

Stark County Board of Developmental Disabilities

Policy 2.32 Procurement Card Program	Effective: 1/19/18
Chapter 2: Agency Administration	Page 1 of 5

PROCUREMENT CARD PROGRAM

POLICY

The Board is committed to the principles of fiscal accountability, transparency, and ethical financial management to safeguard public funds. The procurement card program has been established in accordance to Ohio Revised Code 301.29 and with the aforementioned principles in mind to provide a more efficient, cost-effective alternative for departments and employees to make approved purchases.

Procurement cards are designed to make purchases in a manner that reduces paperwork and processing time. This program is an alternative to the traditional purchasing process and can significantly reduce the number of purchase orders and payments processed. The program will minimize or eliminate the need for the use of employee's personal funds reimbursed by the expense report. Other benefits include an expanded list of merchants from whom purchases can be made, accelerated payment to the vendor, expedited delivery of goods, reduced paperwork, lower overall transaction processing costs per purchase, and the ability to set and control purchasing dollar limits.

The procurement card program's efficiency and ease of use reduces administrative burdens on the Board but also exposes the Board to risk. Potential risks associated with the procurement cards include: inappropriate card use, internal and external fraud, inappropriate general-ledger-coding allocation, non-compliance with IRS rules, and reputational damage to the Board. This policy and procedure ensures that sufficient controls are in place to mitigate these risks.

Further, the procurement card program is not intended to avoid or bypass the appropriation of funds process, approval process (including Board approval, as applicable), or payment process. Rather, the program complements the established and existing processes. Expenditures may not exceed appropriations under any circumstances. Billings for authorized purchases made within the limits of appropriated amounts will be paid using Board funds.

Items and/or services purchased through the procurement card program are only for the official use of the Board. The card can be used for in-store purchases as well as mail, e-mail, Internet, telephone and fax orders. It is not, and under no circumstances, to be used as an ATM (automated teller machine) card, a debit card, or for cash advances. The card is not to be used for personal or non-work-related purchases.

The Stark County Procurement Card Program, as adopted by the Board of Commissioners, is incorporated in its entirety as part of this policy and corresponding procedures.

Code Reference:
ORC 301.29

Stark County Board of Developmental Disabilities

Policy 2.32 Procurement Card Program	Effective: 1/19/18
Chapter 2: Agency Administration	Page 2 of 5

Historical Resolution Information <table><thead><tr><th>Date</th><th>Resolution Number</th></tr></thead><tbody><tr><td>12/19/17</td><td>12-50-17</td></tr></tbody></table>	Date	Resolution Number	12/19/17	12-50-17	Reviewer(s): CFO/Business Manager Superintendent
Date	Resolution Number				
12/19/17	12-50-17				

Stark County Board of Developmental Disabilities

Policy 2.32 Procurement Card Program	Effective: 1/19/18
Chapter 2: Agency Administration	Page 3 of 5

PROCUREMENT CARD PROGRAM

PROCEDURE

I. Establishment of Staff Use

- A. Any Board employee or Board member may use the procurement card in accordance with these rules. No employee may use the card for one single transaction item over \$3,000, unless prior authorization is received from the Superintendent or CFO.
- B. Each department will have an established credit limit dependent upon their day to day operations and need. Each department shall also maintain a log sheet which details the staff who signs out the card and when it is returned.

II. Allowed/Prohibited Transactions

- A. Procurement cards shall not be used for personal purchases or expenditures not allowed under this guideline. In particular, procurement cards shall not be used for expenses that are not incurred in connection with Stark County Board of DD related activities, are not for the benefit of the Stark County Board of DD, and do not serve a valid and proper public purpose. Use of procurement cards in an unauthorized or illegal manner may result in revocation of procurement card privileges, disciplinary action and/or, where appropriate, may require the user to pay any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase.
- B. The card may be appropriately used to purchase the following:
 - Office supplies, furniture and equipment
 - Meals, including reasonable gratuity not to exceed 20%
 - Computer supplies
 - Building maintenance materials and supplies
 - Authorized travel expenses, including sales tax for dine in meals; and lodging tax, if hotel will not accept the county's sales tax exemption
 - Room service (requires an itemized breakdown/billing)
 - Information technology hardware and software
 - Postage
 - Items for supporting individuals in the community
 - Adult and child activities with the workshops or schools
- C. The card may not be used to pay for the following:
 - Services that are 1099 eligible (professional services)

Stark County Board of Developmental Disabilities

Policy 2.32 Procurement Card Program	Effective: 1/19/18
Chapter 2: Agency Administration	Page 4 of 5

- Entertainment/recreation
 - Adult publications/entertainment
 - Alcoholic beverages
 - Any merchant, product, or service normally deemed not consistent with board policy or the Ohio Revised Code
 - ATM, cash advances, and all other cash-related transactions are strictly prohibited.
 - No late charges or finance charges shall be permitted as allowable expenses.
- D. Purchases cannot be used in any manner to circumvent competitive bidding requirements for purchases and contracts as determined by the Ohio Revised Code.
- E. Any use of a procurement card outside of or inconsistent with the above defined appropriate uses will be considered an unauthorized use of the card unless the procedures outlined in ORC 301.29 are followed (ie: nature and estimate of amount of purchase are submitted and pre-approved by the Board).

III. Sales and Use Tax

- A. Except as otherwise noted in this policy, purchases made with the County procurement card are tax-exempt. The name of the County and the words "tax-exempt" will be on each card.
- B. If tax is charged inappropriately, the Agency should present a tax exemption certificate to the vendor and receive a credit for the unnecessary tax.

IV. Issuance

- A. After the card is issued, the CFO will meet with the Auditor's office to acknowledge receipt of the card, to assure the intent of the program is understood, and to agree to adhere to the policy and guidelines established by the Board as well as those established by the cardholder's Agency.
- B. The cardholder will be required to sign a written acknowledgment of receipt of the card and understanding of the applicable policies. The County Auditor's office will retain the signed acknowledgment and will forward a copy to the Agency.

Stark County Board of Developmental Disabilities

Policy 2.32 Procurement Card Program	Effective: 1/19/18
Chapter 2: Agency Administration	Page 5 of 5

V. Making Purchases

A. Purchase orders

An encumbrance must be established for each card through a purchase order. The purchase order amount should be set based on the monetary and transaction limits established for the card and projected spending. This helps ensure that expenditures do not exceed available appropriations.

B. Original receipts

When making a purchase, the cardholder shall obtain and forward to the Finance Office the original receipt. Every effort should be made to ensure that the receipt contains the vendor's name, date of purchase, itemized description of purchase, per unit price and extended price. Finance will match and attach receipts to billing statements as part of the account reconciliation. **A cardholder will be held personally liable for missing receipts and may be required to reimburse the County for those billed purchases for which a receipt is not present or cannot be produced.**

C. Purchasing log

Each department that holds a card will maintain a purchasing log. The log records the name of the employee who signed out the card, sign out/in date, transaction date, vendor name, the merchandise purchased, dollar value of sale, how the order was placed (via email, internet, phone, fax, mail or in person). A separate line is required for each purchase.

VI. Lost or Stolen Cards

If the card is lost or stolen, the cardholder must notify the CFO immediately.

