Purchasing Card Administrative Procedures

The following topics should be addressed by the Finance Officer through administrative procedures. These procedures are intended to implement the Town's Purchasing Card Policy and may be updated as operational needs change.

1. Purpose
    - Purpose of the procedures
    - Authority under the Purchasing Card Policy
    - Finance Officer's authority to administer the program
2. Roles and Responsibilities
    - Finance Officer (Program Administrator)
    - Cardholders
    - Department Heads
    - Supervisors/Approvers
    - Human Resources (terminations)
    - Accounts Payable/Finance staff
3. Card Issuance
    - Request process
    - Approval process
    - Training requirements
    - Cardholder Agreement
    - Credit limits
    - Merchant category restrictions
4. Card Security
    - Safeguarding physical cards
    - Protection of card account information
    - Storage of purchasing cards
    - Digital wallet requirements
    - Prohibition on departmental/shared cards
    - Changes in employment status
5. Authorized Purchases
    - Examples of Authorized Purchases:
        a. Office supplies
        b. Maintenance materials
        c. Registration fees
        d. Online purchases
        e. Minor equipment
        f. Emergency purchases
        g. Approved travel expenses

6. Prohibited Purchases
    - Examples of Prohibited Purchases:
        a. Personal purchases
        b. Cash advances
        c. Gift cards
        d. Alcohol
        e. Fuel
        f. Split purchases
        g. Items requiring contracts or formal bids
        h. Purchases exceeding delegated authority
7. Documentation Requirements
    - Itemized receipt
    - Business purpose
    - Grant/project coding (if applicable)
    - Missing documentation process
    - Credits and returns
    - Internet purchases
8. Missing Receipts
    - Duplicate receipt required first
    - Missing Receipt Affidavit only if duplicate unavailable
    - Finance Officer determines when use becomes excessive
    - Review for repeated occurrences
9. Monthly Reconciliation
    - Statement distribution
    - Cardholder review
    - Supervisor approval
    - Finance review
    - Deadline (e.g., within five business days of statement distribution, if that's what the Town chooses)
    - Late submissions
10. Disputed Charges
    - Contact vendor
    - Contact bank
    - Notify Finance
    - Documentation
11. Lost or Stolen Cards
    - Notify bank (if required by issuer)
    - Notify Finance immediately
    - Notify Police if theft suspected

- Complete incident documentation

12. Annual Review
    - Operational need certification
    - Annual training
    - Agreement renewal
    - Review of spending limits
    - Cancellation of inactive cards
13. Violations
    - Minor violations
    - Repeated violations
    - Serious violations
    - Fraud
14. Forms
    - Card Request Form
    - Cardholder Agreement
    - Missing Receipt Affidavit
    - Annual Review Certification

Best Practice: Administrative procedures should be reviewed periodically by the Finance Officer and updated as necessary to reflect changes in banking services, purchasing processes, technology, software, internal controls, or Town operations. Revisions to the administrative procedures do not require amendment of the Town's Purchasing Card Policy unless they conflict with or materially alter the policy adopted by the Town Council.