

# CITY OF BELLEVUE

## Procurement Card Procedures

### I. Background Information

The City of Bellevue's Procurement Card (ProCard) program has been established to provide a convenient, efficient means to purchase commodities from vendors and reduce costs associated with the purchasing process. The City of Bellevue has opted to use the JPMorgan Chase Procurement Card program offered on Washington State Contract No. 10296.

The program is designed to empower employees to purchase items needed for City business and is considered an enhancement to the purchasing process and a delegation of the purchasing authority. The use of a ProCard is a privilege that has been granted to the employees. Certain responsibilities are associated with this privilege.

The General Services division of the Finance Department is responsible for the management of the program and ensures that Departments follow all state and city laws, rules, and policies relating to the Purchasing function. Each department is responsible for the management of its cardholder's accounts.

The ProCard program is a Commercial Card Account and has a number of unique controls that do not exist in a traditional credit card environment. These controls ensure that the cards are used only for specific purchases and within specific monthly dollar limits. In addition, verification by each cardholder and by the Approving Manager is required before the bill is submitted to General Services for payment.

**The ProCard is to be used only for City business transactions and must not be used for personal purchases. Failure to comply with this restriction will result in revocation of the cardholder's ProCard.**

### II. Definitions

**Approving Manager** - an employee, authorized by their department director, who is assigned the responsibility of approving transactions, setting transaction limits, and authorizing the issuance of new cards.

**Billing period** - the month during which transactions are posted. The COB's billing period ends on the 12<sup>th</sup> of each month. (If the 12<sup>th</sup> falls on a Saturday, the billing period ends on the Friday before. If the 12<sup>th</sup> falls on a Sunday, the billing period ends on the Monday.) At the end of the billing period, all transactions are transferred to the Central Bill and the individual card limits return to \$0.00.

**Cardholder** - a COB employee who is issued a ProCard.

**Central Bill** - the COB's consolidated statement that lists all cardholder transactions.

**COB** - the City of Bellevue.

**Disputed Item** - a transaction appearing on the ProCard statement that the cardholder or custodian did not authorize.

**General Services** - a division within the Finance Department that includes the following workgroups: Purchasing, Accounts Payable, Payroll, Graphic Services, Administrative Services.

**Group Card** - a card issued to a specific workgroup, division, or department. These cards require one employee to be assigned as a custodian that maintains and secures the account.

**JPMorgan Chase** - the financial institution with which the State contracts for Procurement Card services.

**PaymentNet:** JPMorgan Chase's online reconciliation program. Available at: cobnet/Applications/ProCard Log-On or at [www.paymentnet.com](http://www.paymentnet.com).

**ProCard Administrator** - a General Services employee who administers the ProCard program and serves as the liaison between the COB cardholders and JPMorgan Chase.

**ProCard Custodian** - a COB employee who is responsible for maintaining and securing a Group Card account.

**ProCard Requisitioner** - a COB requisitioner that coordinates statements for a workgroup, division or department and originates a requisition that is submitted to Purchasing by the published deadline.

**ProCard Statement** - the individual cardholder's monthly statement that lists all transactions made during the billing period.

**Procurement Card (ProCard)** - a VISA credit card issued by JPMorgan Chase.

**Purchasing** - a workgroup within the General Services division.

**Reconciliation** - the process of verifying, approving and settling transactions.

**Requisition System:** the City of Bellevue's Requisition System located on the City's Alpha system. Department requisitioner will have access to this system.

**Transaction** - a purchase or charge to an account.

**Transaction Detail Log** - a log used to track the purpose, account code distribution, and dollar amount of each transaction.

**Transaction Limit**

- a) Single Transaction Limit - the maximum amount of a single transaction.
- b) Monthly Transaction Limit - the maximum amount of all transactions during the billing period.

**Violation** - any misuse of a ProCard whether specifically defined in these policies or not, may be considered a violation and may result in cancellation/revocation of the card.

### III. General Information

All ProCards issued will have the "City of Bellevue" embossed on the second line of the card. The first line will reflect the cardholder's name or the group name. If a cardholder's name appears on the card, only that person is authorized to use that card. **It is not permitted to allow anyone other than the Cardholder to use a card to make purchases.** A group card may be used by those in the designated work group. On the back of the Group Cards the custodian shall write "Ask for City ID" whereas only those individuals with a valid city ID shall be permitted to use the group cards. Failure to comply with this restriction will result in revocation of the cardholder's ProCard.

The ProCard does not replace requirements to comply with existing State or local procurement laws and regulations; it is designed to be an enhancement to the purchasing and payment processes. Except as indicated in Section 6 Unauthorized or Inappropriate ProCard Use, the ProCard may be used to purchase products not otherwise covered under contract. The monthly maximum credit limit on all cards is up to \$5,000, which is set by City ordinance.

Approval to participate in the ProCard Program will be signed by the employee's department director or Approving Manager. This person will define the transaction limit (if any) and the monthly maximum transaction limit, up to the maximum allowed by city ordinance, for each cardholder. The ProCard Administrator will coordinate the acquisition and distribution of all ProCards.

Each time the ProCard is used, the merchant will check via the VISA telecommunications network to verify the card's single purchase dollar limit and monthly transaction limit. When an approval code is received it will appear on the sales draft. The Cardholder will receive a ProCard Statement of purchases after the billing period has ended.

The following condition must be met when using the ProCard:

- Each purchase may be comprised of multiple items, but the total cannot exceed the transaction limit assigned to the ProCard.

Cardholders must comply with the City's purchasing policies and procedures (see the Purchasing Cookbook) when using the ProCard. If there are questions about the City's purchasing policies, please contact Purchasing in the General Services Division.

Questions regarding the specific use of the ProCard should be directed to the ProCard Administrator.

#### IV. Obtaining a Procurement Card

Authorized employees will complete a JPMorgan ProCard Application Form (see Attachment) and submit the form to their department's Approving Manager for designation of limits and approving signature. Application Forms must be approved by an assistant director level or above. The application will then be submitted to the ProCard Administrator. The Administrator will notify the cardholders or custodian upon receipt of the card

Cardholders or custodians will be required to sign the Cardholder Agreement Form (see Attachment) when they pick up their new card.

Cardholders are responsible for card security and should report loss or theft of the ProCard immediately to JP Morgan Chase Customer Service at (800) 270-7760 and the City's ProCard Administrator.

#### V. Authorized Procurement Card Use

- Procurement Cards may be used at any vendor that accepts VISA credit cards (with the exception of the types of transactions stated in Section 6.0 Unauthorized and/or Inappropriate ProCard Use).
- Cardholders must comply with the City's purchasing policies and procedures (see the Purchasing Cookbook) when using the ProCard. Examples of appropriate uses include:
  - Materials
  - Equipment
  - Supplies
  - Services

##### **A. Making a Purchase:**

For all ProCard purchase transactions, the cardholder must obtain a vendor's register receipt, sales draft, packing slip, or email receipt which includes all the following information:

- Indication of the ProCard number, expiration date and the Cardholder's name.
- Date and amount of purchase.
- Detailed list of items(s) purchased and the cost of each item.
- Vendor's name and other identification.

These receipts will be used to reconcile monthly ProCard statements and will first be submitted to the ProCard Requisitioner and then to General Services for auditing purposes.

Cardholders are responsible for receipt of goods and/or materials purchased with the ProCard and to resolve delivery problems, discrepancies and/or damaged goods issues directly with the vendor.

## VI. Unauthorized or Inappropriate ProCard Use

### **A. Unauthorized Purchases:**

Cardholders must comply with the City's purchasing policies and procedures (see the Purchasing Cookbook) when using the ProCard. Examples of unauthorized use include:

- Personal purchases of any kind;

*Cardholders who violate this restriction **will** have their card revoked and may be subject to other disciplinary action.*

- Cash advances through banks or ATMs;
- Cash refunds;
- Airline tickets (these are purchased by the General Services division under a separate contract.)
- Employment Agencies (temporary help)
- Purchases that violate established City standards or contractual agreements such as:
  - Computer Hardware and/or Software (unless approved by IT Department)
  - Office Furniture (unless approved by Purchasing)

### **B. Inappropriate Use:**

Any unusual activity from an outside source that occurs on a card must be immediately reported to the ProCard Administrator for resolution.

The City of Bellevue reserves the right to cancel any ProCard at any time for violation of these policies. As this is a commercial card account, the City is liable for all transactions on the Procurement Cards. Unauthorized use by a cardholder may result in revocation of the card and/or other disciplinary action. Cardholders shall be personally responsible for any unauthorized expenditures and will be required to repay expenditures that are considered in violation of these policies.

## VII. Meal Purchases Guidelines

The following guidelines are in addition to those outlined in the City's Business Expense policy and the Purchasing Cookbook:

- Itemized meal receipts are required. The final sales draft showing only the total will not be sufficient.
- Meals for non-city employees are not permitted on the ProCard (unless authorized in writing by the Department Director).
- Alcohol is not permitted.
- Per IRS guidelines, only a 15% tip is allowed. Cardholders are responsible for tips which exceed 15%.

When submitting a meal purchase receipt for reconciliation, the following is required:

- Name and public purpose of meeting or description of issues discussed
- Date of meeting
- Names of individuals who consumed the meal

## VIII. Returns and Exchanges

The cardholder or custodian is responsible for contacting the vendor when goods, equipment or services purchased with the Procurement Card are not acceptable (incorrect, damaged, defective, etc.) and for arranging a return for credit or exchange.

If items are returned for credit, the cardholder or custodian is responsible for obtaining a credit receipt from the vendor and retaining that receipt with the supporting documentation.

If items need to be exchanged, the cardholder or custodian is responsible for returning the items to the vendor and obtaining a replacement as soon as possible.

### ***A. Dispute Process***

Each cardholder or custodian is responsible for resolving any disputes directly with the vendor. If resolution is not possible, call the ProCard Administrator or JPMorgan Chase Customer Service at (800) 555-5180 to advise of the dispute and follow-up with written documentation within 60 days of the first statement on which the disputed transaction was charged. JPMorgan Chase will send a letter acknowledging the dispute. This letter (which may request additional information on the dispute) is to be signed and returned to JPMorgan Chase.

## IX. Reconciliation Process

### **A. Cardholders and/or Custodians:**

- Cardholders and/or custodians must either (1) submit a transaction log (Attachment C) or (2) perform and attach a copy of the online reconciliation through PaymentNet.
  - ◆ Transaction Log: Available on the City's Intranet. To locate, go to: cobnet/Departments/Finance/Finance Information/Transaction Log.
  - ◆ PaymentNet: Contact the Program Administrator for Online Reconciliation training (see also Attachment D for a quick guide to PaymentNet reconciliation). Once reconciliation has been completed in PaymentNet, a download from the PaymentNet system will occur each month. The download will then be uploaded directly into the Requisition System to create a new requisition. Each Requisitioner will be responsible for the information transmitted to Purchasing on the requisition.
  - ◆ The public purpose for each transaction must be shown on either the transaction log or the PaymentNet reconciliation.

### **B. Receipts:**

- Cardholders must attach all receipts to their statement and transaction log when submitting their monthly Requisition.
- Requisitioner will be required to submit all receipts to Purchasing for auditing purposes. Receipts must be attached to each cardholder statement.
- Cardholders are responsible for submitting all receipts with their statements. If a cardholder has lost or misplaced a receipt, they are responsible for obtaining a copy of the receipt from the merchant. The City will not pay for transactions that do not have proper receipts and a transaction log attached. The cardholder will be financially responsible for payment of all transactions that do not have proper documentation.
- If the merchant cannot provide a duplicate receipt to take the place of receipts that have been lost, the cardholder will be required to pay for the items. If the receipt should re-appear after payment has been made to PaymentNet, the Cardholder can submit a business expense reimbursement claim.

**The Finance Department will review all instances of lost receipts and repeat occurrences may result in suspension of ProCard.**

- In cases where receipts are not available for services that are directly billed to the credit card (i.e.: monthly subscription charges, courier services, etc.), proper documentation may be provided through the transaction log.

## X. Lost or Stolen ProCards

In the event of a lost or stolen ProCard, immediately notify your Approving Manager, the ProCard Administrator, and JPMorgan Chase (if necessary). If appropriate, the Police Department should be notified depending on the situation, e.g. robbery, burglary, etc. The following telephone number may be used to contact the appropriate persons:

ProCard Administrator - Jamie Robinson, 425-452-6926

JPMorgan Chase - 24 Hour Customer Service - 1-800-270-7760

JPMorgan Chase will reissue a new ProCard within seven (7) business days of the report of loss or theft. A new account number will be assigned.

## XI. ProCard Account Maintenance

Changes to a Cardholder's name, address or Department/Division, should be immediately reported in writing to the ProCard Administrator.

## XII. Termination of Employment

The cardholder must turn in their ProCard to their Department at time of termination. The Approving Manager or the Requisitioner should report the termination of employment to the ProCard Administrator. The card should then be destroyed and sent to Purchasing.

## XIII. Procurement Card Cancellation/Revocation

Notify the ProCard Manager immediately when a Procurement Card is to be canceled or revoked. The card must be destroyed by cutting it in half.

## XIV. Key Contacts

The following resources are available to assist you, answer questions, or help solve any problems that may arise while using the Procurement card.

### **A. For customer service questions, contact:**

- JPMorgan Chase Priority Service:  
1-800-555-5180 (6:00AM-6:00PM Mountain Time, M-F)

### **B. Lost or Stolen Cards, contact:**

- JPMorgan Chase Customer Service:  
1-800-270-7760 (24 hours a day, 7 days a week)

***C. For specific assistance with use of your Procurement card and/or PaymentNet, contact:***

- Jamie Robinson, ProCard Administrator
- 425-452-6926

***D. For assistance with supplier or merchants, please contact:***

- Purchasing Office
- 425-452-6999

## XV. Frequently Asked Questions

- In what ways do I benefit from using the Procurement Card?

When you use the Procurement Card, you enjoy reduced paperwork, direct contact with suppliers, quick and efficient order processing, faster delivery, and more accurate orders. The issuance of a ProCard to employees should be viewed as a privilege that the employee has earned.
- How does the City benefit from the Procurement Card Program?

When employees use the Procurement Card, the City enjoys greater productivity as a result of reduced paperwork and savings from consolidated payments.
- How can I differentiate the City of Bellevue Procurement Card from my personal credit card?

"The City of Bellevue" is imprinted on the face of each procurement card. There is also a red band across the top of the card that reads "PURCHASING". If you keep your ProCard in your wallet, it is recommended that you keep the ProCard in a different compartment in your wallet from your personal credit cards so that it is not easily accessible.
- What do I do if a purchase is denied?

Your purchase may have exceeded the cards limits or the purchase may be defined as an unauthorized purchase (see Section 6 - Unauthorized and/or Inappropriate ProCard Use). Contact the ProCard Administrator or Customer Service at (801) 555-5180 and they can provide the reason for decline and resolve the transaction.
- May I use the ProCard for personal purchases and then reimburse the City?

**No.** The ProCard can only be used for payment of products or services, which are required to perform duties at the City of Bellevue. It is not to be used for personal purchases of any kind.
- What should I do if a supplier does not accept the Procurement Card?

Contact the ProCard Administrator with the supplier's name, address, and phone number. JPMorgan Chase will work to enroll the supplier in the program so that the supplier will accept the Procurement Card at a future date.
- Will the use of the Procurement Card affect my credit report?

**No.** The Procurement Card is a corporate liability card, and carries no personal liability for Cardholders who use the Procurement Card according to city policy.
- Why do I have to keep a transaction log?

It is a way to document what items were purchased for auditing requirements. Alternatively, you can reconcile your statement on-line through PaymentNet. To gain access to PaymentNet, contact the ProCard Administrator.