

Development Authority of the North Country Governance Policies



Subject: Purchase Card Policy

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Purchase Card Policy

SECTION 1.0 SUMMARY & OBJECTIVES

1.1 SUMMARY

The Development Authority of the North Country Purchase Card Program is designed to facilitate the purchase of selected goods and materials from Vendors that the Authority will not make regular purchases from in the course of a year. The Authority will establish a customer account with Vendors that will be used on a regular basis.

1.2 OBJECTIVES

Provide users with an efficient means to address Authority purchasing requirements. The Development Authority Purchase Card will be used primarily with merchants who require credit card payments or for one time purchases. The Authority will establish a customer account with the majority of its vendors. It is the Authority's intent to limit use of Purchase Cards to the greatest extent possible.

SECTION 2.0 EMPLOYEES AUTHORIZED TO USE PURCHASE CARDS

The Executive Director shall authorize issuance of Authority purchasing cards. The card will identify the eligible employee, by name, and indicate that the card is issued by a Tax-Exempt NYS Government Agency. The cards will not identify the Development Authority of the North Country. No Purchase Cards will be issued to probationary employees.

SECTION 3.0 CARDHOLDER PURCHASING LIMITS

Each cardholder is assigned an available credit limit and also a single transaction limit which restricts the amount of any single purchase made by the cardholder. The division manager will review purchasing limits and purchase card policy with the cardholder. Cardholders will be required to sign the Purchase Card Policy Acknowledgement form indicating their acceptance of these terms (as attached as Appendix A).

Use of the purchase card by employees other than the authorized cardholder is strictly prohibited. Violation of this practice may result in the revocation of the card and other disciplinary action as appropriate, up to and including termination and/or criminal prosecution.

SECTION 4.0 CARDHOLDER ACKNOWLEDGEMENT OF CREDIT CARD RECEIPT

All employees authorized to use Purchase Cards will be required to sign a Purchase Card Receipt/Cancellation form, as attached as Appendix B. The cardholder is given the original signed receipt and a copy is filed by the Staff Accountant. The cardholder will sign the back of the credit card and call the 800 phone number to activate the credit card.

SECTION 5.0 CARDHOLDER RESPONSIBILITIES

5.1 When making purchases with the procurement card, the cardholder should:

1. Understand the Authority's procurement policy.
2. Understand the Authority's accounting procedures concerning the availability of funds to cover the expense.
3. Be able to substantiate the reasonableness of price for purchased items.
4. Purchase only the number of items, at the quantity and quality needed for appropriate Authority use.
5. Be knowledgeable about individual card limits and do not attempt to make purchases in excess of the single transaction limit.

5.2 In addition, cardholders should:

1. Not split an order just to use the procurement card when the purchase price will exceed the per transaction limit.
2. Not give their card or account number to any one else other than the vendor from whom they are making the purchase.
3. Use the card only for legitimate Authority business purposes.
4. Maintain the card in a secure location at all times.
5. Not accept cash in lieu of a credit.
6. Immediately notify the credit card company and the Staff Accountant of a lost or stolen card.
7. Return the card to the Staff Accountant upon terminating employment.
8. Ensure credits for reported disputed items or billing errors appear on a subsequent statement.
9. Attempt to resolve disputes or billing errors directly with the vendor and notify the credit card company if the dispute or billing error is not satisfactorily resolved.

SECTION 6.0 UTILIZING THE CARD FOR PURCHASE

1. A Requisition is required and created in Net Requisitions prior to purchase. The Accounts Payable Vendor ID CBS for the vendor Chase Bank Card Services will be used for requisitions.
2. Upon receipt of an approved Purchase Order, place the order for the required items.
3. Inform/Remind the vendor of the tax-exempt status of the Authority.
4. Confirm the dollar amount of the order.
5. Provide the vendor with the Purchase Card Account Number and Expiration Date if ordering by Internet, Telephone or Fax. Present the Purchase Card to the vendor if in person.
6. Obtain an Order Number (if by Internet, Telephone or Fax) or take delivery of the items (if in person).
7. Record the purchase card transaction on the Daily Log Sheet at the time of the purchase. Each employee responsible for a Purchase Card will maintain a daily log of the purchases made in each month (The Daily Log Sheet is attached as Appendix C). Purchase card transactions should be entered on the Daily Log Sheet as of the date the purchase is made. It is the responsibility of the cardholder to properly describe, code, and distribute the purchase to the appropriate line item.
8. A printed copy of the Email regarding approved Purchase Order is attached to the log sheet.
9. Items are received in Net Requisitions on the date of receipt; attach any printed receipts and packing slips provided to the applicable Daily Log Sheet.
10. Cardholder's monthly credit card statement is reconciled to the total of **all outstanding** purchases of all Daily Log Sheets. The Purchase Card Reconciliation form (Appendix D) is used for such reconciliation. The Comptroller will designate an employee responsible for monthly reconciliation of the Credit Card statement to the Daily Log Sheet, which shall not be the cardholder. The Comptroller shall maintain a listing of such designation.
11. Posted transactions on the statement are entered in the Voucher & Adjustments screen in Accounts Payable, MS Dynamics SL.
 - A. The Accounts Payable Vendor ID: CBS, Vendor Name: Chase Bank Card Services will be used for entering vouchers and adjustments for statement posted transactions.
 - B. Voucher transaction entries will designate the invoice# as the cardholder's employee id and the last 4 digits of their credit card account#.
 - C. The invoice date will be the post date on the statement.

- D. Vouchers and adjustments will be applied to the applicable Purchase Order# and Purchase Receipt# for each purchased item on the monthly statement.
 - E. Voucher and Adjustments' transaction detail descriptions will reference the merchant's name.
 - F. The voucher/adjustment reference# will be recorded on the Daily Log Sheet.
12. The Voucher & Adjustments Entry - Batch Control Report, Daily Log Sheet, Reconciliations and Monthly Statement is given to the Division Manager to approve and record approval in AP Batch Control Excel worksheet.
 13. The commercial credit card master account statement including purchase transactions for all company credit cards will be paid.
 14. Approved reconciliations are filed in a locked filing cabinet
- Note:** Credit cards may be utilized for Emergency Procurements provided that the purchase is made in compliance with the Procurement Policy.

SECTION 7.0 MONTHLY PURCHASE CARD RECONCILIATION AUDIT

The Compliance Officer will complete a monthly audit of all Daily Log Sheets, Monthly Reconciliations and Credit Card Statements to ensure adherence to the Purchase Card Policy.

SECTION 8.0 RESTRICTED PURCHASES

The Purchase Card **CANNOT** be used as payment for the following items:

- Alcoholic Beverages
- Cash Advances
- DEA Controlled and/or Illegal Substances
- Personal Expenses

USE OF THE PURCHASE CARD FOR SUCH PURPOSES WILL RESULT IN REVOKING OF PRIVILEGES AND MAY INCLUDE APPROPRIATE DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT AND CRIMINAL PROSECUTION.

All Purchase Cards have various restrictions as to the category of merchant. Certain types of merchants are unable to accept the card for payment. These restrictions are reviewed on an annual basis and may be amended from time to time with approval of the Comptroller.

SECTION 9.0 MASTER ACCOUNT CHANGES

The following are authorized to act on behalf of the Authority to modify the master account:

- Executive Director
- Comptroller
- Staff Accountant

All changes to the Master Account must be requested through one of these persons and approved by the Comptroller.

SECTION 10.0 ANNUAL REVIEW

The Purchase Card Policy and Procedure will be reviewed on an annual basis for accuracy and amended as appropriate by the Comptroller. Such review will include reviewing:

1. The number of outstanding Purchase Cards
2. Purchase Card Limits and Transaction History
3. The Merchant Category Code (MCC)

The Comptroller shall maintain a schedule of Authority purchase card limits and reconciliation assignments and approvals.

References:

- ❖ OGS Bulletin "Procurement Card Guidelines"
<http://www.ogs.state.ny.us/purchase/pdfdocument/creditcardguidelines.pdf>
- ❖ NYS Office of the State Comptroller, Bulletin Number G-196
"Small Dollar Purchases."

**APPENDIX A
PURCHASE CARD POLICY ACKNOWLEDGEMENT**

Certain employees of the Development Authority of the North Country are issued Purchase Cards in order to more efficiently carry out their assigned job duties. Use of the Purchase Card is subject to change upon the order of Authority management.

Use of Authority Purchase Cards is strictly limited to the Authority's Purchase Card Policy. The undersigned acknowledges receipt of a copy of such policy. Further, the employee acknowledges that _____ (name of manager) has reviewed the Purchase Card Policy in detail with the undersigned.

Violation of the Purchase Card Policy may result in revocation of the card and other disciplinary action as appropriate, up to and including termination and/or criminal prosecution.

The undersigned acknowledges the above statements:

Employee

Manager

Date

Date

Executive Director

Date

Transaction Limits:

Single Transaction Limit: \$ _____

Card Limit: \$ _____

**APPENDIX B
PURCHASE CARD RECEIPT / CANCELLATION FORM**

Cardholder's Name	Credit Card Number	Expiration Date	Credit Card Limit	Single Transaction Limit	Date Card Received

Purchase Card Receipt Cancellation

Staff Accountant

Cardholder's Signature

Witness (Required for Cancellation)

