

I. PURPOSE

- a. To establish procedures for use of the Lancaster County Purchasing Card, hereafter called P-Card, to enable P-Card holders to quickly and efficiently purchase goods and services, according to the County Purchasing Act and County Purchasing Procedures.

II. SCOPE

- a. These P-Card procedures are applicable to all County employees who utilize P-Cards or process payments for P-Cards.

III. INTRODUCTION

- a. The purpose of this document is to communicate procedures for use of the Lancaster County P-Card, to enable P-Card holders to quickly and efficiently purchase goods and services utilizing Contract and Non-Contracted Vendors. Cardholders shall only make purchases according to the thresholds which are in accordance with County purchasing requirements and the County Purchasing Act. Departmental purchases under ~~\$3,000~~10,000 requires departments to obtain three quotations, either verbal or written, ~~for purchases below these thresholds.~~

- i. All purchases made with the P-Card will be on behalf of Lancaster County. Purchasing on behalf of the County requires special sensitivity on the part of the purchaser to obtain fair and reasonable prices and spread purchases among many suppliers.

- ii. Individual user profiles are established for each employee, hereinafter referred to as "cardholder" for the P-Card program. Under the account cycle controls, dollar limits are established for each cardholder based on the nature of the work performed and as stipulated by the Department Head or Elected Official:

- 1. Total cycle dollar limit per month.
- 2. Maximum dollar amount per transaction for non-contract products (cannot exceed ~~\$3,000~~10,000 per transaction).

Note: The maximum dollar amount per transaction is set per cardholder. Not all cardholders have the same maximum amount per transaction.

- 3. Contracted items that can be purchased with the P-Card that are over the transaction limits can be made by submitting a written request to the Department Head or Elected Official. If the request is approved, the employee shall contact ~~the department P-Card Coordinator (if applicable)~~ and the P-Card Administrator to raise the transaction limit of the P-Card.

- a. A Department or Agency Head shall pick an employee to act as that Department or Agency's P-Card Coordinator.

- iii. Departmental profiles are established for each County Office upon request, hereinafter referred to as "Departmental Cardholder" for the P-Card program. Under the account cycle controls, dollar limits are established for each Departmental Cardholder based on the nature of the work performed and as stipulated by the Department Head or Elected Official:

- 1. Total cycle dollar limit per month.
- ~~2. Maximum number of daily transactions.~~
- ~~3. Maximum dollar amount per transaction, for non-contract products~~
- ~~2. (cannot exceed \$3,000 per transaction).~~

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Note: The maximum dollar amount per transaction is set per card. Not all Departmental Cardholders will have the same maximum amount per transaction.

4. ~~Contracted items~~ that can be purchased with the P-Card that are over the transaction limits can be made by submitting a written request to the Department Head or Elected Official. If the request is approved, the employee shall contact the ~~department P-Card Coordinator (if applicable) and the~~ P-Card Administrator to raise the transaction limit of the P-Card.
 5. There is no limit on the number of Departmental Cardholders in a department. Departments must have internal controls in place to manage all cards assigned to them and be able to reconcile statements and meet all requirements according to the procedures listed herein.
- iv. The County P-Card is intended to be the only source of credit card payment for goods and services. County departments shall not use any other credit cards, set up charge accounts, or pay with personal credit cards without written approval of the County Board or designee and the County Purchasing Agent.

Note: Accounts established with contracted vendors who accept P-Cards may be paid per transaction or from a monthly statement with a P-Card with all individual purchase documentation included in the supporting documentation.

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IV. CONSEQUENCES FOR MISUSE OF P-CARD

- a. Misuse of the P-Card may be a violation of the Lancaster County purchasing requirements and the County Purchasing Act. Following a recommendation by the P-Card Administrator and the Purchasing Agent, the Board of Commissioners, or their designee, may suspend, deactivate or revoke a P-Card at any time it is deemed in the best interest of Lancaster County, including during an investigation of possible misuse. If the misuse involves personal transactions, the cardholder must repay to the County all personal amounts, including any applicable State, County or City taxes.

V. OBTAINING A P-CARD

- a. Before a Cardholder, or individuals using a Departmental Card, can receive a P-Card and be authorized to make purchases on behalf of Lancaster County, the cardholders will be required to:
 - i. Attend a training class;
 - ii. Read and understand these procedures;
 - iii. Have written approval with transaction amounts from Department Head or Elected Official on a master document held by the P-Card Administrator; and
 - iv. Sign a Cardholder Agreement for using the Lancaster County P-Card. Signing of the Cardholder Agreement indicates that the employee understands and agrees to follow the procedures set forth herein.

VI. LIMITATIONS

- a. The cardholders name or the department name will be embossed on a unique Lancaster County P-Card that is designed to prevent confusion with personal credit cards. Use of the P-Card is conditioned on cardholder's careful adherence to the following limitations:

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- i. All purchases must be made by the cardholder, or the individuals who are approved by the Department Head or Elected Official to use the card. No member of cardholder's staff, family, other employees, supervisor, or anyone else may use this card.
- ii. The P-Card must not be used for personal purchases. Airfare and other travel expenses are acceptable only for the employee for County business purposes in accordance with the County's policy on miscellaneous expenditures.
- iii. Cardholders must protect the security of the P-Card and the P-Card number.
- iv. Cardholders must not exceed the established transaction limit. The transaction limit is determined by the department/division during the application and approval process. Requests to raise a cardholder's transaction limit are listed in section ~~III.iii, 2, a, ii, 3, iv~~ above.
- v. Cardholder must not split purchases to circumvent transaction limit or to circumvent competitive bidding thresholds as required in the County Purchasing process and the County Purchasing Act.
- vi. Cardholder must not pool cards of multiple cardholders to circumvent transaction limits or competitive bidding thresholds as required in the County Purchasing process and the County Purchasing Act.
- vii. Cardholder must not accept any gift or gratuity from any source when it is offered or appears to be offered to influence decision regarding P-Card purchases.
- viii. Any and all rebates or special offers offered to the cardholder must be designated to the applicable County office, received by that County office, and used on another purchase for that County office. At no time may a rebate personally benefit an employee or cardholder.
- ix. If a cardholder has questions about the limitations on P-Card usage, the cardholder should contact the department/division P-Card Coordinator (if applicable) or the P-Card Administrator before proceeding with the transaction.
- x. Cash advances are prohibited P-Card transactions.

VII. USING THE P-CARD

- a. The P-Card may be used to make transactions over-the-counter, by mail, via telephone, or online. The cardholder is required to account for all transactions made using the P-Card. This includes maintaining original, detailed receipts (printed confirmations of online transactions) and reconciliation of all transactions to the monthly statement. The department may authorize reconciliation duties to the department's P-Card Coordinator. Such original documents should be filed in a central work location designated by the cardholder's department/division head, and must be accessible for audit purposes by the P-Card Administrator. Original documents must be stored according to County records and retention schedules.
- b. If a transaction will be greater than the County Departmental Purchase Threshold of ~~\$3,000~~10,000, cardholders shall use traditional purchasing procedures (Purchasing Office Quotes and Bids) for non-contracted purchases. If traditional purchasing procedures have been followed utilizing quotes and bids issued by Purchasing, and based on the approval of the company during the bid process, and a company will take P-Cards, then payments

~~departments can work with the P-Card Administrator to allow for those payments to~~
~~eeecan be made with the P-Card.~~

~~c.~~ If a transaction is less than ~~\$3,000~~10,000, and a contract is currently not in place, cardholders must obtain three quotations, either verbal or written, and shall use their best judgement in determining an appropriate vendor based on the three quotes acquired for the materials or services desired. Vendors shall be informed during the quote request that the County is exempt from State and Local sales tax. The cardholder must ensure tax has been removed prior to the charge. If the vendor does not have the Form 13 tax exempt certificate on file, cardholder shall contact the Purchasing Department to issue one.

~~c.i.~~ If a Form 13CCE is required by a Nebraska hotel, contact the P-Card Administrator.

~~d.~~ If a product will be shipped or delivered, tell the vendor to email, enclose or mail a copy of the receipt/invoice with each shipment.

~~e.~~ Tips for services paid with a P-Card including fares, parking, catering and food delivery shall not exceed 20% of the cost.

~~d.~~

~~e.f.~~ Guidelines for travel use:

i. The P-Card shall be used to pay for business-related ~~registration~~ fees including registration, lodging, and airline/travel expenses either directly to an online agent or the County Travel Agent if one is under contract. Departments must only pay GSA travel rates if applicable according to grant requirements. Lodging and airline/travel expenses may be purchased using the County Travel Agent contract or by using online sources.

ii. Conference and seminar registration fees shall be billed on a P-Card from a cardholder or a Departmental P-Card. ~~If a Departmental P-Card is utilized, t~~he name of person, purpose of trip, travel dates, and destination must be included in the supporting documentation as well as included in the comments section of the transaction log.

~~iii.~~ Use of a P-Card does not exempt cardholder or department head from the Lancaster County Board resolution governing travel reimbursement nor from each department's pre-approval policies and procedures.

~~iii.~~

iv. Meals associated with travel may not be charged on a P-Card if a per diem rate has been established by the County. Exceptions to this policy will be discussed with Law Enforcement and other departments in specific circumstances.

~~f.g.~~ A cardholder and authorized Departmental Cardholders must maintain a purchase record, with detailed documentation to substantiate purchases. Itemized receipts shall be scanned and loaded into the banking software by the Cardholder or P-Card Coordinator, and paper copies are sent to the County Clerk where they are maintained for a period of at least five (5) years or in accordance with the current records and retention schedule for these specific type of transactions. Original, legible documentation must support the legitimate purpose of all transactions made with the P-Card.

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- i. Documentation should include the name of the supplier/vendor, the date, the items description and pricing, applicable taxes, ancillary charges and ~~your signature~~the name of the person making the purchase.
- ii. The following are examples of supporting documentation:
 - 1. Cash or sales receipts;
 - 2. Invoices;
 - 3. E-mailed order confirmations;
 - 4. Online screen prints of purchases;
 - 5. Subscription forms or dues statements;
 - 6. Conference registration forms; and
 - 7. Airline or lodging confirmation documents and invoices/statements.
- iii. IMPORTANT NOTE: Any subscription, maintenance agreement, or other type of service which includes a contract, agreement, or set of terms and conditions associated with the purchase must be reviewed and approved by the County Attorney's Office prior to paying for the services with a P-Card.

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VIII. STATEMENT RECONCILIATION

- a. The 25th day of each month is the end of the billing period. Within two (2) business days following the end of the billing period, the P-Card coordinators will receive ~~a written statement and/or~~ an electronic statement ~~from the bank and~~ online.
- b. It is the responsibility of a cardholder, or the department P-Card Coordinator, if applicable, to verify the correctness of the statement against the purchase record and receipts. Upload necessary support documentation to the bank site, complete distribution information for business units and object codes to be charged and approve to go through the workflow process ~~within a seven (7) calendar day period~~ ^{by the 4th day of each month following the billing cycle close date.}
- c. ~~In order to properly recognize expenses in departmental budgets, it is highly important to reconcile P-Card purchases in the JDE the system on the bank website in a timely manner in order to ensure proper accounting of items purchased through P-Cards.~~
- d. Failure to reconcile on a timely basis can result in a card being suspended or revoked.
- e. The Department Head, or designee, will ~~electronically~~ approve of the expenditures ~~in the P-Card Bank program or other approved document.~~ ~~And~~ any discrepancies in the statement shall be resolved prior to approval.
- f. The P-Card Coordinator and County Clerk will review all expenditures initiated and/or approved by Department Head and Elected Officials to verify compliance with County policies and procedures.

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IX. MONITORING ACTIVITIES & OTHER BUSINESS FINANCE REVIEW

- a. Department staff designated by the department head or elected official, as well as County Purchasing and the County Clerk's Office, will conduct random audits of P-Card use. The primary purpose of these audits is to ensure that the P-Card program procedures are being followed and that:
 - i. Purchase volume appears reasonable;
 - ii. The card is being used for appropriate transactions; and

- iii. Information is being uploaded properly and paper copies, once reconciled, are forwarded by the Cardholder or department P-Card Coordinator to the County Clerk for records retention.
 - b. Monitoring activities represent a valuable control that completes the system of internal controls in operations. Examples of monitoring activities include the following:
 - i. Review of daily transactions, new applications/changes/deletions, error and exception logs, workflow reports, transaction warning reports, and batch errors;
 - ii. On site assistance visits or desk reviews of reconcilers;
 - iii. Reviews of parked transactions;
 - iv. Reviews of declined purchases and spending limits;
 - v. Reconciliation of the approved cardholders list;
 - vi. Review and modification of MCCs (merchant category codes); and
 - vii. Annual usage evaluation to determine if Annual Supply or Annual Service contracts should be initiated by the Purchasing Department.
 - c. Any records generated by a P-Card purchase may be considered a public record pursuant to applicable Nebraska statutes and may be subject to disclosure during an investigation or litigation.
 - d. The following positions shall hold P-Card Administrative View authority to allow for access to all P-Card accounts in the County:
 - i. Chief Administrative Officer to the Lancaster County Board
 - ii. Deputy Chief Administrative Officer to the Lancaster County Board
 - iii. Lancaster County Budget and Fiscal Officer
 - iv. Lancaster County Clerk Accounting Operations Manager
 - e. The following positions shall hold P-Card Administrative View and Account Modification Authority to allow for access to all P-Card accounts in the County:
 - i. County Purchasing Agent
 - ii. County Purchase Card Administrator – City/County Purchasing Employee
- X. **REPORTING LOST OR STOLEN P-CARDS**
 - a. Cardholder must notify the department P-Card Coordinator, and the P-Card Administrator immediately when it is discovered that a card is lost or stolen. The P-Card Administrator shall notify the bank of the incident and begin the process of reissuing a new card, if necessary.
- XI. **P-CARD EXCEPTIONS**
 - a. Exceptions to the P-Card restrictions may be granted, in advance of the purchase, upon written request from the Cardholder, department P-Card Coordinator or the Department Head or Elected Official to the P-Card Administrator who can make changes upon written approval from the Board of Commissioners or Purchasing Agent as a designee.
 - b. In emergency circumstances, (i.e., lost card, malfunction, etc.), employees who are not able to use the P-Card must notify the P-Card Administrator of the situation. The P-Card Administrator will determine if an alternate card or some other option is available to eliminate the need for use of a personal credit card. If the P-Card Administrator cannot develop a viable option or if the P-Card Administrator cannot be reached, the employee may use their personal card. If a situation occurs after business hours, the employee may use their personal card, but must call the P-Card Administrator as soon as possible the

next business day to inform them of the issue. If the employee had to use their personal card for the reasons described above, the employee may submit claims for reimbursement to the County Clerk's Office for review by the County Board in the following manner:

- i. Within ten (10) working days after completion of the authorized travel, the employee shall complete, and submit to the Agency Head, an itemized claim for travel expenditures, attaching all necessary supporting receipts, and other documentation. Attached receipts and documentation shall include at least the following, to the extent applicable to the employee's authorized travel expenses: lodging receipt, auto rental receipt and airline itinerary. The employee must also indicate on the reimbursement claim why a P-Card was not utilized.
- ii. Each employee may submit a claim for only her/his own expenses that are authorized pursuant to the County's Miscellaneous Expenditures Resolution. An employee may not submit a claim for another employee's expenses, and aggregated claims submitted by one employee on behalf of multiple employees are not authorized pursuant to ~~this~~ Lancaster County's Miscellaneous Expenditures Resolution.
- iii. Agency Heads or their designees shall examine the employee's claim for travel expenditures for proper accounting and documentation. They shall ensure that all necessary supporting documentation and/or statements of explanation are attached before signing the claim for travel expenditures and submitting the claim to the County Clerk's Office.
- iv. Upon receipt of an employee's claim for travel expenditures from an Agency, the County Clerk's Office shall examine the request to ensure compliance with the County's Miscellaneous Expenditures Resolution. The County Clerk's Office may request and receive additional information on any and all expenses prior to action by the County Board.
- v. All purchases made by a personal card in emergency circumstances must follow the same purchasing guidelines as described herein and⁷ in the County's⁷ Miscellaneous Expenditures Resolution.

XII. PURPOSE FOR MERCHANT CATEGORY CODES

- a. In most national credit card systems, suppliers are assigned a four-digit code according to their Merchant Category Classification (MCC). These codes are used in the County's system as a reference, and where necessary, to block certain supplier purchases. Only MCC codes identified as allowable will be "open", whereby payment may be made and processed. The P-Card Administrator shall keep a complete list of all codes allowable for each individual and departmental card issued. Changes to the allowable code list may be made by request to the P-Card Administrator.

XIII. SALES TAX

- a. As a rule, the County is exempt from paying State and Local sales tax. The cardholder must ensure tax has been removed prior to the charge. If the vendor does not have the Form 13 tax exempt certificate on file, cardholder shall contact the Purchasing Department to issue one. In the event a Vendor charges sales tax, the cardholder, department P-Card

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Coordinator, and P-Card Administrator shall work with the Vendor to remove sales tax from billing. ▲

~~a-b.~~ Certain Nebraska businesses may require a Form 13 CCE to make purchases with a P-Card. Contact the P-Card Administrator for assistance in acquiring this form.

XIV. Upon approval of these Procedures, the Use of Lancaster County Credit Cards Policy approved January 9, 2007, is hereby rescinded.

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