

ADMINISTRATIVE ORDER NO. 156

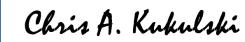
Administrative Order No. 140, adopted May 1, 2019, is hereby amended.

Pursuant to the authority granted to the City Administrator in BMCC Section 2-300, I hereby establish the following:

“Purchasing Card Procedures”

The policy statement was adopted by the City Council via Resolution 18-10756 on September 18, 2018.

Dated this 10/15/2023.

DocuSigned by:

-ss- 33A3E4F6D5304F5...
Chris A. Kukulski,
City Administrator



PURCHASING CARD PROCEDURES

Purpose.....	2
Procedure.....	2
General Procedures	3
Pcard Limits	3
Issuance of Pcards	3
Prohibited Purchases.....	4
Pcard Security	4
Lost, Stolen or Misplaced Cards.....	4
Disputes.....	4
Cardholder Termination.....	4
Pcard Controls	5
Departmental Controls	5
Responsibility of the Purchasing Agent.....	5
Responsibility of Pcard Administrator.....	5
Responsibility of Cardholders	6
Responsibility of Department Director or Designee.....	6
Required Documentation	6
Random Audits.....	7
Inadvertent Personal Use of Card.....	7
Misuse of Card	7
ATTACHMENT A	8
ATTACHMENT B	9
ATTACHMENT C	10



Purpose

The purpose of these procedures is to establish a process by which Departments may contract for and control the use of Purchasing Cards (Pcards) that will be assigned to and utilized by selected City employees to purchase goods and services, on behalf of the City and when authorized per this directive. This directive is intended to accomplish the following:

- To ensure that procurement of goods and services with Pcards is accomplished in accordance with the City's Purchasing Procedures established by the City Administrator
- To ensure appropriate internal controls are established within each Department procuring with Pcards so that they are used only for authorized purposes
- To streamline the process for small dollar orders and payments
- To enable employees to be more efficient and focused on their daily projects
- To reduce paperwork/processing time in the Departments as well as in Finance
- To provide cost savings through consolidated payments (one monthly payment)

Procedure

These procedures will apply to all City employees involved in the use of Pcards to purchase goods, services or for specific expenditures incurred under conditions approved in these procedures. The decision of when a Pcard is issued to and what limits or restrictions will be placed on and is decided by the Department Director, his/her designee, or the City Administrator only.

The primary responsibility for determining the appropriateness and validity of expenditures lies with the employee incurring the expenses and the approver of the expenditures.

Employees are expected to be conservative in their spending; managers are expected to be diligent in their review.

All travel must be approved prior to purchasing on the card by filling out a Travel Requisition Form. All reasonable and approved expenses for airfare, hotel, and rental car should be charged to the Pcard. Meals may not be purchased on the Pcard.

Pcard Forms are located at: <\\lt-w12k07\all users\Purchasing\Pcards>



General Procedures

The general Pcard procedures require the following:

- Cardholders may not approve their own expenditures.
- City funds must be treated with discretion and prudence. No employee may use a Pcard to enhance their standard of living or to augment their compensation.
- No employee may receive gifts, rewards, etc. for the use of the Pcard. All rewards, gifts, cards, miles, etc. become the property of the City.
- Training and travel expenses must still be described accurately and completely on the Travel Expense Report. A Travel Requisition must be approved prior to charging any related expenses to the Pcard.
- The Department Director or designee must ensure that expenditures are in compliance and are documented as required by these procedures.
- Receipts must be obtained for all expenditures.
- The employee's Pcard should be used for all business expenditures of \$5,000 or less, whenever appropriate.
- Pcards may not be used when additional fees are assessed for credit card use.
- Personal credit cards and cash should **only** be used for travel-related expenses when the Pcard is not accepted.

Pcard Limits

- The single purchase transaction limit is set at \$5,000. The total monthly Pcard spending limit is set at \$20,000.
- Department Directors may establish higher or lower limits for their employees.
- A Department Director's limits may only be increased with City Administrator approval.

Issuance of Pcards

- Upon receipt of a completed Pcard Agreement Form (Attachment A), the Purchasing Card Program Administrator (Purchasing Agent) will request the Pcard on behalf of the new cardholder.
- Cardholders shall be provided training handouts when the Pcard is issued.
- Cardholders and approvers must participate in any additional training periodically provided by the Purchasing Agent.
- Cardholders must sign and activate the back of the Pcard upon issuance.



Prohibited Purchases

- Personal uses
- Capital purchases
- Fleet/Inventory Items
- Restaurants/meals/food
- Cash advances
- Gift cards or gift certificates, unless accompanied by an approved Star Award
- Construction, renovation or installation services
- Medical services
- Professional or consulting services
- Any purchases blocked through the Merchant Category Codes (MCC)

Pcard Security

The City Pcard should always be kept in a secure location. The only person authorized to use the Pcard is the cardholder whose name appears on the card.

Lost, Stolen or Misplaced Cards

Immediately notify the financial institution and contact the Purchasing Agent.

Disputes

If possible, the cardholder or Pcard Administrator shall attempt to resolve an unauthorized charge directly with the supplier. If the dispute cannot be resolved with the supplier, the unauthorized or fraudulent charge must be disputed in the reallocation system or by notifying US Bank by phone within sixty (60) days of the disputed charge.

The financial institution will place the questioned charge in the dispute process and will further advise.

Cardholder Termination

When an employee is terminated, retires or resigns, he/she must return their Pcard to the Purchasing Card Administrator (Pcard Administrator) on or before the last day of employment. The Pcard Administrator is responsible for sending the Pcard to the Purchasing Agent or otherwise destroying the card, but notifying the Purchasing Agent that the account is to be closed. The Purchasing Agent will contact the financial institution to close the account.



Pcard Controls

Departmental Controls

Each Department should have sufficient internal controls to regulate Pcard activities. The responsibility for appropriate use of Pcards lies with the cardholder and approving Department staff. The Department's internal controls should include:

- Approving new Pcard requests and application agreement forms
- Reviewing all charges billed to the cardholder's card
- Obtaining the Pcard when an employee terminates

Responsibility of the Purchasing Agent

- Responsible for the day-to-day Pcard program administration
- Downloads appropriate spending codes to financial institution and adjusts approved spending categories ranges
- Works with cardholders and Pcard Administrators to reconcile errors, resolve billing disputes, block unauthorized use and manage card loss or theft
- Verify receipt of and maintain monthly statements and documentation
- Perform random audits of Departmental receipt packets
- Provide on-site support to Pcard Administrators and cardholders

Responsibility of Pcard Administrator

- Keep a monthly transaction log of Pcard purchases
- Call the financial institution immediately if a Pcard is lost or stolen
- Notify the financial institution's customer service of any billing discrepancies that cannot be resolved with the supplier (unresolved charges will be placed in dispute by the financial institution)
- Reconcile, reallocate and forward monthly Pcard statement and all original receipts/charge slips to the Purchasing Agent every month (even if there are no charges for the month) through DocuSign with the Monthly Breakdown form (Attachment C)
- Contact the Purchasing Agent for new account setup
- Notify the Purchasing Agent of name, address and any other contact or employment status changes
- Follow City procedures for Pcard use including spending limits and acceptable purchases



Responsibility of Cardholders

- Read and sign the US Bank One Card Purchasing Card form
- Be vigilant about Pcard security to prevent unauthorized charges
- Obtain a receipt at point-of-purchase and verify its accuracy
- Provide all documentation to the Pcard Administrator in a timely manner
- Call the financial institution immediately if a Pcard is lost or stolen
- Notify the financial institution's customer service of any billing discrepancies that cannot be resolved with the supplier (unresolved charges will be placed in dispute by the financial institution)
- Follow all City policies and procedures

Responsibility of Department Director or Designee

- Acknowledge the responsibilities of Pcard use
- Routinely monitor cardholders' Pcard activity
- Ensure compliance with Purchasing and Pcard policies and procedures
- Review and approve monthly Pcard statements and purchases in DocuSign
- In case of employee termination, ensure the collection of the Pcard to be destroyed or returned to the Purchasing Agent

Required Documentation

An itemized, accurate charge receipt and/or invoice ideally should be obtained at the point-of-purchase.

The preferred documentation is as follows:

- Original receipt showing vendor name, transaction amount, date and an itemized description of purchase
- Faxed or emailed receipts
- A packing slip or other documentation received from the vendor (under special circumstances)
- A screen-print or order confirmation e-mail when making internet purchases

If a cardholder is unable to obtain the listed documentation, a Replacement Receipt Form (Attachment B) will be completed stating the vendor name, date of purchase and item description.



Random Audits

Finance staff will complete a random audit a monthly basis, at minimum, for Departments within the City who have Pcards.

The Finance Division will notify the Department Director of any misuse.

The Corrective Action Policy will also be followed for any violations of the Pcard Procedures.

Inadvertent Personal Use of Card

If inadvertent personal use of the Pcard occurs, employee must immediately provide reimbursement to the Pcard Administrator for the amount of the charge. The Pcard Administrator must deposit the amount in a cash receipts batch (CCR batch) with an explanation of the reason for the CCR batch deposit. The Pcard Administrator must place a copy of the CCR batch in that corresponding spot in that month's Pcard packet.

Misuse of Card

Improper use of the Pcard can be considered misappropriation of City funds. This may result in disciplinary action up to and including termination of employment and possible criminal prosecution.



ATTACHMENT A

AGREEMENT TO ACCEPT THE U.S. BANK ONE CARD PURCHASING CARD

The U.S. Bank One Card represents the City of Billings' trust in you. You are empowered as a responsible agent to safeguard City assets. Your signature below is verification that you have read and agree to comply with the employee Purchasing Card Policy and Procedures and the following responsibilities. It also acknowledges that you have received the

One Card #_____.

1. I understand the card is for City-approved purchases only and I agree not to charge personal purchases.
2. Improper use of this card can be considered misappropriation of City funds. This may result in disciplinary action up to and including termination of employment.
3. If the card is lost or stolen, I will immediately notify U.S. Bank at (800) 344-5696. I will confirm the telephone call by mail or email with a copy of the notification to the Purchasing Agent.
4. I agree to surrender the card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
6. All charges will be billed directly to and paid directly by the City. The bank cannot accept any monies from me directly; therefore any personal charges billed to the City could be considered misappropriation of City funds.
7. As the card is City property, I understand that I may be periodically required to comply with internal control procedures designed to protect City assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.
8. I will receive a Monthly Reconciliation Statement (MRS), which will report all activity during the statement period. Since I am responsible for all charges (but not for payment) on the card, I will resolve any discrepancies by either contacting the supplier or the bank.
9. The charges made against my card are automatically assigned to the account code specified by management. This default code cannot be changed without Purchasing Agent and management involvement. This default account code must be changed, once the transaction is posted, to the correct account allocation(s).
10. I understand the One Card is not necessarily provided to all employees. Assignment is based on my need to purchase materials for the business and/or to provide for business travel. My card may be revoked based on change of assignment or location. I understand that the card is not an entitlement nor reflective of title or position.

Employee Signature

Approving Manager Signature

Employee Printed Name

Date

Approving Manager Printed Name

Date

XXX-XX-

Last Four Digits of Employee Social Security
Number Only

Division Code (supplied by Purchasing)

Employee Phone Number

- 408199

Default Accounting Code

Address you wish statement to be mailed to

Zip code

Pcard Administrator Name

@billingsmt.gov

Email Address



ATTACHMENT B

PURCHASING CARD REPLACEMENT RECEIPT FORM

DATE	VENDOR NAME	DESCRIPTION	CHARGE AMOUNT

Explanation:

Cardholder Name

Date

Cardholder Signature

Supervisor Name

Date

Supervisor Signature



ATTACHMENT C

PURCHASING CARD MONTHLY BREAKDOWN

DIVISION/DEPARTMENT

MONTH AND YEAR

Certificate Of Completion

Envelope Id: 50618F0FDA484936A910C1FEEF9EA27E

Status: Completed

Subject: Complete with DocuSign: 2023 Purchasing Card Procedures and Administrative Order

Source Envelope:

Document Pages: 11

Signatures: 1

Envelope Originator:

Certificate Pages: 2

Initials: 0

Liz Kampa

AutoNav: Enabled

EnvelopeD Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

kampal@billingsmt.gov

IP Address: 161.7.21.31

Record Tracking

Status: Original

Holder: Liz Kampa

Location: DocuSign

10/13/2023 11:58:50 AM

kampal@billingsmt.gov

Signer Events**Signature****Timestamp**

Chris A. Kukulski



Sent: 10/13/2023 12:00:57 PM

kukulskic@billingsmt.gov

Viewed: 10/15/2023 7:30:04 AM

City Administrator

Signed: 10/15/2023 7:31:00 AM

Security Level: Email, Account Authentication
(None)

Signature Adoption: Pre-selected Style

Using IP Address: 35.134.216.31

Signed using mobile

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Denise Bohlman

Completed

Sent: 10/15/2023 7:31:01 AM

bohlmand@billingsmt.gov

Viewed: 10/17/2023 7:30:23 AM

City Clerk

Signed: 10/17/2023 7:30:59 AM

City of Billings

Using IP Address: 161.7.21.88

Security Level: Email, Account Authentication
(None)**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp****Witness Events****Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

10/13/2023 12:00:57 PM

Certified Delivered

Security Checked

10/17/2023 7:30:23 AM

Signing Complete

Security Checked

10/17/2023 7:30:59 AM

Completed

Security Checked

10/17/2023 7:30:59 AM

Payment Events

Status

Timestamps