

# City Procurement Cards

## 5.1.2

### PURPOSE

The City Procurement Cards (P-Cards) Policy (Policy) establishes a framework for the Citywide P-Card Program, including participation in the program, the appropriate use of P-Cards, program administration, roles and responsibilities, and program compliance.

The P-Card Program is decentralized and relies upon policy adherence of City Departments/Offices and their P-Card Cardholders to uphold P-Card Program compliance within the administrative and support framework administered by the Finance Department. City Departments/Offices are responsible for ensuring internal processes and employee use conform with this Policy and all related administrative direction.

The [City Procurement Cards Administrative Guide \(Administrative Guide\)](#) supports the implementation of this Policy with detailed instructions on the processes and procedures used in the administration of the City's P-Card Program. The Administrative Guide is to be used in conjunction with this Policy. P-Card documents, information, and forms are available on the [Procurement Card \(P-Card\) Program intranet page](#).

### SCOPE

This Policy applies to all employees who are issued a City P-Card under the program administered by the Finance Department, support processing P-Card transactions, serve as Approving Officials or Department/Office P-Card Coordinators, and City Department/Office Directors, including Mayor and Council Offices and Council Appointees, that authorize the use of P-Cards.

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### I. GENERAL INFORMATION

#### A. PROGRAM OVERVIEW

The Citywide P-Card Program is designed to streamline the acquisition of certain commodities and services in a manner that achieves expediency and/or improves efficiency. P-Cards are intended to be used only in limited situations as defined in this Policy. The P-Card Program is not intended to replace standard procurement planning or procedures.

While the P-Card Program is intended to streamline the procurement of certain commodities and services, P-Cards introduce considerable risk due to the decentralized model. To safeguard the integrity of the City's procurement regulations, it is imperative that departments/offices maintain a set of internal controls, including separation of duties and approvals between the Cardholder, Approving Official, Department P-Card Coordinator, and Department/Office Director. Certain assignment restrictions are included in the Program Compliance section of this policy.

#### B. OFFICIAL USE

The P-Card is a tool for official City business and must only be used to support business operations. The issuance of P-Cards is subject to operational necessity of Departments/Offices as determined by the respective Department/Office Director, and is subject to approval by the Chief Procurement Officer. Department/Office staff who are to be issued P-Cards must demonstrate a satisfactory level of understanding of the contents and requirements of this Policy through an initial training and certification, annual recertification, and other training as required. Failure to comply with the requirements of this Policy may lead to mandatory remedial training, suspension or termination from the P-Card Program, disciplinary action, and/or repayment by the employee to the City for unauthorized charges.

P-Cards are only to be used for official City business and may not be used for personal purchases. In a situation where a P-Card is used for a Cardholder's personal use, the action is presumed to be in direct violation of this Policy and may be in violation of other City policies. Inquiries related to whether a purchase is allowable under this Policy should be directed within the Cardholder's department/office hierarchy prior to the purchase. If the question cannot be resolved at the department/office level, the Department P-Card Coordinator should coordinate with the Citywide P-Card Administrator.

The City Auditor's Office periodically audits the P-Card Program. As such, all involved in P-Card use are responsible for being responsive to reviews, in addition to appropriate administration of P-Card use.

#### C. SCOPE AND AUTHORITY

The Finance Department is responsible for overseeing the Citywide administration of the P-Card Program and setting the requirements followed by all City departments/offices. Departments/Offices are responsible for the administration of the P-Card Program at the department/office level in compliance with the program requirements set by the Finance Department.

Responsibility for the general oversight of the P-Card Program is delegated to the Chief Procurement Officer by the Director of Finance. The Chief Procurement Officer designates an employee in the Finance Department's Purchasing and Risk Division to serve as the Citywide P-Card Administrator responsible for the day-to-day administration of the Citywide P-Card Program. Standard processes and procedures, as documented in the Administrative Guide, are subject to change, as communicated by the Chief Procurement Officer and approved by the Director of Finance. Departments/Offices are responsible for

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maintaining appropriate processes and procedures at the department/office level to ensure compliance with this Policy, including keeping their employees current on all direction issued by the Finance Department.

All participants in the P-Card Program must agree to comply with this Policy before assuming a role in the P-Card Program and thereafter.

**D. ETHICAL USE OF PUBLIC FUNDS AND TRANSPARENCY**

P-Card purchases involve the use of public funds. Purchases must represent the City's interest and not diminish its reputation for ethical and prudent dealings. All P-Card transactions are public records and may be made available for public view. P-Card users and Approving Officials must therefore ensure all transactions can be justified as a prudent use of public funds. Refer to relevant City and Council Policies, linked below in Section III.G.

Written policies cannot be established to cover every event of P-Card use. All P-Card Program participants must use their best judgment when using a City P-Card. In those instances where a reasonable person might question the use of a P-Card, the Cardholder should refrain from making the purchase and first consult within their department/office hierarchy. If the question cannot be resolved at the department/office level, the Department P-Card Coordinator should coordinate with the Citywide P-Card Administrator.

P-Card suppliers must be bona fide vendors with appropriate business licenses, certifications, permits, etc., and shall not be relatives, neighbors, friends, or any other individual or business that causes an actual or appearance of conflict of interest.

**II. PROGRAM ROLES****A. CARDHOLDER**

Cardholders must have a business necessity to hold a P-Card and may be enrolled in the P-Card Program under the direction of the Department/Office Director. Cardholder purchases are subject to review and approval by the Approving Official, Department P-Card Coordinator, and Department/Office Director. The responsibilities of Cardholders are further defined in the City P-Cards Administrative Guide.

**B. APPROVING OFFICIAL**

Approving Officials, under direction of the Department/Office Director, are required to review, sign, and approve monthly P-Card statements for designated Cardholders. Under limited circumstances and on a temporary basis, another Approving Official from the same department may act as an alternate approver to review, sign, and approve monthly P-Card statements for Cardholders. An Approving Official must be the direct supervisor of the Cardholder except for the following:

- For Department/Office Directors who are Cardholders, the City Manager or their designee serves as the Approving Official.
- For Mayor and City Council Office members who are Cardholders, the City Clerk or their designee serves as the Approving Official.
- For City Council Appointees who are Cardholders, the Director of Finance serves as the Approving Official, with any potential policy violations that cannot be resolved by the Director of Finance referred to the Mayor's Office.

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The responsibilities of Approving Officials are further defined in the City P-Cards Administrative Guide.

**C. DEPARTMENT P-CARD COORDINATOR**

The Department P-Card Coordinator is appointed by the respective Department/Office Director to administer the P-Card Program for the department/office. The Department P-Card Coordinator should be a member of the department's administrative or fiscal section, and should be the department's Administrative Officer or Fiscal Officer. Tasks of the Department P-Card Coordinator may be delegated to staff under the direct supervision of the Department P-Card Coordinator. Ultimate responsibility for adherence to policy and program requirements remains with the Department/Office Director and their Department P-Card Coordinator.

The responsibilities of Department P-Card Coordinators are further defined in the City P-Cards Administrative Guide.

**D. DEPARTMENT/OFFICE DIRECTOR**

The Department/Office Director must evaluate the necessity for issuance of P-Cards to department/office employees based on the duties and responsibilities of the respective employees and operational requirements.

The responsibilities of Department/Office Directors are further defined in the City P-Cards Administrative Guide.

**E. CITYWIDE PROCUREMENT CARD ADMINISTRATOR**

The Citywide P-Card Administrator is an employee designated and supervised by the Chief Procurement Officer who serves as the City's primary contact with the P-Card financial institution, for issuing P-Cards, and in the day-to-day administration of the City's P-Card Program. Administration of the Citywide P-Card Program includes facilitating the annual review process, as well as training, reporting, and notification functions that support effective department/office P-Card use.

The responsibilities of the Citywide P-Card Administrator are further defined in the City P-Cards Administrative Guide.

**F. ACCOUNTS PAYABLE**

The Finance Department/Accounts Payable unit will process payments on behalf of City Departments/Offices. Payments are made to the P-Card financial institution for all statements and supporting documents received.

The responsibilities of the Accounts Payable unit are further defined in the City P-Cards Administrative Guide.

**City Procurement Cards****5.1.2****III. PROGRAM COMPLIANCE****A. ENROLLING, MODIFYING, AND DEACTIVATING P-CARD USERS**

Instructions for enrolling new Cardholders, requesting a spending limit change, updating cardholder information, suspending or terminating a P-Card, submitting a violation memorandum, reporting fraud or lost or stolen P-Cards, disputing charges for unsatisfactory products or services are covered in the P-Card Administrative Guide.

**B. ASSIGNMENT RESTRICTIONS**

Appropriate delegation of roles, as well as establishing a clear separation of duties between making transactions and approving purchases, is required. Therefore, the following assignment restrictions apply:

- The Citywide P-Card Administrator must be an employee of the Finance Department and cannot be an Approving Official or Cardholder.
- An Approving Official cannot approve their own P-Card transactions.
- A Department P-Card Coordinator cannot be a Cardholder.
- P-Cards can only be assigned to City employees, except interns; therefore, P-Cards must not be assigned to contract or temporary employees, consultants, or similar.

**C. TRANSACTION LIMITS AND THRESHOLDS**

P-Card purchases may be composed of multiple items, but the total (including tax and shipping costs) cannot exceed the transaction limits of the P-Card. The Department/Office Director must authorize the single transaction and monthly credit limits of each Cardholder in alignment with this program. If a department/office determines the need for a Cardholder to have updated single transaction or monthly credit limits, the department/office must submit a P-Card Spend Limit Change request to the Chief Procurement Officer or their designee, who may approve or deny the request. P-Cards issued specifically for the activation and operation of the Emergency Operation Center may have limits as authorized by the Chief Procurement Officer, which may include the maximum single transaction and monthly credit limits authorized by the P-Card financial institution.

The “P-Card Commodities Threshold” is \$10,000. The “P-Card Services Threshold” is \$1,000. Singular or aggregated P-Card purchases of multiples of items, related items, or similar items, which are ordinarily available from the same vendor (purchases for commodities, services, or both) expected to exceed the applicable P-Card Commodities or Services Thresholds in a 12-month period must not be purchased via P-Card. Also, P-Card purchases for products must remain under the P-Card Commodities Threshold and P-Card purchases for services must remain under the P-Card Services Threshold unless otherwise approved in writing by the Chief Procurement Officer.

The following services purchases are subject to the higher P-Card Commodities Threshold. These limits are maintained in the City P-Cards Administrative Guide.

- Training held at non-City facilities, including online training

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- Printing services
- Conference and hotel expenditures
- Memberships (12-month period)
- Advertising services
- Catering services
- Software (no click-through agreements or contracts allowed; ITD approval required)

**D. PROHIBITED USE**

The following transactions and actions are prohibited and must never occur with P-Card use. Use of P-Cards for these transactions or actions are a violation of City policy and require the submission of a P-Card Violation Memorandum as defined in the City P-Cards Administrative Guide. Cardholders are ultimately responsible for any and all use of P-Cards issued in their names.

Prohibited use of P-Cards includes:

1. Non-City business or personal purchases.
2. Cash advances.
3. Donations.
4. Purchases made in connection with political campaigns including but not limited to materials, gifts, and events.
5. Purchases from vendors with which there is a potential or real conflict of interest, as defined by City policies.
6. Purchases of items available through existing Citywide or department purchase orders.
7. Delegation or reassignment of P-Cards (P-Card use by any person other than the Cardholder).
8. Splitting transactions to circumvent P-Card transaction limits or the City's Competitive Procurement or P-Card Services Thresholds for aggregated purchases within a 12-month period.
9. Storing P-Card account information in personal online or mobile accounts.
10. Purchases that require the signing of an agreement or contract including terms and conditions of use.
11. Transactions that should be paid through a Single Payment Demand (SPD), such as utilities.
12. Purchases restricted by Approving Officials, Department/Office Directors, and/or City policies.

Unless delegated by a Council Appointee or the Municipal Code, City employees are not authorized to sign any agreements or contracts on behalf of the City. P-Card purchases that require the signing of an agreement or contract are prohibited.

**E. REGULATED USE**

The following transactions and actions are regulated and are only acceptable under the provisions below. Use of P-Cards beyond these provisions is a violation of City policies and would require the submission of a P-Card Violation Memorandum.

Regulated use of P-Cards includes:

1. Purchases funded by federal grants valued under the Competitive Procurement Threshold may be made without a competitive procurement method. Departments/Offices are responsible for ensuring P-Card purchases are in accordance with their respective grant requirements.
2. Purchases as authorized in City Administrative Policy Manual Section 4.1.4, [Employee Appreciation and Recognition](#).

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3. Gift cards purchased by departments/offices for Employee Appreciation and Recognition at the discretion of the Department/Office Director as defined by City policies.
4. Purchases of alcoholic beverages unless expended for very limited economic development functions or events with prior approval of the City Manager. A Department/Office Director requesting an expenditure or reimbursement for the purchase of alcoholic beverages for a City sponsored event shall send a memorandum to the City Manager, prior to the purchase of any alcoholic beverages, explaining why the purchase of said beverages is appropriate and necessary for a specific event. Payment for expenditures or reimbursement for the purchase of alcoholic beverages must not be made without prior written approval from the City Manager.
5. Purchases of items with noted pre-approval requirements on the [Commodity Code List](#). Departments/Offices must follow approval instructions for identified products and services prior to purchase.
6. Purchases of information technology products and services (including cloud-based subscription software) require approval from the Information Technology Department. Departments/Offices must submit a [City IT Help Desk Ticket](#) for all information technology related purchases for review and approval prior to purchase. Information technology related purchases may include but are not limited to:
  - o Computers, laptops, tablets, monitors, and accessories
  - o Software
  - o Printers, copiers, scanners, or flash drives
  - o Phones, cameras, and related equipment

**F. STATEMENT RECONCILIATION**

Monthly Statements of Accounts will be made available from the City’s P-Card financial institution. Statement reconciliation is performed by the designated Department P-Card Coordinator and submitted to the Finance Department’s Accounts Payable unit. The Cardholder and Approving Official are responsible for ensuring all appropriate supporting documentation is complete for the Department P-Card Coordinator’s review and approval. If transaction documentation is lost without recourse, a [Missing Receipt Form](#) must be completed by the Cardholder and attached to the monthly P-Card statement. Monthly P-Card statements and supporting documentation must not be altered by employees to legitimize any P-Card transaction. Reference the P-Card Administrative Guide for more information on timeliness of reviewing, approving, and submitting payments on Monthly Statements of Accounts.

**G. CITY AND COUNCIL POLICIES**

Departments/Offices are responsible for ensuring P-Card transactions comply with all applicable City and Council policies. P-Card use in violation of City policies requires the submission of a P-Card Violation Memorandum.

<b>Such policies include, but are not limited to:</b>	
CPM 1.2.1	<a href="#">Code of Ethics</a>
CPM 1.2.8	<a href="#">Whistleblower Hotline</a>
CPM 1.4.2	<a href="#">Substance Abuse Program &amp; Policy</a>
CPM 1.4.4	<a href="#">Alcohol Use at City Facilities</a>

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<b>Such policies include, but are not limited to:</b>	
CPM 1.7.4	<a href="#">Mobile Communications and Devices</a>
CPM 1.7.6	<a href="#">Information and Systems Security Policy</a>
CPM 1.7.8	<a href="#">Procurement of Laptops and Tablets</a>
CPM 1.8.2	<a href="#">Employee Travel</a>
CPM 4.1.4	<a href="#">Employee Appreciation and Recognition</a>
CPM 5.1.2	<a href="#">City Procurement Cards</a>
CPM 5.1.5	<a href="#">Food and Beverage Expenditure</a>
CPM 5.1.7	<a href="#">Procurement of Supplies, Materials, and Equipment</a>
CPM 5.1.8	<a href="#">Procurement of Non-Professional Services</a>
CPM 5.1.9	<a href="#">Procurement of Information Technology</a>
CPM 5.1.11	<a href="#">Prohibition of City Funding for Purchase of Single-Serving Bottled Water</a>
CPM 5.1.13	<a href="#">Prohibition of City Funding for Purchase of Expanded Polystyrene Food Service Ware</a>
CPM 5.1.14	<a href="#">Protective Footwear</a>
CPM 5.1.15	<a href="#">Marketing Expenditures</a>
Council Policy 4-6	<a href="#">Environmentally Preferable Procurement Policy (EP3)</a>

**H. REPORTING VIOLATIONS**

All violations of this Policy must be reported to the Chief Procurement Officer via P-Card Violation Memorandum signed by the Department/Office Director. In the case of violations by Department/Office Directors, City Council Appointees, or members of Mayor or City Council Offices, memoranda must be signed by the Approving Official. Personal purchases involving possible willful misconduct or of similar severity must be reported to the Office of Employee Relations by the Department/Office Director or Approving Official. Processes are defined in the City P-Cards Administrative Guide. Refer to [CPM 1.2.8 Whistleblower Hotline Policy](#) for anonymous reporting processes.

**I. ANNUAL REVIEWS**

Department/Office Directors are responsible for reviewing the utilization of P-Cards on an annual basis for the purpose of identifying P-Cards that may no longer be needed or that may be underutilized. With the submission of the annual report, Department/Office Directors certify that their department/office is in full compliance with this Policy and that the department/office has adequate controls to ensure proper usage of P-Cards.



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**J. FAILURE TO COMPLY**

The Director of Finance may suspend, revoke, terminate, or refuse to issue P-Cards at any time according to their assessment of the City’s best interests, which includes but is not limited to City operational need or failure to adhere to City policies or procedures.

Approved:

\_\_\_\_\_  
/s/ Rick Bruneau  
Director of Finance

\_\_\_\_\_  
4/17/2024  
Date

Approved for posting:

\_\_\_\_\_  
/s/ Jennifer A. Maguire  
City Manager

\_\_\_\_\_  
4/17/2024  
Date