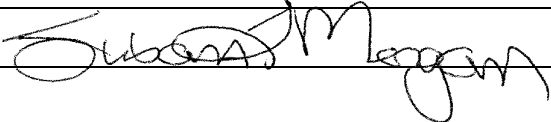




CITY OF ROUND ROCK Procurement Card Policies and Procedures

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Effective Date	November 14, 2019
Approved By	Susan Morgan, CPA, Chief Financial Officer
Signature	

Change Control

Revision Date	Summary of Changes
11.14.19	No changes to the policies. Sections have been reworded or moved for better flow and importance. ADDED: ProCard approved contract list, TX Library Archives Commissions retention schedule requirement, and Procurement check list.

Purpose

The purpose of this document is to set forth the City of Round Rock Procurement Card procedures.

Application

All City departments and divisions are required to adhere to these policies and procedures.



City of Round Rock Procurement Card Manual

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Overview

Introduction

The Procurement Card Program is designed to improve efficiency in processing small dollar purchases. It allows City employees to purchase goods and services directly from the vendor, therefore, reducing the need for check requests, petty cash and small dollar purchase orders. Procurement Card (ProCard) may be used to purchase items in person, online, and via phone, fax or mail.

The City of Round Rock has contracted with JPMorgan Chase Bank for the Procurement Card Program. The ProCard Program allows authorized cardholders to purchase small dollar goods and services to perform their job duties for the City of Round Rock.

ProCards are issued at the request of the department Director or Supervisor by completing a Procurement Card Request Form. The ProCard is issued in the cardholder's name, under the corporate name of the City of Round Rock. JPMorgan Chase Bank will not require a credit report or history or request any City personal employee credit information. Each cardholder is responsible for the security of the ProCard and all transactions.

The only person entitled to use the ProCard is the cardholder whose name appears on the front of the card. Do not loan the ProCard or its number to another person for use.

Please read all policies and procedures carefully as you will be held accountable for knowing these procedures.

Click here to review the [City of Round Rock Purchasing Policies and Procedures](#) Manual.

Requesting a ProCard

A Director or Supervisor can request a ProCard for an employee by completing the Procurement Card Request Form and submitting the form to the Program Administrator. Upon receipt of the ProCard, the Program Administrator will finalize the card setup and contact the employee to schedule a ProCard user training session. The Cardholder will then review and sign the Cardholder Agreement form and be issued their ProCard along with a copy of the signed agreement form and the Procurement Card Manual.

- A Department Card may be requested for certain circumstances, Fire Deployment, Seasonal Programs and EOC operations. These cards are issued to an authorized employee to distribute in the requesting department as required and is responsible for the transactions.

Activating the ProCard

The ProCard must be activated by the cardholder before using it. Call the phone number on the back of the card and follow the recorded Instructions. The activation code is the last four digits of the cardholder's Social Security number. Once activated the cardholder will be prompt to set up a PIN number. This will provide an additional level of security. Always keep the card and pin number in a secure place.

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Security of the ProCard

The cardholder is responsible for the security of the card and card number. The card should not be left in a work area, posted or given to another employee. It must be kept in a secure location when not in use.

Enroll for fraud alert notifications via text, email and/or voice message of suspicious activity on your account, giving you the ability to quickly respond and let JPMorgan know whether or not the specific charge was valid.

- Click here: [Fraud Alerts Q & A](#). to get answers about cardholder fraud alerts.
- Click or copy & paste the link into your browser to get started: <https://ccalert.jpmorgan.com>.
- When registering, use **78664** as the Billing Zip Code.

Reporting Lost or Stolen ProCard

JPMorgan Chase Bank processes lost, or stolen cards as reported. Immediately report lost or stolen cards using the following procedures:

- Call JPMorgan Chase Bank at **1-800-890-0669** to report a lost or stolen card. Record the name and date of the conversation held with JPMorgan Chase Bank and Notify the Program Administrator.
- If you need the Program Administrator to report a lost or stolen card for you, please provide all detail information via email.
- Notify your immediate Supervisor.
- You may request a replacement card to be sent to the Program Administrator, City Hall 221 East Main Street, RR, TX 78664.
- Expedited shipping may be requested *only* if the card is required sooner than normal delivery of 5-7 business days. A \$25 fee will be charged if the expedite request is not from a fraud issue.
- The Program Administrator will contact the cardholder after the replacement card is received. A new Cardholder Agreement Form must be signed by the cardholder before the replacement card is issued.

Changes to Cardholder Information

The cardholder's Director/Supervisor must notify the Program Administrator of any name, tier limits, default codes and/or employment status changes using the Procurement Card Request Form. Upon notification, the Program Administrator will make the appropriate changes to the cardholder's account. Program Administrator will contact the cardholder if a replacement is required. The old ProCard must be turned in to the Administrator at the time of issuing the replacement ProCard.

Employee Transfer within the City

The Director/Supervisor of a cardholder who transfers to a new position within the City of Round Rock is required to email the Program Administrator of the transfer, effective date of change and turn in the ProCard. If a ProCard is required as part of their new job duties, a new request form must be completed and submitted by the new department Director/Supervisor to the Program Administrator.

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Renewing a Card

ProCards expire after three years. JPMorgan Chase Bank will automatically send new cards with the same number and a new expiration date to the Program Administrator. You will be notified to turn in your expired card, review and sign a new Cardholder Agreement Form before issuing the new ProCard.

ProCard Cancellation

In the event that a ProCard needs to be cancelled or a cardholder terminates employment with the City, the Director/Supervisor shall notify the Program Administrator immediately, secure and return the ProCard to the Program Administrator to place on hold or cancel, restricting future transactions. If a call is made to the Program Administrator, it must be followed up in writing with an email.

Inactivity

Directors/Supervisors will be notified in April and September by the Program Administrator for ProCard accounts in their department that have been inactive for twelve months or more. Directors/Supervisors will be asked to determine if there is still a need for the account or if the ProCard should be canceled.

ProCard Forms

The following forms are located on the [ProCard Information](#) page of EmployeeNet.

- Procurement Card Request Form
- ProCard Missing Receipt Form
- ProCard Food and Meal Receipt Form
- Sales Tax Exemption Form

Using the Procurement Card

Credit Limits

All ProCards will have cardholder tier limits as approved by the Department Director/Supervisor. Purchases in excess of these limits will be denied at point of sale.

- Billing Cycle Limit – the dollar amounts available toward purchases during a statement billing cycle. This limit will be selected by the supervisor on the request form.
- Single Transaction Limit – will limit the dollar amount toward a single purchase. The maximum limit is \$3,000, unless the supervisor requests a lower transaction limit.

Multiple items may be purchased from one transaction, but the total cannot exceed the single transaction limit. **Deliberately splitting a purchase to circumvent this policy may result in ProCard refresher training, suspension or termination.**

Contact Purchasing if a purchase exceeds the single transaction limit as the purchase will need to be made another way.

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Restricted Vendors

Vendors are assigned a Merchant Category Code (MCC) based on the type of business they operate. The ProCard Program is restricted from use with certain types of suppliers and merchandise. If this type of purchase is made the request will be declined.

Tax Exempt Information

Purchases made with the ProCard are sales tax exempt. Inform vendors of the City's tax-exempt status prior to making any purchase. The cardholder may provide the vendor with a copy of the Texas Sales and Use Tax Exemption Certification, which includes the City's tax ID number. The tax ID number is also printed on the front of the ProCard.

- The City is not tax exempt from hotel and airline excise taxes.
- When making a purchase online, contact the vendor to make certain that tax will not be charged prior to the transaction.
- The cardholder is required to obtain a credit to their ProCard for any tax paid on purchases. An itemized receipt must be issued for the tax credit for reporting purposes.
- The cardholder should review all receipts at the time of the transaction to verify they have been charged the correct price(s) and that sales tax was not charged or included in the transaction.

If an itemized receipt is not correct, the cardholder is responsible for correcting the transaction, including the recovery of overcharges and incorrectly charged sales tax.

Authorized Use

Cardholders are authorized to use the ProCard to purchase goods and services for City business that is required as a part of their job duties.

Before making a purchase, efforts should be made to utilize established City Contracts and request a purchase order that is linked to the contract in the financial system.

Generally, a ProCard may not be used to procure goods or services from an approved City contract, in lieu of using the ProCard a Munis Requisition resulting in a Purchase Order issued from the contract is required. However, the City has approved certain contracts that allow the use of ProCards to make purchases. These approved contracts are on the ProCard Approved Contracts List which can be [found here](#) and are managed either through the vendor's online ordering system, a Cooperative contract or manually tracked by the Program Administrator. Purchases for any dollar amount made from a City contract not on the ProCard Approved list will require a Purchase Order that references the contract in Munis.

When training or travel is required contact your Department Travel Coordinator to process your request. For more information, please visit: [Travel Program/Forms/Coordinators](#).

Unauthorized Use

The following items are **not** authorized for purchase with the ProCard regardless of the dollar amount:

- City Contracts
 - *ProCard Approved Contracts (See Authorized Use)

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- Capital equipment
- Cash advances or cash refunds
- Alcohol or Alcoholic Beverages
- Gifts, flowers or gift receipts
- Traffic citations or other fines for City or personal vehicles
- Personal expenses
- Splitting a transaction to circumvent the single purchase limit
- Component Purchases – purchase of components that would normally be purchased as a whole.
- Separate Purchases – purchasing items in a series of purchases that could be made in a single purchase or transaction.
- Sequential or Serial Purchases – purchases made over a period of time that should be procured through a competitive process.
- Computer hardware or software (contact IT Department for these purchases)
- Purchases required to be made on a purchase order, such as
 - Purchases with bond funds
 - Purchases with grant funds
 - Purchases with special funds
 - *Purchases with project funds (on authorized ProCards only)

*Exception ProCard purchases.

Tips to Prevent/Detect Fraud

- Keep ProCard and signed itemized receipts in a secure location.
- Do not provide ProCard number to any vendor or employee to keep on file or use.
- Log in to Munis each month to confirm no fraudulent charges. Report unrecognized transactions to JPMorgan Chase and the Program Administrator immediately.
- Do not respond to unsolicited emails. JPMorgan Chase Bank does not send emails asking for verification of account information. The Cardholder should contact the Program Administrator regarding any unsolicited emails.
- Look for addresses that start with “**https:**” Never enter a ProCard number on a web page that does not display “**https:**” at the beginning of the web page address. The “**https:**” in the URL (web address) means that information provided on an ordering form will be transmitted over an encrypted, secure connection to the vendor.
- Look for the security alert and the lock icon when making online purchases. The security alert and the lock icon are signs that the connection to the website using an encrypted secure connection has been accomplished.
- Find out where a company is physically located to check on reliability through other verifying sources, such as the Better Business Bureau. Most reputable companies will offer an alternate means (retail outlets, mail orders, phone orders, etc.) of purchasing their products or services. Beware of online retailers that fail to list detailed contact information.

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Returns, Credits and Rejected Merchandise

The cardholder is responsible for making all arrangements associated with returned or rejected merchandise. The cardholder is expected to follow up until the appropriate credit is issued back to their ProCard account.

- Read the online vendor's refund/return and customer privacy policies. Review terms of business practices by each particular online vendor. Beware of online merchants who do not prominently display refund/return or privacy policies.
- Notify the supplier of items to be returned. (Many suppliers will not accept returns without prior return authorization).
- Ask the supplier to credit the ProCard for the return. If cash is given, turn in the cash along with the receipt and ORG and Object code to Accounts Receivable to apply credit.

Errors and Disputes

Errors and disputes occur when charges on the monthly ProCard Statement appear to be incorrect or taking too long for a credit. The cardholder should immediately try to resolve errors or disputed items with the vendor. The Program Administrator and the Approver should be informed of all possible disputes.

The cardholder should retain copies of documentation to continue disputing the transaction until it is resolved, or if the determination is made to formally dispute the transaction with the JPMorgan.

If the cardholder is unable to resolve the dispute with the vendor, they should contact the ProCard Administrator and provide the vendor name, dates, names of persons contacted, copies of correspondence, and other documentation associated with any attempts to resolve the dispute. The ProCard Administrator will send documentation to JP Morgan to assist in resolving the issue as needed.

The cardholder or reconciler should not delay releasing the monthly ProCard statement due to a dispute with a vendor. The ProCard statement should be released to their approver with all itemized receipts and documentation related to the dispute. Allocate the disputed transaction to the proper ORG and object code. Allocate the credit for the resolution of the disputed charge to the same ORG and object code when it appears on the ProCard statement.

Monthly ProCard Statement Reconciliation

JPMorgan Chase Bank utilizes a web-based reporting system to post all transactions to the City's cardholder accounts. These transactions will be imported daily from JPMorgan Chase bank into Munis to the cardholders unreleased ProCard Statements.

The cardholder or reconciler is responsible for logging into Munis to review and allocate transactions monthly, as directed by the Program Administrator. All purchases made with the ProCard must be accurately justified and allocated to the appropriate Org and Object codes. Failure to review and allocate monthly transactions by the cardholder or a designated assignee may revoke ProCard privileges.

Every purchase must be documented with an itemized receipt, which is typically a standard store receipt. If the purchase is shipped, request an invoice (marked paid) in addition to the packing slip in order to have an adequate itemized receipt that includes total costs. Under certain circumstances, such as magazine subscriptions, membership applications and conference registrations, copies of the order forms will be

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acceptable as receipts. If ordering on the internet, print a copy of the final bill prior to exiting the website; this will serve as the receipt.

Record Keeping

Record keeping is essential to the success of the program and monthly ProCard statement reconciliation. The cardholder must retain “itemized” sales slips, cash register receipts, invoices, order forms, confirmation emails and/or receiving documents for monthly ProCard statement reconciliation. If pertinent information is not provided by the vendor, the cardholder must handwrite the missing information on the receipts. If a receipt is lost, the Missing Receipt Form must be completed and included with the transaction.

Electronic ProCard Statement Process

The cardholder or reconciler will follow the [ProCard Reconciliation Manual](#) instructions to complete the electronic ProCard Statement:

- Scan your itemized receipts. Attach itemized receipts to 8 x 11 sheet of paper if needed.
- Log in to Munis, Purchase Card Statements.
- Change the default charge description to what was actually purchased for each transaction.
- Allocate transactions to appropriate organization (ORG) and object codes.
- Attached the scanned itemized receipt to each transaction in Tyler Content Manager (TCM). Use designated Missing Receipt Form for any missing receipts.
- After the statement end date, the ProCard Statement can be released for electronic approval.
- Print the expense report and attach receipts in chronological order.
- Submit report to your Statement Approver for review and electronic approval.
- Send original monthly statement report to Program Administrator for storage – record retention of 5 years.

Approval Review

The ProCard Approver should review the monthly ProCard Statement considering the following:

- Ensure itemized receipts are attached online for each transaction and charged to appropriate organization and object codes.
- Ensuring availability of funds.
- Are the Purchases for City business and required as a function of the cardholder’s job duties?
- Review the statement for possible split transactions.
- Review the statement for possible personal transactions.
- Determine that amounts are reasonable for items purchased.
- Determine that the use of missing receipt form is not excessive.
- Determine tax exemption was honored, and no sales tax has been charged. Advise the

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cardholder if a credit to the ProCard needs to be obtained from vendor.

- Ensure any errors or disputes from the prior month have been corrected.
- Electronically approve the statement in Munis.
- Return paper statement summary and receipts to cardholder to send to Purchasing for retention filing.
- Comply with all purchasing and procurement card policies and procedures.
- Attending ProCard training assigned by the Purchasing Department.

Retention Schedule

Printed Statement Summary Reports and attached itemized receipts are to be turned in to the ProCard Administrator to be filed for the required period per Texas Library Archives Commissions, section 2-2 Accounting Records, Record Number GR1025-28, Banking Records, FE + 5 years.

Expired documents will be destroyed by confidential shredding process.

Audit Review

All Procurement Card transactions are subject to review by, but not limited to:

- Supervisor
- Director
- Accounts Payable
- ProCard Administrator
- Purchasing Manager
- Finance Management Team
- Administration Executive Staff
- Internal Audit
- External Audit
- Procurement Card Provider

All monthly statements will be reviewed by the cardholder approver. Each cardholder will have a minimum of one statement reviewed by the Finance Internal Auditing process per year. The City has also utilized an internal control tool to help identify transactions that may need additional clarification. If a transaction is flagged, the cardholder will receive an email from notifications@highbond.com, containing a questionnaire that requires their prompt attention and response.

Violations and Penalties Procedures

The following actions violate the terms of the Procurement Card agreement:

- Splitting purchases to stay within established terms
- Unauthorized use purchases

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- Failure to comply with reporting due dates, transaction reconciliation, itemized receipts, etc.
- Personal purchases
- Cash advances
- Excessive tax paid on receipts
- Theft or fraudulent charges

Penalties for these types of violations may include, but are not limited to:

- Cardholder and Supervisor/Director will be notified and expected to take corrective action
- Suspension of the Procurement Card
- Procurement Card Cancellation

Note: All violations will be reported to the cardholder's supervisor and may lead to an internal audit. The Supervisor will be notified by the Program Administrator/Finance when all documentation has been submitted and approved.

Procurement Check List

General Rules:

- Comply with all Purchasing and Procurement Card Policies and Procedures.
- Maintain and keep the ProCard in a secure place.
- Do not give your card information to anyone to use or keep on file.
- Report lost or stolen card to JP Morgan Bank (800) 890-0669, the Program Administrator and your Supervisor.
- Discontinue the use of a vendor that charges credit card fees.
- Handle disputed items by calling the vendor to receive a credit back to your ProCard. Contact the Program Administrator if you do not receive the credit within 7-10 business days.
- When travel is required for training, contact your Department Travel Coordinator from the list at [Travel Program/Forms/Coordinators](#) in EmployeeNet.
- Attend all ProCard Training.
- Refer to <https://employees.roundrocktexas.gov/departments/finance/procard-information/> for all ProCard Information.

Before making a transaction:

- Check for existing City or Cooperative Contracts that should be utilized prior to making a ProCard purchase.
- Ensure funds are available before making the purchase.
- Know your statement balance.
- Make sure the purchase does not include unauthorized items.

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- Verify the purchase of items is job related.

While at the store:

- Confirm sales tax was not charged.
- Collect itemized receipt.
- Do not split transactions amount to keep under the single purchase limit.
- If you have a problem at checkout or if your card is declined, call the 800 number on back of the ProCard, or contact the Program Administrator, to determine the problem.

After the purchase:

- Collect and organize itemized receipts.
- Review ProCard statement to validate all transactions.
- Allocate all transactions each month online through Munis Purchase Card Statements and charge to the appropriate organization and object codes.
- Match itemized receipts with the monthly ProCard Statement Summary report and give to Approver for review.
- Scan and attach receipts to the transaction lines, unless approved to do otherwise.
- Fill out a Missing Receipt Form for all missing or unreadable receipts.
- Use the Food/Meal Transactions form for purchases of department food showing the activity/event and name(s) for which the items were purchased. An Attendee sign in list may be used with this form.
- Make sure Statement is complete and electronically approved by the designated due date and time specified each month.
- After approval, turned in ProCard statement summary report with receipts to Purchasing for record retention.