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ORDINANCE
6 Pages

City of Conway, Arkansas
Ordinance No. O-17-131

AN ORDINANCE ADOPTING PROCUREMENT CARD POLICY AND PROCEDURES; AND FOR OTHER PURPOSES:

Whereas, the City Council approved establishing a procurement card program on July 11, 2017.

Whereas, the City would like to adopt a Procurement Card Policy and Procedures Handbook to clearly define procurement card procedures and card holder responsibilities.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS, THAT:

Section 1. The following shall be adopted as the Procurement Card Policy and Procedures Handbook for the City of Conway:

**PROCUREMENT CARD
POLICY & PROCEDURES HANDBOOK**

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1. INTRODUCTION

The City of Conway has entered into an agreement with Security BankCard Center to provide qualified employees with a Visa Purchasing Card. The purpose of this document is to establish responsibilities and to implement procedures to be followed in the distribution and use of procurement cards.

- A Purchasing Card is a credit card that enables employees to purchase authorized goods and services on behalf of the City of Conway. The Purchasing Card works like any other credit card. However, the differences are as follows:
 1. Cardholders may have online access to real-time transaction information.
 2. The Coordinator of the Program can make real-time changes such as, increase limits, close cards, as well as, review authorizations and declines.
 3. Additional information about the transaction may be available. For example, what was actually purchased at Lowe's.
- Purchasing cards can be used anywhere VISA is accepted, except for unauthorized vendors that have been specifically blocked from use by the City of Conway. Any vendor from whom you currently purchase goods should be considered a potential vendor of the Purchasing Card.
- A Department Head with the appropriate approving authority may request cards for employees responsible for providing goods and services by completing a Purchasing Card Request Form (Appendix A). Dollar limits for purchases will be set on this form. Cardholder's will be required to sign the Cardholder Agreement (Appendix B)
- Automatic restrictions may be setup on individual cards.
 1. For instance: Sam Smith is only allowed to purchase Office Supplies. Therefore, if Sam tries to use his card at a gas pump, it will be declined by Visa and the City of Conway will be able to view the decline online.
- The purchasing cards are NOT for personal use or unauthorized purchases.
- All purchasing cards are issued through the Purchasing Office.
- Card usage will be audited and may be rescinded at any time. The authorized cardholder is the only person who may use the Purchasing Card. After completion of a training session with the Purchasing Card Coordinator, you will receive your card.
- Recordkeeping is essential to ensure success of this program. Standard payment policies require retention of receipts, and other documentation. As with any credit card, you must retain original, itemized sales slips, cash register receipts, invoices or any other pertinent documentation.
- The Purchasing Card is to be used in accordance with the guidelines established within this Handbook. You are to treat this program with the same sense of responsibility and security you would use with your personal credit cards.

2. CARD PROCEDURES

How to Obtain a Card

- Your supervisor or Department Head must indicate approval by completing and signing the Purchasing Card Request Form (Appendix A) and submitting the form to the Purchasing Card Coordinator in the Purchasing Office.
- The Purchasing Card Coordinator will order the card, arrange for cardholder training, and will notify you when it is available to be picked up. Prior to receipt of the card you must read the Purchasing Card Procedures Handbook and sign the Purchasing Card-Cardholder Agreement Form (Appendix B).
- When you receive the card, you must sign the back of the card immediately and always keep it in a secure place. Although the card is issued in your name, it is the property of *City of Conway* and is only to be used for *City of Conway* purchases as defined in this Handbook and in the City of Conway Purchasing Policy.

How to Cancel a Card

- Contact your Supervisor or the Program Administrator for instructions.

Card Renewal

- A renewal card will automatically be mailed to the Purchasing Card Coordinator. You will be notified when the card is available.

Reporting a Lost or Stolen Card

- The cardholder must notify his or her immediate supervisor of the lost or stolen card within one (1) business day after discovering the card missing.
- Should a lost or stolen card be subsequently discovered by the cardholder, the card shall be cut in half and sent to the Purchasing Card Coordinator.

Cardholder Separation from Service

- Prior to separation from the City of Conway, the cardholder shall surrender the purchasing card with the proper receipts and expense report documenting each transaction.
- The supervisor shall cut the card in half, and notify the City of Conway Purchasing Card Coordinator.

Purchasing Card Security

- Always keep the card in a safe place. The Purchasing Card will have the employee name embossed on the card and shall only be used by the authorized cardholder. **NO OTHER PERSON IS AUTHORIZED TO USE THE CARD.**
- The cardholder is responsible for all transactions procured with their card. Cards and card numbers must be safeguarded against use by unauthorized individuals in the same manner that a cardholder safeguards his or her personal banking information. Although the card is issued in the individual's name, it is the property of *City of Conway*.

Card Cancellation

- The City of Conway reserves the right to cancel any card at any time.

Misuse of the purchasing card includes:

1. Purchase of unauthorized item(s).
2. Use of the purchasing card by someone other than the cardholder.
3. Fraudulent or inaccurate recordkeeping.
4. Failure to obtain original, itemized receipts.
5. Failure to maintain the Purchasing Transaction Log.
6. Failure to reconcile the monthly statement by 22nd of each month.
7. Purchasing items for personal use.

3. ACCEPTABLE VISA CARD PURCHASES

- The following information provides examples of purchases that are appropriate for the purchasing card:
 1. Approved supplies for your building, department or program
 2. Conference and seminar registrations
 3. Federal Express, United Parcel Service, United States Postal Services expenses
 4. Office Supplies
 5. Hardware stores and Discount stores
 6. Other miscellaneous items that apply to your budget
 7. Conference expenses (with pre-approved travel forms)

This list is not intended to be all inclusive. If you have specific questions, please call the Purchasing Card Coordinator for assistance.

4. UNACCEPTABLE VISA CARD PURCHASES

- The following items are examples of unacceptable uses of the VISA Purchasing Card:
 1. Alcoholic beverages
 2. Tobacco
 3. Lottery Tickets
 4. Cash Advances
 5. Travel
 6. ATM withdrawals
 7. Gift certificates or gift cards
 8. Any personal purpose

This list is not intended to be all inclusive. If you have specific questions, please call the Purchasing Card Coordinator for assistance.

5. PROGRAM RESTRICTIONS

- Each VISA Purchasing Card has been assigned a transaction and/or monthly credit limit determined by the supervisor of the cardholder. All limit changes must be submitted to the Purchasing Card Coordinator using the form Appendix A.
- The Purchasing Card will be accepted for purchases of generally approved goods and services.
- Levels of credit authorization are in place to clearly define the individual purchasing limit controls. Each cardholder will have a transaction limit and/or monthly limit. Transaction limit options are listed on the Request for a Visa Purchasing Card form.
- Certain City of Conway-wide cards may have unlimited transaction amounts. Transactions falling outside the assigned level will be declined at the point of sale.
- If your card is declined by a merchant and you feel the decline should not have occurred, contact the Purchasing Card Coordinator. Do NOT ask the cashier to "try it again". This is a fraud red-flag and could (after 3 times) lock your account from any other charges. If this occurs Security BankCard Center must unlock the account.

6. RECOURSE FOR IMPROPER USE

- In the event that improper usage of the Purchasing Card is discovered, written notification will be sent from the Purchasing Card Coordinator with a copy given to the supervisor of the cardholder.
- Corrective action may occur up to and including termination.

7. CARDHOLDER RESPONSIBILITIES

- As the person whose name appears on the Purchasing Card, you are responsible for keeping track of how the card is used, and for keeping it safe. And just like any credit card, you should protect against fraudulent use of the card.
- You must keep the original receipts for ALL purchases made with your Purchasing Card. Specifically, be sure to keep original, itemized cash register tapes, invoices showing detail of items purchased, or other relevant documentation. Your receipts help you reconcile account activity to your monthly Cardholder Statement.
- Training will be provided prior to a Purchasing Card being issued to the cardholder. During the training session, cardholders must read and sign the Acknowledgement of Receipt of the VISA Purchasing Card and Terms of Revocation Form prior to cards being issued. When the card is received, the cardholder must immediately sign the back of the card.
- When utilizing the card to purchase supplies and materials, the cardholder will check as many sources of supply as reasonable to assure best price and delivery.
- If an item is not satisfactory, received in error, damaged, defective, duplicate order, etc., the following steps should be followed:
 1. The cardholder contacts the vendor to obtain authorization to return the item(s). Every vendor is different for return policies; make sure the return meets the vendor's criteria without incurring a restocking fee or shipping and handling fees. If available, the item(s) to be returned should be re-packed in original manufacturer's packaging.
 2. If a vendor has not replaced or corrected the item by the statement cutoff date, then the purchase of that item will be considered in dispute. Attach the completed Dispute form and send as instructed or go to www.securitybankcard.com. Click on COMMERCIAL CARDS and select the Disputes link. Complete the form and submit as requested. A copy of the dispute form should be sent to the Purchasing Office
 3. Standard auditing procedures require retention of receipts and other documentation. As with any transaction you must retain the original itemized sales slips, cash register receipts, invoices, order forms and receiving documents.
 4. Statement cut-off is the 15th of each month. Every cardholder must review their statement for all transactions made on the VISA Purchasing Card.
 5. Reconciled, approved statements and appropriate documentation are due to the Business Office by the 22nd day of each month.

6. If a transaction receipt is misplaced or not received, the cardholder shall be responsible for contacting the vendor and obtaining a duplicate copy of the receipt.
7. Disputed billing can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicated charges, credits not processed, etc.
8. The cardholder is responsible for contacting and following up with the vendor on any erroneous charges or disputed charges as soon as possible. Most issues can be resolved this way. Attach the completed Dispute form and send as instructed or go to www.securitybankcard.com. Click on COMMERCIAL CARDS and select the Disputes link. Complete the form and submit as requested. A copy of the dispute form should be sent to the Purchasing Office

Section 2. All ordinances in conflict herewith are repealed to the extent of the conflict.

PASSED this 14th day of November, 2017

Approved:



Mayor Bart Castleberry

Attest:



Michael O. Garrett
City Clerk/Treasurer

CERTIFICATE

**STATE OF ARKANSAS
COUNTY OF FAULKNER
CITY OF CONWAY**

I, Michael Garrett, the duly elected, qualified, and acting: Clerk-Treasurer of the City of Conway, Arkansas, do hereby certify that the attached and foregoing is a true and correct copy of an ordinance presented to the City Council of the City of Conway, Arkansas, at a meeting of that body held on the 14th day of November, 2017 same is duly recorded in the minutes of meeting of said Council.

Witness, my hand, and seal of the City of Conway, Arkansas this 28th day of November, 2017.


CITY CLERK-TREASURER

Seal

