CITY OF ST. PETERSBURG
SUBJECT: Purchasing Card
EFFECTIVE DATE: 6/1/2020

ADMINISTRATIVE POLICY #050800
APPROVAL: Rick Kriseman, Mayor
REPLACES POLICY DATED: 8/26/2016

Synopsis: The Purchasing Card (P-Card) is authorized for use in making and/or paying for small purchases of supplies or services of up to $10,000. The P-Card may be used by individuals designated by their department directors in accordance with the City's Small Purchases Policy. The card may be used only for purchases that are authorized.

Policy

1. ***Obtaining a P-Card***. All prospective cardholders must be an employee of the City before a card can be issued. To request a P-Card, an employee must complete an Account Request Application and obtain the necessary electronic departmental approvals. All prospective cardholders shall also complete a mandatory P-Card training session and read and sign a ***Cardholder Agreement*** form before the P-Card is released.

2. ***Use of the P-Card***. Cardholders are authorized to use the P-Card to purchase business-related goods and services needed to perform their duties as employees of the City. Personal purchases shall not be made with the card, even if the cardholder's intent is to reimburse the City. Personal purchases made with the card will subject the cardholder to disciplinary action, up to, and including, possible card cancelation, termination of employment with the City and criminal prosecution.

3. ***Card Security***. It is the cardholder's responsibility to safeguard the P-Card and cardholder account number at all times. P-Cards must be kept in a secure location and should only be used to process transactions by the respective cardholder. In order to prevent exposure to fraud, the full P-Card account number should not be recorded electronically or on paper. If the number must be recorded, it should be truncated to the last six digits.

4. ***Lost, Stolen or Damaged P-Card.*** If a P-Card is lost, stolen or damaged during normal City business hours, the cardholder must notify the Program Administrator immediately so that the bank can be notified. If the P-Card is lost, stolen or damaged after normal business hours, the cardholder must notify the bank immediately.

5. ***Fraudulent Use of the P-Card***. Use of the P-Card for personal or non-City purchases will result in card termination and the cardholder may be subject to potential disciplinary action, up to, and including, termination of employment and criminal prosecution. In addition, a cardholder found to have fraudulently used a P-Card is personally liable for any fraudulent charges and shall be required to reimburse the City for such charges.

6. ***Merchandise Credit/Exchange***. The cardholder is responsible for contacting the merchant when merchandise purchased with the P-Card is not acceptable (incorrect, damaged, defective, etc.) and for arranging a return for credit or an exchange. If merchandise is returned for credit, the cardholder is responsible for obtaining a credit receipt from the

merchant and retaining that receipt with the supporting documentation for that purchase. Receiving cash or checks to resolve a credit is prohibited. The vendor must credit your account.

7. ***Vendor Rebate***. City cardholders should take advantage of rebates when offered by vendors. Rebates must benefit the City, never the individual employee. If the vendor sends a check to the individual cardholder, the check should be endorsed by the individual and deposited to the department's account. The rebate should never go to the individual cardholder. Rebates to the City in the form of a prepaid debit card should be used for City business only and the use must adhere to City policy. Itemized receipts pertaining to the prepaid debit card purchases must be filed with the respective cardholder's file.

8. ***Travel***. In accordance with ***Administrative Policy #040900, Employee Travel***, using the P-Card for employee travel requires the submission of a ***Travel Approval Advance Request*** form. The form must be completed by each traveler and applicable authorizations received prior to travel actually taking place. Travel expenses include hotel reservations, airline tickets, ground transportation and meals while traveling on City business.

9. ***Sales Tax***. The City is exempt from paying sales tax on its purchases. It is the cardholder's responsibility to ensure that the merchant does not charge sales tax on the purchase. The cardholder should advise the merchant about the City's tax-exempt status before they ring up the purchase. Each P-Card contains the "tax exempt" number on embossed line 2, indicating that the City is exempt from paying sales tax.

10. ***Receipts***. All receipts for P-Card purchases must be detailed and itemized. Receipts should show all items purchased, not just a total amount. The same would apply for restaurant receipts. Payment-alone signature receipts will not be considered by the auditor as proof of the purchase if it is not accompanied by the vendor's itemized receipt. To document online purchases, the cardholder should make a copy of the screen that indicates the purchase was paid with a P-Card. The screen grab should also show the date of the transaction, items purchased, and the total dollar amount. Just like other purchases, online purchases must be documented with detailed/itemized receipts.

11. ***Cardholder Responsibility for Records***. The cardholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the P-Card and verifying that the documentation complies with the requirements for supporting documentation. In addition to obtaining the documentation, it is recommended that the cardholder also record the details of each purchase in a transaction log.

12. ***Department Representative's Responsibility for Records Retention***. It is the department representative's responsibility to ensure that all supporting documentation and the corresponding cardholder statements are retained within the State of Florida's retention schedule for public records.

13. ***Charge Allocation.*** For any given charge, the account allocator must perform an online allocation, either to the accounting distribution string, or project accounting distribution

string, for all purchase transactions before the month's close. In order to access J.P. Morgan's PaymentNet, the account allocator must have completed the P-Card allocation training and been given security access to this transaction and PaymentNet in some cases. Reallocation to revenue or salary accounts is not permitted.

14. ***Verification of Charges by Cardholder***. Cardholders are accountable for all charges made with their P-Cards and are responsible for checking all transactions against corresponding supporting documentation to verify their accuracy and propriety.

15. ***Verification of Cardholder charges by Department Representative***. The department representative is responsible for reviewing each transaction in PaymentNet to verify charges and note any discrepancies. For a charge to be supported, there must be adequate documentation available (and uploaded to the transaction in PaymentNet) so that the department representative can ascertain that the purchase is valid.

16. ***Approval of Cardholder Transactions***: The Supervisor/Director must approve all transactions in PaymentNet through the approval process. Approval must be completed before month-end closing for inclusion in the month's accounting period.

Resource Documents: St. Petersburg City Code, Chapter 2, Article V, Division 3, Section 2- 211 Small purchases; City of St. Petersburg Rules and Regulations of the Personnel Management System, Section 7, Code of Conduct and Disciplinary Provisions.
Contact: Procurement and Supply Management Department