

## **Procurement Card Policy & Procedure**

Effective March 2024

*City of West Linn Finance Department*

## Table of Contents

<b>Introduction</b> .....	<b>3</b>
<b>General Guidelines</b> .....	<b>4</b>
Card Issuance .....	4
Card Usage .....	4
Limitations and Restrictions .....	4
Lost or Stolen Cards .....	5
Receipts.....	5
<b>Authorized Purchases</b> .....	<b>7</b>
Food & Meals .....	7
Travel .....	7
<b>Unauthorized Purchases</b> .....	<b>7</b>
<b>Disputed &amp; Fraudulent Charges</b> .....	<b>7</b>
<b>Responsibilities &amp; Non-Compliance</b> .....	<b>8</b>
<b>Cardholder Statement Reconciliation &amp; Approval</b> .....	<b>9</b>
Statement Reconciliation Timeline .....	9
Reconciling Transactions in Works .....	10
Reprinting Cardholder Statements .....	11
Manager Approval .....	12
Notifications .....	12
<b>Conclusion</b> .....	<b>12</b>
<b>Reminders</b> .....	<b>13</b>
<b>Attachment A (Missing Receipt Affidavit)</b> .....	<b>15</b>
<b>Attachment B (Cardholder Agreement)</b> .....	<b>16</b>

## INTRODUCTION

Welcome to the City of West Linn's Procurement Card (P-Card) Program! You have been issued a credit card for use of purchasing goods and services for city business.

The P-Card is provided to you based on your need to purchase business-related goods and services. The card is not an entitlement nor reflective of title or position. Adherence to all program guidelines will ensure that you retain the privileges of a cardholder.

The purpose of the program is to simplify the purchase and payment process for city transactions. The goals of the program are to:

- Expediate purchases
- Streamline the card reconciliation process
- Reduce employee out-of-pocket expenses
- Decreases administrative purchasing costs

This manual provides the particulars of the program, including general guidelines, reconciliation, record-keeping procedures and customer service information. It is important to read the information carefully, as you will be responsible for following the policy and procedures.

P-Cards are issued by the City through its banking relationship with Bank of America. The City's Finance Department will work closely with Bank of America to ensure a positive program experience.

Please forward any questions to the City's P-Card program administrators:

**Primary Contact:**

*P-Card program questions & support*

Stephanie Hastings  
Management Analyst  
503.742.6028  
[shastings@westlinnoregon.gov](mailto:shastings@westlinnoregon.gov)

**Secondary Contact:**

*In absence of Primary Contact*

Caitlin Koach  
Finance Manager  
503.742.6034  
[ckoach@westlinnoregon.gov](mailto:ckoach@westlinnoregon.gov)

Bank of America's P-Card customer service is available 24/7 at 1.888.449.2273. For verification purposes, you will be asked to provide your 16 digit account number found on your card, as well as the phone number associated with the account or the CVV code on the back of your card.

# PROCUREMENT CARD PROGRAM POLICY AND PROCEDURES

## A. GENERAL GUIDELINES

### 1. Card Issuance

Managers may request a Procurement Card (P-Card) for an employee by submitting a written request to the program administrator. Approval and bank processing time may take up to 2 weeks for cards to be delivered.

As a cardholder, you will be asked to complete a Cardholder Agreement (Attachment B). By signing the agreement, you agree to adhere to the guidelines established in this manual. Most importantly, you agree to accept responsibility for all charges on the card. If you have any concerns with adhering to the guidelines established for this program, please contact your manager or the program administrator before signing the cardholder agreement.

The card cannot be used by another person and must not be used for personal use. Each card is linked to an individual employee so the card cannot be transferred to or used by another individual. Although the card is issued in your name, your personal credit history is not affected by the ability to obtain a card. The City is responsible for payment to the bank of all purchases on the card. The Finance department will pay the total card purchase balance to Bank of America each month – you are not responsible for any direct payment under the account.

A P-Card can be cancelled or put on hold by contacting the program administrator. When a cardholder leaves the City, Human Resources will notify the program administrator and the card will be cancelled. For leave time that extends beyond one billing cycle, please work with your manager and the program administrator about card management options in your absence.

### 2. Card Usage

The card can be used with any merchant that accepts MasterCard, except as the City may otherwise direct. It may be used for in-store purchases, as well as phone or online orders. The card has both chip and tap-and-go technologies for security and convenience.

All deliveries must be shipped to a city facility and not the cardholder's place of residence. It is the cardholder's responsibility to inform the supplier or provider that the City of West Linn is exempt from sales taxes, excise taxes, and use taxes.

### 3. Limitations and Restrictions

Single transaction & monthly transaction limits have been assigned to your card. Your card will be declined if you attempt to purchase more than the set amount at one time. **Do not split a purchase to avoid the single transaction limit.** Splitting transactions to override transactions limits may result in a loss of P-Card privileges.

	Single Transaction Limit	Monthly Transaction Limit
<b>City Manager</b>	\$100,000	\$250,000
<b>Deputy City Manager</b>	\$75,000	\$150,000
<b>Directors</b>	\$50,000	\$100,000
<b>Mid-Level Managers</b>	\$15,000	\$50,000
<b>Assistants to Managers</b>	\$10,000	\$25,000
<b>Others</b>	\$5,000	\$10,000
<b>Seasonal/Extra Help</b>	\$1,000	\$5,000

**IMPORTANT:** All requests for changes in limitations and restrictions must be made in writing by the manager through the program administrator and not directly with Bank of America.

The City's program also blocks certain merchant categories and cash advances. If a particular merchant category is blocked (e.g., jewelry stores), and you attempt to use your card at such a merchant, your card will be declined. Finance has made an effort to ensure that merchants used during the normal course of business are not restricted. P-Cards may not be used to purchase alcohol, gift cards, or personal items for any reason.

If the maximum dollar amount of a transaction is equal to or exceeds \$25,000 (known as an intermediate procurement), the cardholder will also be required to provide documentation supporting the solicitation as outlined in LCRB Rule 10.015(D). LCRB rules can be found on the finance webpage: <https://westlinnoregon.gov/finance/purchasing>.

Be aware that purchases from international vendors (including Canada) will incur an international charge from Bank of America. The cardholder is expected to make all efforts to identify domestic vendors for goods and services before conducting international transactions.

#### 4. **Lost & Stolen Cards**

You are responsible for the security of your card and any purchases made on your account. Keep your pin number private; store it in a secure place and do not write it on your card. If you have lost your card or believe that it has been stolen or compromised, **immediately** report this information to Bank of America at 1-888-449-2273. Also notify the program administrator so finance can assist in coordinating a replacement card.

As with a personal card, you will no longer be able to use the old card after it is reported lost or stolen. If the missing card is found after a new card has been issued, cut the card in half, and submit it to the program administrator. Do not attempt to use the old card.

#### 5. **Receipts**

It is a requirement of this program that detailed itemized receipts are submitted for all transactions (including reoccurring monthly charges), as this is the only documentation to support the City's purchasing records. A receipt or order confirmation must be submitted for every transaction (charge or credit) with your monthly expense report. Submit original copies of receipts whenever possible. Take care when attaching receipts; tape will remove thermal paper print and make a receipt unreadable. When possible, staple receipts to avoid destructing the original. Photocopies of receipts must include the entire receipt and may not be altered or manipulated. Avoid crossing out or writing over receipts: record business justification, GL Codes, and other documentation on a blank portion of the receipt, back of receipt, or on an attached sheet of paper.

Be sure to receive a detailed itemized receipt from the vendor for every purchase, including those for food. Receipts should always indicate the **following five elements**:

1. Merchant's name
2. Payment method (credit card)
3. Purchase date
4. Each item purchased
5. Total purchase amount (including tip, freight, etc.)



In addition, you will need to record the following information on your receipt:

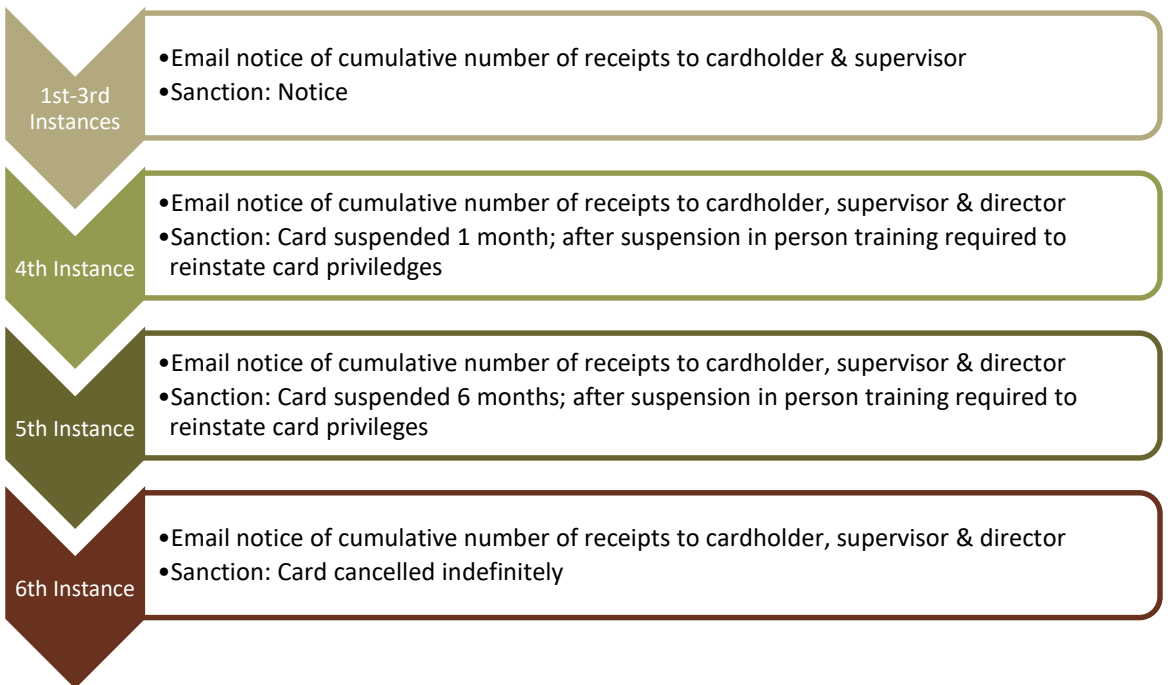
- ✓ Business Purpose/ Justification
- ✓ GL Code

**TIP:** Keep a designated folder or envelope for your receipts, invoices, and supporting documentation. Label each receipt with the business purpose/justification and GL Code and add them to the folder as soon as a purchase is made.

**TIP:** Some merchants (ie Amazon) do not charge until items are shipped, and may ship items from your order at different times from different locations, resulting in a series of smaller charges. This may result in order confirmations that do not match transactions on your billing statements. When possible, print invoices instead of order confirmations for online purchases to ensure your receipts contain all 5 elements listed above. Packing slips often do not contain all 5 elements: double check all packing slips before submitting them as itemized receipts.

If a merchant does not provide a detailed receipt, then you will need to ask for additional documentation to meet the five requirements above. At times, you may also need to request a receipt be provided prior to goods being shipped to ensure you have a receipt in hand for your cardholder statement reconciliation. If a receipt is lost, you should first attempt to contact the merchant and request a copy. If a copy cannot be obtained, then you can complete a Missing Receipt Affidavit (see Attachment A of this manual). The Missing Receipt Form takes the place of the missing receipt. It must be completed and signed by the cardholder, approver and attached with the expense report when sent to the approver for monthly statement approval. This should not be a regular occurrence for any individual cardholder and should only be used after all attempts to obtain a replacement receipt have been made. The Missing Receipt Affidavit can also be found as a fillable PDF in the All Employees Shared Drive> Forms & Templates All Departments.

Repeated submissions of lost receipts will result in sanctions, up to and including the suspension or termination of P-Card privileges:



## B. AUTHORIZED PURCHASES

The program is intended for general operating expenses needed during the course of business. It is advantageous to the City to use the card where possible and to combine purchases into fewer, larger purchases. Examples of authorized purchases include:

- Office supplies
- Books
- Professional membership dues
- Travel and education
- Tools and parts
- Event supplies & materials

### 1. Meals & Food

Meal and food transactions require additional documentation to demonstrate business purpose and compliance with state and local purchasing policies. For all business-related meal and food purchases, the cardholder must provide a list of names and organizations of all those in attendance and the business purpose of the meal in addition to providing itemized receipts. A minimum of one non-city employee must be in attendance, except for meals brought in by managers for employees unexpectedly scheduled to work through and around a normal meal period, for employee recognition, and when used for business related travel meals when not provided a per diem. For meal purchases, include gratuity (tip) amounts on your itemized receipt to verify final total. Gratuity amounts should be modest and not exceed 22% of the total bill.

### 2. Travel

Receipts for travel-related transactions must be accompanied by travel authorization forms. These forms allow conference/training expenses to be tax free to employees. For transactions that take place before the authorized travel event, include a copy of the approved pre-travel authorization form. For transportation expenses, include gratuity amounts with your itemized receipt to verify the final total. Gratuity amounts should not exceed 22% of the total bill. Policy 22: Business Expenses outlines the guidelines & procedures for approved business expenses, including meals, food, and travel. This policy and fillable PDF Travel Authorization forms can be found on the All Employees Shared Drive> Human Resources> WL Personnel Policy Nov 2023.

## C. UNAUTHORIZED PURCHASES

As with any city purchase, the card is not to be used for any goods or services, or with any merchant, considered to be inappropriate for public funds. Failure to comply with the guidelines for authorized purchases under the program may result in disciplinary action (up to and including termination) or suspension or cancellation of card privileges. Examples of unauthorized purchases include:

- Items for personal use
- Contract Services (1099 Vendors)
- Any transaction exceeding your single or monthly limit
- Gift Cards and cash withdrawals
- Alcohol, jewelry and other blocked categories

## D. DISPUTED & FRAUDULENT CHARGES

### 1. Disputed Charges

If there is a discrepancy in your cardholder activity statement or in your Works account, it is imperative that the issue is addressed **immediately**. If you believe the merchant has charged you incorrectly or there is an

outstanding quality or service issue, please contact the merchant and try to resolve the error or problem before requesting a dispute. If you can resolve the matter directly with the merchant, and the error involved an overcharge, a credit adjustment from the merchant should be requested and appear on your next monthly expense report. Include documentation of refunds and adjustments with your receipt.

If the merchant disagrees that an adjustment is necessary, immediately contact Bank of America **AND** the program administrator, who will help you work with Bank of America to file a dispute. While the dispute is being researched, you will still reconcile and submit your expense report for approval as normal. You should note on the receipt in the description field that it is being disputed.

Disputes must be filed within 60 days of the transaction date. Outside of this timeframe, you can attempt to dispute the transaction; however, there is no guarantee it will go in the City's favor.

## 2. **Fraudulent Charges**

Any fraudulent charge must be reported immediately to Bank of America **AND** the program administrator. Prompt reporting of any such charge will help to prevent the City from being held responsible.

Bank of America monitors card accounts 24/7 365 days a year and will notify cardholders by email of any suspicious transactions or fraud patterns. If contacted, you may need to verify up to five of the most current transactions on your card to determine which are valid or invalid. If you indicate any transactions are not valid, the card is permanently blocked, and a new card will be issued within 3-5 business days. If you acknowledge all transactions are valid the temporary block will be lifted and any attempted transactions that may have been declined will need to be processed again.

## **E. RESPONSIBILITIES & NON-COMPLIANCE**

### 1. **Cardholder**

The cardholder is responsible for:

- Reporting lost/stolen cards and fraudulent activity immediately to Bank of America.
- Approving transactions promptly after they are posted in Works.
- Identifying appropriate funds/cost centers (GL Codes) for all transactions.
- Ensuring there is sufficient budgetary authority to incur the charge and sufficient funds available from the appropriate budget to cover the expenditure.
- Collecting & submitting itemized receipts with business justifications for all transactions.
- Submitting travel authorization documents for travel related transactions.
- Providing business justification and attendee lists for all food and meal purchases.
- Providing Affidavits of Lost Receipts in the rare instance a receipt is lost.
- Ensuring vendors do not include sales tax, excise tax, or use tax charges (the City is exempt from these charges).
- Submitting a reconciled P-Card statement to approving manager by the 10<sup>th</sup> of each month following the close of each billing cycle.

### 2. **Approving Manager**

The approving manager is responsible for:

- Ensuring transactions are charged to the appropriate fund/cost center/account (GL Code).
- Ensuring transactions are permissible under the P-Card policy.
- Ensuring all cardholder statements are signed and dated.
- Submitting a reconciled P-Card statement to Finance department by the 15<sup>th</sup> of each month following the close of each billing cycle.



### 3. **Finance Department**

The Finance Department is responsible for:

- Administering the P-Card Program.
- Providing policy & training to cardholders.
- Periodic reviews (audits) of reconciled P-Card statements.
- Ordering & cancelling P-Cards.
- Payment of billing statements.

### 4. **Non-Compliance**

The cardholder is empowered as a responsible agent to safeguard the City's assets and public funds. Consequences for non-compliance with established P-Card Program guidelines are up to and including:

- Permanent loss of P-Card privileges.
- Repayment of discrepancies.
- Notification of Police and Legal Counsel for further investigation.
- Disciplinary action, up to and including dismissal, and/or legal action.

## F. **PROCUREMENT CARD STATEMENT RECONCILIATION & APPROVAL**

Transactions are reconciled through Bank of America's online card reconciliation system, Works. Upon receipt of email notice from the Works system, you are responsible for promptly reconciling charges and providing purchase receipts for all transactions that appear on your card statement. Once the expense report is reconciled you will then submit the card statement (with receipts & documentation) to your approver in the time allowed.

When taking planned leave or vacation, please prepare your statement and submit it to your manager for approval before your absence. If your absence takes place before paper statements arrive in the mail, a report can be printed and signed in place of your statement. If you are a manager who approves statements, please notify your cardholders and the program administrator of who will be approving statements in your absence. For leave time that extends beyond one billing cycle, please work with your manager and the program administrator about card management options in your absence.

### 1. **Statement Reconciliation Timeline**

- Cardholder has until the 10<sup>th</sup> of the month to reconcile transaction statement and submit to approver. If there are no transactions, then there will be no expense report to reconcile.
- Approving Manager has until the 15<sup>th</sup> of the month to review, request changes of cardholder and approve transaction statement of assigned cardholders before submitting to the Finance Department.
- Finance Department should receive all reconciled and approved expense reports no later than the 15<sup>th</sup> of the month to allow time to review and post to the general ledger by the 19<sup>th</sup> of the month.



- Cardholder collects receipts, reconciles purchases, and enters GL codes into Works as transactions are posted to account.
- Reports ready for download in Works; paper statements will arrive in mail between 1st & 5th of month.
- Cardholder submits reconciled statements to manager for approval.
- Approving manager submits approved statements to Finance Department.
- Finance makes payment to bank.

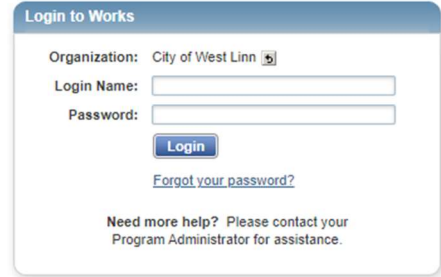
**TIP:** Add reoccurring reminders to your Outlook calendar for reconciliation and/or approval deadlines.

**2. Cardholders: Reconciling Transactions**

Cardholders will complete the following steps to reconcile their transactions:

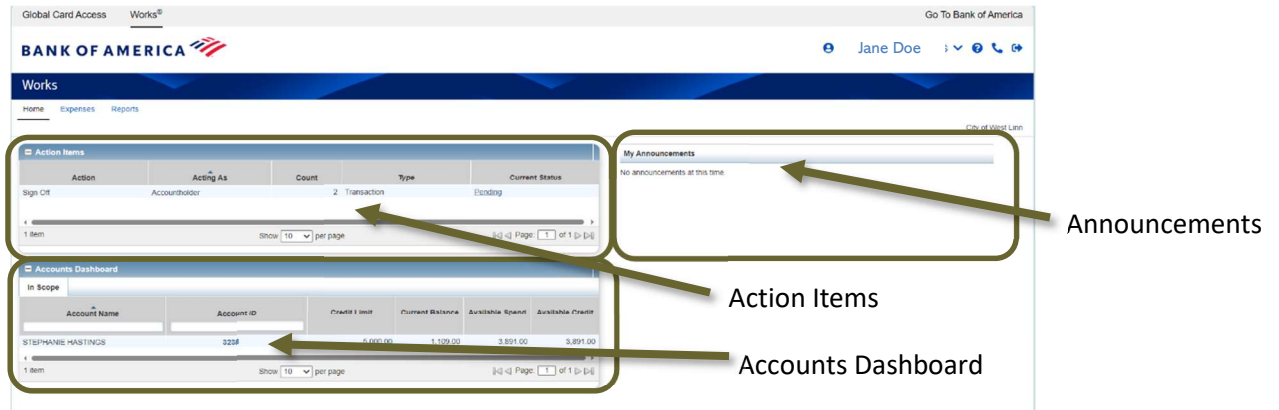
- a. **Sign into Works:** <https://payment2.works.com/works/session>

**Login name:** first initial & last name (ex: Jane Doe is jdoe)  
**Password:** set by user at account activation  
*click "Forgot your password?" to request a new password*



- b. **Navigating Works Home Page**

When you log in, the home screen will display Action Items, Accounts Dashboard, and Announcements. Action items include transactions waiting to be reconciled and items issues that need resolved. Accounts dashboard lists accounts you are authorized to use, and Announcement includes messages and reminders from Finance.



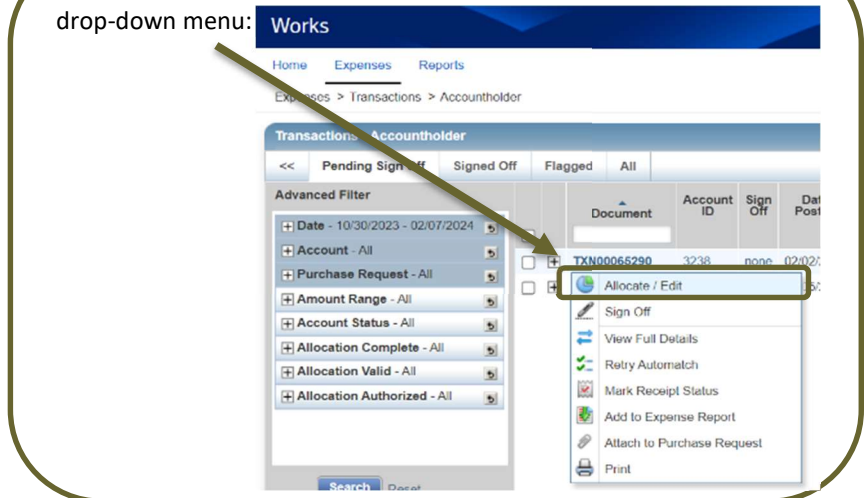
- c. **Reconciling Transactions**

You can access transactions pending reconciliation through the Action Items list on the home screen or through the expenses tab at the top of the screen. The 3 tasks required to reconcile a transaction in Works are ALLOCATE, RECEIPTS, & SIGN OFF. They can be completed in 5 steps:

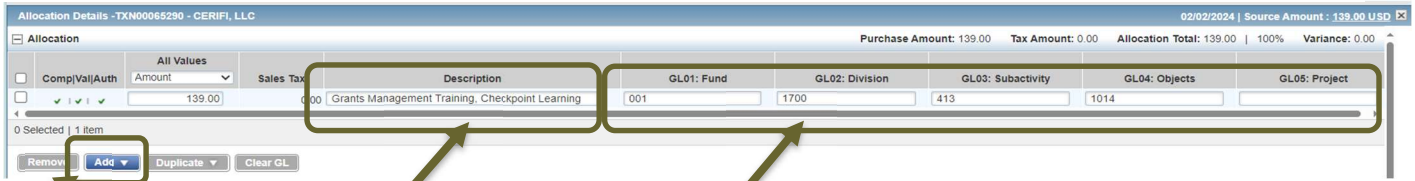
**Step 1: Choose Transactions** from the Expenses drop-down menu:



**Step 2: Click on the blue TXN#** and **choose Allocate/Edit** from the drop-down menu:



**Step 3: Add your GL codes and additional description information to clarify business purpose (if needed)**

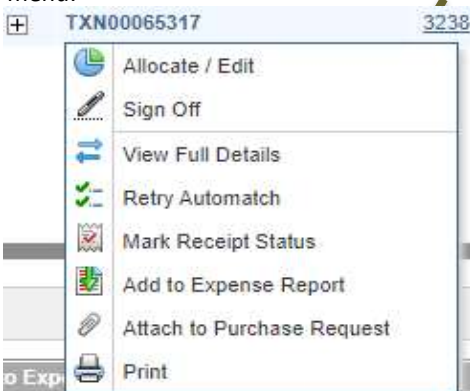


**Add:** Click this button when you need to split expense between multiple GL codes

**Description:** Add simple details to clarify business purpose if vendor description does not make it obvious

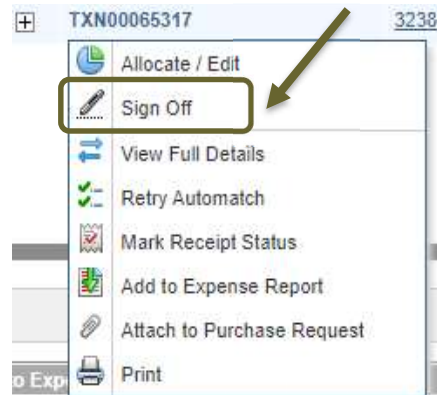
**GL Coding:** Include Fund, Division, Subactivity, and Object codes. If the expense is related to a specific project, include the Project Code as well. GL Coding information can be provided by your manager.

**Step 4: Click on the blue TXN# again and choose Mark Receipt Status from the same drop down menu:**



In the pop up box, indicate that you have the receipt. If receipt is missing, indicate that a lost receipt affidavit has been approved.

**Step 5: Click on the blue TXN# again and choose Sign Off from the same drop down menu.**

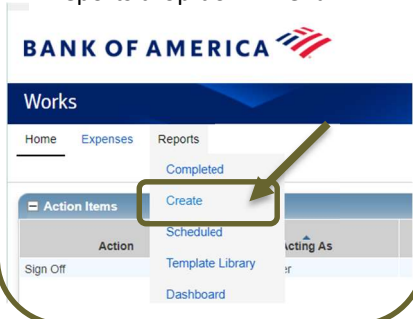


In the pop up box, Click the red "OK" button to sign off on the transaction.

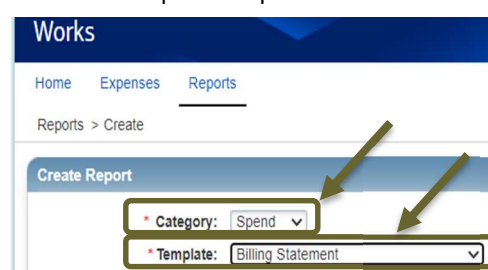
**d. Monthly Cardholder Activity Statement Approval & Replacement Reports**

After the close of each billing cycle, you will receive a paper monthly cardholder activity statement through the mail, typically around the 5<sup>th</sup> of the month. Cardholders are responsible for reviewing all transactions on the statement and attaching receipts and appropriate documentation for every transaction. In the event your monthly cardholder activity statement is lost or missing, you can run a report after the close of the billing cycle to capture these transactions. Keep in mind that transactions made on the last days of the billing cycle may not post for 1-3 days and won't appear on your statement until the next billing cycle. This replacement report will need to be signed by both the cardholder and the approving manager with all receipts and appropriate documentation attached.

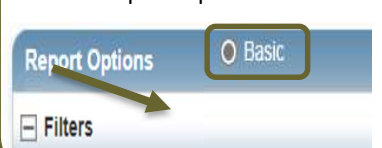
**Step 1: Choose Create from the Reports drop-down menu:**



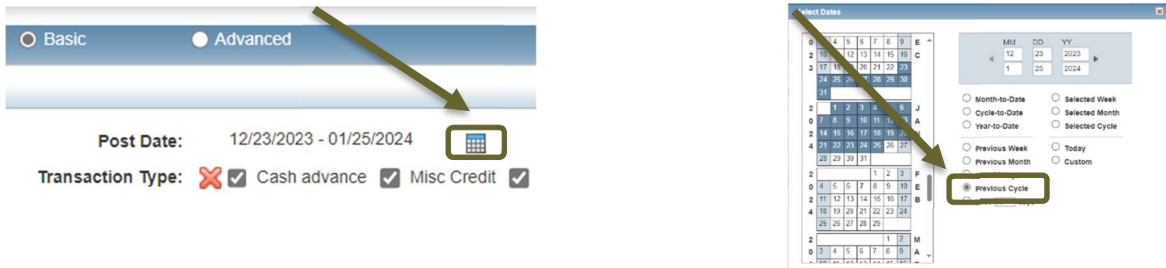
**Step 2: Choose Spend from the Category drop-down menu, then Billing Statement from the Template drop-down menu:**



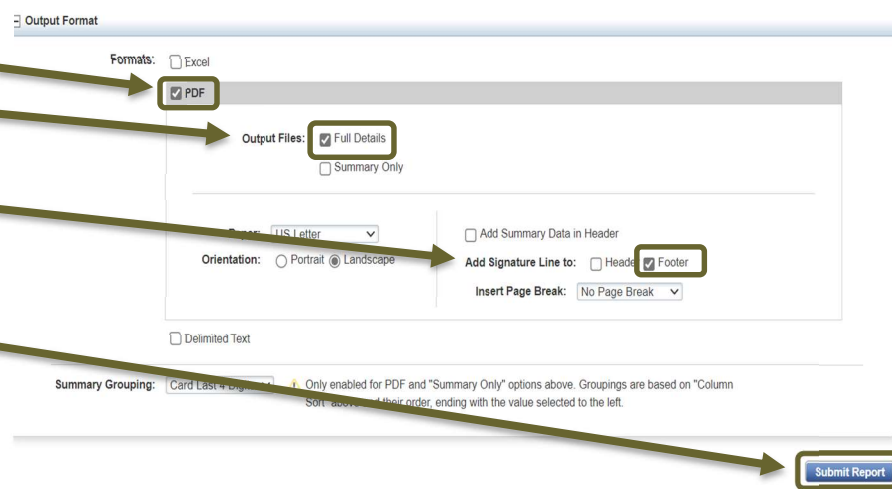
**Step 3: Select Basic at the top of the Report Options section**



**Step 4: Click the calendar icon next to Post Date and select Previous Cycle in the pop-up window:**



**Step 5: To finish the report, Check the PDF format box and select Full Details for output files. Lastly, Add Signature Line by checking the Footer box. This will provide a place for you and your approver to sign. Click Submit Report at the bottom of the screen to generate a replacement statement.**



**3. Notifications**

- a. Works will provide email notices as reminders to reconcile and approve transactions as they are posted to your account.
  - i. Cardholders will receive a reminder notice to reconcile all posted transactions and prepare all receipts and documentation at the end of the billing cycle, around the 26<sup>th</sup> of the month.
  - ii. Approvers will also receive notice on the 11<sup>th</sup> of the month as a reminder to review and approve monthly cardholder activity statements.
- b. Finance will begin reaching out to approvers for statements not received by finance by the 15<sup>th</sup> of the month. Approvers are responsible for providing reconciled statements to the Finance Department and/or working with the cardholder to obtain the reconciled expense report in a timely manner.

**G. CONCLUSION**

Thank you for being an important part of the City’s P-Card Program. Once your card is activated, you can begin to look for opportunities to increase purchasing efficiency and expand the program’s activity.

## REMINDERS

### Key Program Factors

- Card is for business purchases only.
- Card is issued to individual and should only be used by that employee.
- Retain ITEMIZED receipts for ALL transactions.
- Reconcile, approve, and submit monthly cardholder activity statements in a timely manner.
- Contact Program Administrator(s) with any questions.
- Thank you for your participation in streamlining and simplifying city purchases!

### Contacts and Program Info

- Program Administrators
  - Primary Contact: Stephanie Hastings 503.742.6028 shastings@westlinnoregon.gov
  - Secondary Contact: Caitlin Koach 503.742.6034 ckoach@westlinnoregon.gov
- Bank of America P-Card Customer Service (24/7) – 1.888.449.2273
- Works website (for reconciliation and approval): <https://payment2.works.com/works/>
- Missing Receipt Affidavit found in the All Employees Shared Drive> Forms & Templates All Departments
- Travel Forms found in the All Employees Shared Drive> Forms & Templates All Documents> Travel Forms & Policy
- Policy 22: Business Expenses found in the All Employees Shared Drive> Human Resources> WL Personnel Policy Nov 2023
- Local Contract Review Board Rules can be found online: <https://westlinnoregon.gov/finance/purchasing>



# ATTACHMENT A

## Affidavit of Lost Receipt



# CITY OF West Linn

Name of Employee	Name of Vendor	City or Location of Purchase
Date Purchased	Total Cost	Vendor's Telephone Number
Description/List of Item(s) Purchased:		
Business Purpose of Expense:		
GL Code(s):		

**Read and INITIAL off BOTH boxes below:**

I have lost, misplaced, or did not receive the receipt documenting payment. I have made every attempt to obtain a copy of this receipt. I am submitting this affidavit in lieu of the missing receipt.

I certify that this was an allowable charge for costs incurred while on official City of West Linn business and that I have not previously requested nor will I request reimbursement.

Employee's Signature	Date
X	

### APPROVAL

Supervisor's Signature	Date
X	







## ATTACHMENT B

### PROCUREMENT CARD PROGRAM – CARDHOLDER AGREEMENT

This agreement covers acceptable use of your City of West Linn Procurement Credit Card, issued by the Finance Department and Bank of America. The card is provided to expedite payment for materials, travel and other purchases for the City. Use of the card is a convenience contingent upon the terms outlined below and within the Policy and Procedures manual. Card use can be revoked at any time without your permission.

1. I will be making financial commitments on behalf of the City and will strive to obtain the best value for the City.
2. Improper use of the card can be considered a misappropriation of city funds and may result in disciplinary action, up to and including termination of the card or employment.
3. The card is for business purchases only; personal purchases are not to be made with the card.
4. All charges are billed directly to and paid directly by the City. Any personal charges on the card may be considered misappropriation of city funds since the cardholder cannot pay the bank directly. I will reimburse the City for all incurred personal charges and any fees related to the collection of those charges within ten (10) calendar days from the date of purchase.
5. I am the only person entitled to use the card and am responsible for any and all charges against the card.
6. The procurement card is property of the City. 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.
7. A lost or stolen card will immediately be reported to Bank of America (1.888.449.2273) **and** the program administrator.
8. I am responsible for reconciling my monthly cardholder activity statement and resolve any discrepancies by contacting the merchant or program administrator. I will attach detailed receipts and supporting documentation for each transaction and provide the cardholder activity statement and receipts/documentation to my designated approver in a timely manner.
9. I must surrender the commercial card immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons. At this point, no further use of the card is authorized.
10. I agree to the terms of the City's acceptable card usage terms.

By signing below, you indicate that you have read and will comply with all the terms of this agreement and the City's Procurement Card Program Policy and Procedures.

\_\_\_\_\_  
Employee Name (Print)

\_\_\_\_\_  
Card Number (last 4 digits)

\_\_\_\_\_  
Date

Employee Signature