

Aitkin County Board of Commissioners
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 2-4-14

Via: Patrick Wussow, County Administrator

From: Patrick Wussow, County Administrator

Title of Item:

Aitkin County Credit Card Purchasing Policy

Requested Meeting Date: 2-11-14 Estimated Presentation Time: n/a

Presenter: _____

Type of Action Requested (check all that apply)

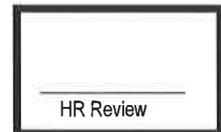
- For info only, no action requested
- Approve under Consent Agenda
- For discussion with possible action
- Adopt Ordinance Revision
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Approve/adopt proposal by resolution (attach draft resolution)
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Other (please list) _____
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute _____

Fiscal Impact (check all that apply)

- Is this item in the current approved budget? Yes _____ No _____ (attach explanation)
- What type of expenditure is this? Operating Capital Other (attach explanation)
- Revenue line account # that funds this item is: _____
- Expenditure line account # for this item is: _____

Staffing Impact (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected. Yes No
- Applicable job description(s) may require revision. Yes No
- Item may impact a bargaining unit agreement or county work policy. Yes No
- Item may change the department's authorized staffing level. Yes No



Supporting Attachment(s)

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) _____

Provide (1) copy of supporting documentation NO LATER THAN Wednesday at Noon to make the Board's agenda for the following Tuesday. (If your packet contains colored copies, please provide (4) paper copies of supporting documentation as we do not have a color printer or copier.) Items WILL NOT be placed on the Board agenda unless complete documentation is provided for the Board packets.

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse
217 Second Street N.W. Room 130
Aitkin, MN 56431
218-927-7276
Fax: 218-927-7374

TO: Aitkin County Board of Commissioners

FROM: Patrick Wussow, Aitkin County Administrator

RE: Aitkin County Credit Card Purchasing Policy

DATE: February 4, 2014

Staff proposes updating the attached Aitkin County Credit Card Policy be amended to reflect the Treasurer's Office, not Central Services, is responsible for the Credit Card program.

Staff also suggests allowing the County Treasurer sign the Request for Credit Card in the County Administrator's absence. There are occasions when requests come through for credit cards, or changes to credit cards, and the County Administrator is unavailable. This would allow the Treasurer's Office to move the requests through more efficiently, and in a timely manner.

Action requested: Approve amending Aitkin County Credit Purchasing Policy to reflect Treasurer's Office, in place of Central Services, and to authorize County Treasurer sign Request for Credit Card in the County Administrator's absence.

ARTICLE 8 ORGANIZATION STANDARDS AND RULES

SUBJECT: 8.14 CREDIT CARD PURCHASING POLICY

Effective: 11/28/00

PURPOSE:

The purpose of this policy and procedure is to provide detailed information regarding the use of credit cards assigned to selected Aitkin County employees to purchase goods and services for Aitkin County.

A. SCOPE:

This policy and procedure applies to all County divisions and agencies that have selected employees to use credit cards.

B. GENERAL:

The purchasing policy and procedure recognizes the establishment of a Aitkin County Central Services and further recognizes that the County Administrator may delegate to other specific individuals the responsibility for the performance of some credit duties at a departmental level.

C. BACKGROUND:

The County has used various methods to purchase goods and services. To improve acquisition cycle time, to establish a more efficient, cost-effective method of requisitioning, purchasing, and payment for small dollar transactions, Central Services is initiating a credit card program to replace the existing methods of reimbursements for merchandise purchases. A number of unique controls have been developed for a program that does not exist in a traditional credit card environment. These controls ensure that the card can be used only for specific purposes and within specific dollar limits. In addition, purchase information will be provided in sufficient detail to allow for verification by the approving official before payment is made to the vendor.

D. CREDIT CARD PURCHASING POLICY AND PROCEDURE:

This policy is intended to accomplish the following:

- To ensure that credit cards are used in accordance with Aitkin County policies.
- To ensure internal controls for authorized credit.
- To ensure that the County bears no legal liability from inappropriate use.
- To provide a convenient credit method and reduction of paperwork.
- To empower employees, increase productivity, flexibility, and efficiency.

Credit Card Authorization

1. The card will have the County's name, individual's name, County service code, and expiration date.
2. The credit card vendor will have no individual cardholder information other than the County's mailing address; no personal credit records, social security numbers, or other personal information is maintained.
3. Purchase information is transmitted electronically to the card issuer for authorization.

All transactions require authorization regardless of the amount. Since the County, not the individual employee, will pay for the purchases made with the credit card, additional controls have been added to these accounts. When the merchant seeks authorization for the purchase, the credit card system will check each individual cardholder's single daily purchase limit and 30-day limit before authorization for that transaction is granted.

Cardholder Spending Limits

The delegation of authority that has been provided to each cardholder sets the maximum dollar amount for each Single Daily Purchase Limit, and a total for all purchases made with a credit card within a given 30 Day Limit billing cycle. Each time a cardholder makes a purchase with their credit card, these limits will be checked, and the authorization request will be approved or declined. The Aitkin County limits are as follows:

- Single Daily Purchase Limit - \$999.99 and no greater than the Aitkin County Board approved capital asset amount of \$1,000.00
- Thirty Day Limit - \$5,000.00

Department Heads may establish lower limits for their cardholders.

Occasionally, a unique situation may require a purchase exceeding the cardholders' limits. These purchases will not be allowed on the Department's credit card; however they will be considered capital asset purchases and require the formal approval of the County Board.

Use of Credit Card

1. The credit card shall be used for County business purchases only.
2. The credit card has a broad range of acceptance by retailers, service stations, and travel services.
3. Cardholder responsibility - The credit card is issued in the name of a specific cardholder with their name embossed on the card. No other person is authorized to use the card.
4. Conditions for use - Use of the card shall be under the following conditions:
 - The total of a single daily purchase may be comprised of multiple items and cannot exceed \$999.99 and no greater than the Aitkin County Board approved capital asset amount of \$1,000.00.
 - Purchase authorization will be denied if the single daily purchase limit is exceeded.
 - Purchases over the counter - all items purchased over the counter must be immediately available and cannot be backordered.

- Telephone Orders - all items purchased by telephone must be carefully monitored to be sure of prompt delivery prior to payment.
5. Clearly instruct the vendor to include the following delivery information:
 - Cardholder name
 - Department
 - Building name and room number
 - Street Address
 - City
 - State
 - Nine-Digit Zip Code
 6. A telephone log should be used to document or record telephone credit card orders. The log should be held until the monthly billing statement is received and reconciled. The log should then be included with the billing statement and forwarded to accounts payable.
 7. It is the cardholder's responsibility to notify the merchant if items appear on the statement, but shipment has not been received.

Documentation, Reconciliation, and Payment Procedures

1. Documentation must be retained as proof of purchase whenever using the credit card.
2. For purchases over the counter, the cardholder must obtain a customer copy of the charge slip, reconcile the monthly statement, and submit it to Accounts Payable with the monthly statement. These documents will be used to verify purchases shown on the cardholder's monthly statement.
3. If, for some reason, the cardholder is missing documentation of the transaction, they must attach an explanation that includes a description of the item, date of purchase, merchant's name, and the reason for missing documentation.
4. The telephone log, customer copies of charge slips, and monthly statement will be reconciled by the department and forwarded to the Auditor's office for payment within seven (7) working days or within the terms and conditions of the vendor.
5. The department head must review all documentation and ensure that all purchases are valid and appropriate prior to approving the claims for payment.

Requests for Credit Cards

1. The department head/manager and County Administrator must approve credit cards.
2. All requests for a credit card will be done by submitting a Request for Credit Card form (Attachment 8B).
3. The form will be processed by Central Services with the credit card provider.

4. Upon issuance of the credit card, the cardholder will personally sign for their credit card.
5. The Central Services Department will distribute the credit card and add to the cardholder's personnel inventory list.

Inventory of Credit Cards

On an annual basis the County Auditor will conduct a physical inventory of credit cards and provide a report to the County Board.

Lost/Stolen Credit Cards

Contact information of the credit card issuer will be provided to the cardholder. Should any employee lose or have their credit card stolen, it is their responsibility to immediately notify, within 24 hours, the credit card issuer and the Central Services Department.

Disputes Regarding Credit Cards

In case of a dispute with a vendor, the cardholder must complete, within five working days, a Cardholder Statement of Questioned/Disputed Item form (Attachment 8C).

Attachment 8B

REQUEST FOR CREDIT CARD

TO: Central Services
FROM: (Department/Agency)
RE: Request for Credit Card

The following employee is authorized to be issued an Aitkin County Credit Card for the department/service code indicated.

Full Name (print): _____

Sample Signature: _____

Title: _____

Department: _____

Service Code: _____

Single Purchase Limit (not to exceed \$999.99): \$50.00 \$100.00 \$250.00
 \$500.00 \$999.99

30-Day Limit (not to exceed \$5,000.00): \$250 \$500 \$750
 \$1000 \$2500 \$5000

Restrictions (other restrictions not in Aitkin County policy and procedures):

- | | |
|---|---|
| <input type="checkbox"/> Gas/oil/Roadside service | <input type="checkbox"/> Departmental Supplies |
| <input type="checkbox"/> Hotel/Motel/Meals | <input type="checkbox"/> Travel: Reservations – Airline/Hotel |

Signature of Department Head/Manager

Date

County Administrator

Date

Attachment 8C

CARDHOLDER STATEMENT OF QUESTIONED/DISPUTED ITEM

TO: Central Services
THROUGH: (Approving Department Head or Manager)
FROM: (Cardholder)
RE: Questioned Item on Credit Card Statement

The following item(s) listed on Statement of Account is disputed.

Date of Statement of Account:

Item(s) Disputed:

Reason: (Provide information as to why item(s) does not meet your requirements. Indicate actions requested of merchant, reasons merchant refused to correct dispute, and any other information that is available to assist Central Services to negotiate dispute.)

Action Requested: - Return item and obtain credit
- Exchange for same item
- Exchange for different model, brand, etc. with applicable deduction/increase in cost. (This action will require prior approval from cardholder if cost increase is required.)

Other comments:

Signature of Cardholder

Date

Signature of Department Head/Manager

Date