Purchasing Card shall be used strictly for City of Smyrna business. No personal use of the card is allowed. Personal use is considered illegal and any purchases above \$500.00 for personal use can be considered a felony under state law.
- The Purchasing Card shall be used only by the approved Cardholder. The card is not transferable between employees unless set up as a departmental card. All potential users of the departmental card must each sign the Cardholder Agreement.
- Cardholders **shall not** receive cash back for any refunds or exchanges. Refunds or exchanges must be credited to the Purchasing Card account.
- The Purchasing Card may be used in person, secure internet (not regular email), mail, telephone, or fax. Do not email your credit card number or information.
- Cardholders shall tell suppliers they are paying with the Purchasing Card and that the City of Smyrna is exempt from Georgia sales tax. Each department has been provided with a hard copy tax exempt certificate in the event that a supplier requires a hard copy. This certificate can be presented in person or faxed. Contact Purchasing for a copy.
- Cardholders shall scan copies of original itemized receipts into a shared folder ([\\smy-files\pcard receipts](#)). This documentation may be required for auditing purposes by the IRS, City of Smyrna Finance Department, and/or granting agencies. Cardholders must also upload each scanned receipt to the corresponding transaction recorded in the web-based Bank of America Works program. After the digital copies are saved, the hard copy may be discarded.

- Department Administrators shall retrieve cards from employees who leave City of Smyrna, change departments, or move to a job in which they will no longer require a Purchasing Card, and return the card the **Purchasing Department** during normal business hours indicating department name, Cardholder name, Cardholder account number, and the reason for canceling the account.
- Cardholders shall report lost or stolen cards immediately to the Purchasing Department and their Department Administrators. Cardholders shall immediately report a loss or theft to VISA at the number on the back of the card or through Purchasing.
- The Purchasing Card shall always be treated with *at least* the same level of care Cardholders treat their own personal credit cards. Cardholders shall keep the Purchasing Card in a secure location and guard the Purchasing Card account number carefully.

Unauthorized Purchases

The Purchasing Card **SHALL NOT** be used to purchase the following items:

All Goods & Services available through the City's Annual Contracts	
Bonds & Capital Improvement Expenditures	
Purchases of \$5,000 or more	Purchases under \$5,000 do not require competitive quotes. Per state law, all labor and services work of \$2,500 or more requires an e-Verify Contractor's Affidavit or SAVE document, completed, signed and notarized, with the original sent to Purchasing.
Computer/Media Equipment, Supplies, & Accessories normally approved through the Information Technology Department (see attached listing of these items)	These items must be restricted in order to ensure City-wide Hardware/Software standardization and compatibility; unless pre-approved by the Director of IT.
Goods or Services for personal use	These are considered to be fraudulent purchases.
Professional Services	Medical, Dental, Legal, Architectural, Engineering, or any other state-certified profession.
Storeroom Supplies available through the City of Smyrna Warehouse	All items available through the City of Smyrna Warehouse should be acquired there only.
Telecommunications Equipment & Internet Services	All telecommunications Equipment & Internet Services must be procured by the Director of Information Technologies.
Automotive parts	All automotive parts should be acquired through the City Vehicle Maintenance Supervisor.

How to Make a Purchase

The Purchasing Card may be used in person, secure internet (regular email is not secure), mail, telephone, or fax. Each department is responsible for keeping the Purchasing Card expenditures within budget amounts. Follow these procedures when using the Purchasing Card:

1. Call or visit the supplier and identify yourself as a City of Smyrna employee.
2. Ask if the supplier accepts VISA.
3. Tell the supplier that the City of Smyrna is exempt from paying **Georgia** sales tax at the point of sale, and inform him that the City's tax ID number is found on the back of the card. If the supplier requires further proof, present or fax the Georgia sales tax exempt certificate in the event that a supplier requires a hard copy, or carry a copy with you. If in spite of your efforts, the supplier insists on charging **Georgia** sales tax, terminate the purchase. Then, notify the Purchasing Department so that the supplier can be contacted regarding City of Smyrna's sales tax exemption status for future purchases.
4. If the supplier requests a billing address, provide the City Hall address. All purchasing card statements are mailed to City Hall and distributed via intercity mail.
5. Order the desired goods or services and confirm the total cost, including shipping and handling. Make sure they can ship your goods to your physical location. Goods do not necessarily have to be in stock when making a purchase.
6. Give the supplier the Purchasing Card number and expiration date. They may also ask for the security code which is found on the back above the signature line.
7. Request and obtain original itemized sales receipts whenever practicable. If the purchase is made by phone or fax, a copy of the original itemized sales receipt shall be obtained from the supplier via fax or email immediately following the purchase. If ordering online, computer generated receipts shall be sufficient. Cardholders **MUST** scan and save copies of all itemized receipts and related documents as described in *Monthly Statement Reconciliation*.
8. Purchasing Card transactions are reconciled and approved through the web-based Bank of America Works program. See *Monthly Statement Reconciliation* instructions.

Transaction Limits and Card User Profiles

Monthly Purchasing Card dollar limits and Single Transaction Limits are dependent upon “user profiles.” These profiles are created when the cards are issued or at the request of the Department Head. The Purchasing Card Administrator can change the profiles if a documented need occurs. The Administrator can verify the limits on each individual card.

Monthly Statement Reconciliation

Purchasing Card transactions are reconciled and approved through the web-based Bank of America Works program. Finance will provide each Cardholder or Department Administrator with a user profile and the appropriate permissions. Detailed instructions for navigating Works are available through Finance.

The reconciliation process involves three steps. Each Cardholder must 1) add a comment, 2) allocate the charges using a valid General Ledger account string, and 3) upload a copy of the scanned receipt. In addition, a copy of each receipt must be saved to a shared folder (\\smy-files\pcard receipts) for audit purposes.

The approval process also involves three steps. The Cardholder signs off each transaction, providing the first approval. A second approval is provided by either the Department Head or Assistant City Administrator. Finance provides the third and final approval for all transactions.

The billing cycle goes from the 28th of each month to the 27th of the following month. Cardholders should have reconciled and signed off their transactions for the billing cycle by the second Friday of the subsequent month. Approvers should have signed off all transactions by the fourth Friday of the subsequent month. The following week, Finance will close all transactions and post the journal entry to Munis.

Handling Discrepancies

If the amount of purchase recorded on the receipt differs from the amount shown on the statement or in Works, contact the vendor. If the amount on the statement is incorrect, request the vendor to issue the necessary credit. Add an explanatory comment to the transaction in Works advising the credit will appear on the next monthly statement.

If an unauthorized charge appears on the statement or in Works, consult your staff to determine whether or not the materials were actually received. If you can verify the purchase, request an itemized receipt from the employee and upload the receipt to the transaction in Works. If the purchase should not have been posted to a Cardholder's statement, ask the vendor to credit the purchase.

If contacting the vendor does not resolve the issue, a Cardholder may dispute a transaction within Works or ask Purchasing to contact Bank of America Merrill Lynch.

Returning Purchases

If you determine that the material is defective or incorrect, notify the supplier that the item needs to be returned. Request a "ship to" address and a return authorization number (sometimes referred to as "RMA" number) prior to returning the material.

Request that the vendor process a credit transaction to the VISA Purchasing Card. Add an explanatory comment to the transaction in Works advising that material has been returned for credit. Ensure that proper credit appears on the next monthly statement. Upload the credit receipt to the credit transaction when it appears in Works.

Suspension of Purchasing Card Privileges

The VISA Purchasing Card provides a number of invaluable benefits. Use of the card is a privilege; however, in order to continue to exercise privileges associated with the Purchasing Card, user-departments must ensure that the card is used in accordance with established policies and procedures as described in the Purchasing Card User's Manual.

Due to the magnitude and freedom of instant purchasing power provided by the Purchasing Card, firm policies and procedures are necessary in order to ensure effectiveness and efficiency within the Purchasing Card program. Deviation from these policies and procedures shall result in the automatic suspension of Purchasing Card privileges. Specific guidelines for the suspension of Purchasing Card privileges are described below.

An initial "Warning Notification" will be issued to user-departments for any of the following three violations:

- Failure of Cardholders to reconcile and sign off their transactions for the billing cycle by the second Friday of the subsequent month and Approvers to sign off all transactions by the fourth Friday of the subsequent month;
- Failure to ensure adequate funding for all purchase transactions made within each billing cycle;
- Purchase of goods and services listed as *Unauthorized Purchases* on page 6 of the Purchasing Card User's Manual.

A second occurrence of any of the above infractions shall result in the **automatic 90-day suspension of all departmental Purchasing Card privileges.**

A third occurrence (following a 90-day suspension period) shall result in the **automatic one-year suspension of all departmental Purchasing Card privileges.**

NOTE TO USER-DEPARTMENTS: In the event that your Purchasing Card privileges are suspended, purchase requirements less than \$5000.00 will be provided to your department through the normal purchasing methods using MUNIS.

Exhibits

PURCHASING CARD MISSING RECEIPT FORM

PURCHASING CARDHOLDER AGREEMENT

SAMPLE PURCHASING CARD

**CITY OF SMYRNA
PURCHASING CARD MISSING RECEIPT FORM**

I, _____, have either not received or misplaced a Purchasing Card receipt totaling \$_____. This expense was on behalf of City of Smyrna.

This form is submitted in lieu of the original receipt.

Transaction Number: _____ Date: _____

Supplier Name: _____ Amount: \$_____

Supplier Address & Telephone number:

Items purchased: (1) _____

(2) _____

(3) _____

I certify that the amounts shown above were expended solely for City of Smyrna business purposes.

Cardholder Signature

Date

Department Administrator Signature

Date

Department Head Signature

Date

**CITY OF SMYRNA
PURCHASING CARDHOLDER AGREEMENT**

I, _____, agree to the following regarding my use of the City of Smyrna VISA Purchasing Card:

1. I understand that under no circumstances will I use the Purchasing Card to make personal or non-work related purchases, either for myself or for others. A personal or non-work related purchase with the intent to reimburse the City is unacceptable and shall be considered a fraudulent purchase and could result in termination.
2. I understand that I will not request or receive cash from suppliers as a result of exchanges or returns.
3. I understand that I am the only individual authorized to use the Purchasing Card assigned to me. It is not transferable to any other individual unless a designated Departmental User who has signed below.
4. I understand that City of Smyrna can terminate my right to use the Purchasing Card at any time for any reason. I agree to return the card to my Department Administrator immediately upon request from the Purchasing Department, upon my transfer to another department, or upon my termination of employment.
5. I will follow the established procedures for using the Purchasing Card and for submitting receipts for Monthly Reconciliation. All receipts must be accounted for or documented as Lost or Missing by the User. Failure to do so may result in either revocation of my user privileges or other possible disciplinary actions, up to and including, termination of employment. Lost or Missing Receipts may or may not be paid by the City and may require payment by the Employee User.
6. I understand that I cannot use the Purchasing Card for those goods and services listed within the "Unauthorized Purchases" document attached herein.
7. I agree that should I willfully violate the terms of this Agreement and use the Purchasing Card for personal use or gain that I will surrender my Purchasing Card and reimburse City of Smyrna for all incurred charges and any fees related to the collection of those charges. I understand that I can be held personally financially liable to the City of Smyrna for any unauthorized purchases or other inappropriate misuse.

Cardholder Name (Print)

Purchasing Card Account Number

Cardholder Signature

Program Administrator Signature

Employee Number

Date

Department _____

Additional Authorized Users Must Also Agree to and Sign this Cardholder Agreement.

Sample Purchasing Card

The cards have the City logo on front and show the Tax ID on the back.

