

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: General Services Agency

BOARD AGENDA # *B-12

Urgent Routine

AGENDA DATE December 20, 2011

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of the Report of Purchasing Card Activity for Fiscal Year 2010 - 2011 and Revisions to the Stanislaus County Purchasing Card Policy

STAFF RECOMMENDATIONS:

1. Approve the report of the Purchasing Card Program activity for Fiscal Year 2010 - 2011.
2. Approve revisions to the Stanislaus County Purchasing Card Policy (Exhibit C).

FISCAL IMPACT:

The review and recommended revisions to the Purchasing Card Program ensures that internal fiscal controls are examined and strengthened on an ongoing basis. For Fiscal Year 2010 - 2011, total purchases of \$2,594,906, representing 14,686 transactions, were processed on Stanislaus County Purchasing Cards. This is a \$220,819 or 7.9% decrease from Fiscal Year 2009 - 2010 purchases of \$2,805,725. The chart of Transaction Amounts by Merchant Category (Exhibit A) was provided by the Auditor-Controller's office. The chart shows the percentage of purchases made in each category.

BOARD ACTION AS FOLLOWS:

No. 2011-784

On motion of Supervisor Chiesa, Seconded by Supervisor De Martini

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, De Martini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of the Report of Purchasing Card Activity for Fiscal Year 2010 – 2011 and Revisions to the Stanislaus County Purchasing Card Policy

Page 2

DISCUSSION:

In September 1994, the Board of Supervisors authorized implementation of a County-wide credit card program. The first County Credit Card Policy was adopted in January 1995 by Resolution 94-65. Since that time, along with the name change, there has been several revisions all designed to clarify, strengthen, and improve the current Stanislaus County Purchasing Card Policy.

The August 12, 2003 revision (Resolution #03-762) authorized an annual review of the Policy by a Purchasing Card Committee, to consist of representatives from the GSA Purchasing Division, Auditor-Controller, County Counsel, and a member of the Public at large. The goal was to modify the Policy as needed, based on input from Committee members, share the draft with Department Heads, obtain their feedback, and present the revised Policy to the Board of Supervisors for adoption. The recommended changes were sent to Department Heads on November 15, 2011, with comments due back by November 28; and presented at the Department Head Meeting on December 14, 2011. All changes requested through this process are reflected in the recommended revisions.

The recommended changes represent only moderate revisions for the Purchasing Card Policy. While the majority of changes are minor, there are two changes that should be noted (additions are underlined in red, deletions are struck through):

1.3 ROLES AND RESPONSIBILITIES

- E. Purchasing Card Committee shall:
~~A review will be completed annually~~ Complete a review every three years, or as needed should an issue arise. ~~The by a Purchasing Card Committee,~~ which will consist of representatives from the GSA Purchasing Division, Auditor-Controller, County Counsel, and a member of the Public at large. This committee will be responsible for reviewing the existing policy and making recommendations for revision.

The committee is proposing that the policy be reviewed every three years, rather than annually, unless an issue arises. This policy has been in effect since 2003, and with the procedures issued separately from the Auditor-Controller's office the Purchasing Card Committee recommends that an annual review is no longer necessary.

2.5 REVIEW/CLOSING OF ACCOUNTS

- A. A review of the purchasing cards assigned to a department should be reviewed by the Department Head, at a minimum, on an annual basis. Assigned department staff has the capability to print or view these reports through the WORKS program. ~~A listing of all Purchasing Cards will be~~

Approval of the Report of Purchasing Card Activity for Fiscal Year 2010 – 2011 and Revisions to the Stanislaus County Purchasing Card Policy

Page 3

~~provided annually to the Department Head by the Auditor-Controller. The listing will include cardholder name and monthly credit limit. The Department Head shall review the need and limit for department Purchasing Cards, including those limits in excess of \$5,000. A change in job task, assignment, or transfer to another division may require modification or termination of the Purchasing Card account.~~

The Bank of America WORKS program allows departments to monitor accounts as needed. It is no longer necessary for departments to wait for a list issued by the Auditor-Controller's office to review accounts and limits. Annual reports should be produced, reviewed and kept with Purchasing Card records in the department. Department training on this function is available through the Auditor-Controller Accounts Payable Division.

The full text of changes is shown in Exhibit B, with the revised policy attached as Exhibit C.

POLICY ISSUES:

The Board of Supervisors' approval of these policies is consistent with the Board's priority of Efficient Delivery of Public Services by providing proper accountability to the Board of Supervisors and the public.

STAFFING IMPACT:

The effort required in revising these policies included input from the Purchasing Card Committee, County Department Heads, as well as recommendations in response to audits performed by Internal Audit Staff.

CONTACT PERSON:

Keith D. Boggs, GSA – Director/Purchasing Agent, 209.525.7640
Donna Riley, GSA – Business Manager, 209.525.7645

EXHIBIT A – Purchasing Card Activity

Stanislaus County - Purchasing Card Program
Transaction Amounts by Merchant Category
Fiscal Year 2010 - 2011

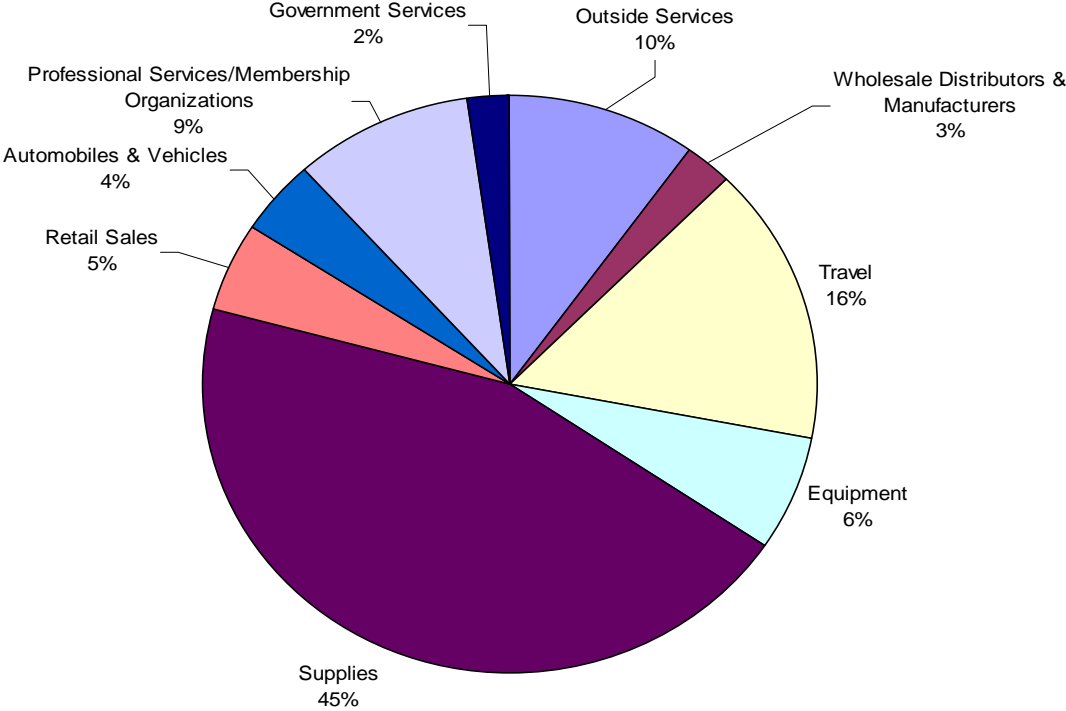


EXHIBIT B – Full Text of Changes



COUNTY OF STANISLAUS

PURCHASING CARD POLICY

Approved by the Stanislaus County

Board of Supervisors

on _____
Resolution # _____

20112010 Revisions

TABLE OF CONTENTS

1.	INTRODUCTION	
1.1	BACKGROUND	1
1.2	POLICY STATEMENT	1
1.3	ROLES AND RESPONSIBILITIES	1
2.	POLICIES	
2.1	PURCHASING CARD ISSUANCE – AUTHORIZATION	3
2.2	COORDINATION WITH OTHER COUNTY POLICIES	4
2.3	PURCHASING CARD USAGE AND RESTRICTIONS	4
2.4	COUNTY ASSETS	6
2.5	REVIEW/CLOSING OF ACCOUNTS	6
2.6	COSTCO MEMBERSHIP AND CREDIT CARDS	7
2.7	UNAUTHORIZED CREDIT CARDS	7

1. INTRODUCTION

1.1 BACKGROUND

Per Board Resolution 2003-762, approved by the Board of Supervisors on August 12, 2003, a review will be completed annually by a Purchasing Card Committee, consisting of representatives from the ~~Purchasing Division, now part of the~~ General Services Agency (GSA) - Purchasing Division, Auditor-Controller, County Counsel, and a member of the Public at Large. This committee will be responsible for reviewing the existing policy and making recommendations for revision. The revised policy for ~~2011~~²⁰¹⁰ includes recommendations made by the Purchasing Card Committee, including that the County Purchasing Card Policy be reviewed every three years, rather than annually. The Purchasing Card Procedures have been separated from the policy to allow for more timely updates, in keeping with software and other procedural changes.

County Department Heads are accountable to the Board of Supervisors and the public for the funds and assets entrusted to them. Each County Department Head is responsible for administering the basic County Purchasing Card Policy in accordance with policy guidelines and any other policies applicable to the goods and services being purchased.

1.2 POLICY STATEMENT

The purchasing card program is designed to streamline the purchasing and accounts payable process by reducing the paperwork generated by small dollar, high volume transactions, eliminating the need for purchase orders and facilitating timely procurement of goods and services.

1.3 ROLES AND RESPONSIBILITIES

Cardholder shall:

1. Comply with all provisions of the Purchasing Card Policy and those adopted by your Department Head or designee (Department Head) governing Purchasing Cards. (Failure to comply may result in disciplinary action, including termination.)
2. Maintain security of card and card number.
3. Comply with County procurement procedures and policies as issued by the GSA Purchasing Division to ensure the best price is obtained for the County.
4. Obtain credit on the purchasing card from merchant for ~~on~~-returned goods or discounts. Cash or gift cards may not be accepted from a merchant to maintain transaction integrity.
5. Immediately report to your Department Head if the card has been lost, stolen or you believe the card may have been compromised.

6. Maintain notes on actions taken with dates and name of the person spoken to whenever there is a disputed transaction. Assist the County in resolving disputed charges with vendor/Master Card.

Department Head shall:

1. ~~The Department Head shall identify his/her~~ Identify their designee in writing and maintain a record of such for five (5) years.
2. Annually, determine need and limit for department Purchasing Cards, including those limits in excess of \$5,000. This review shall be signed and dated by the Department Head, then maintained with Purchasing Card records for five (5) years.
3. Approve limits of less than \$5,000.
4. Ensure that charges incurred by staff against the Purchasing Card are in compliance with the Purchasing Card Policy and deemed an appropriate use of public funds.
5. Ensure the timely reconciliation of the Purchasing Card statements.
6. Review all department charges made against Purchasing Cards each month for appropriateness and authenticity.
7. Request modifications to Purchasing Card as cardholder duties and responsibilities change. These modifications may include cancellation of card, monthly limit, address and name changes.
8. Request cancellation of Purchasing Card Account upon termination of employment.

Purchasing Agent (General Services Agency) shall:

1. ~~The Purchasing Agent shall identify his/her~~ Identify their designee in writing and maintain a record of such for five (5) years.
2. Coordinate the Purchasing Card Policy with the Purchasing Card Committee.
3. Approve issuance of all Purchasing Card limits of \$5,000 or more, including those instances when more than one card is assigned to a cardholder, resulting in a cumulative limit of \$5,000 or more.
4. Maintain the listing of Master Agreements posted on the Stanislaus County intranet site. Develop a program to identify recommended vendors offering preferred pricing to County departments.

Auditor-Controller shall:

1. ~~The Auditor-Controller shall identify his/her~~ Identify their designee in writing and maintain a record of such for five (5) years.
2. Post charges to department accounts.
3. Issue Purchasing Cards following approval by Department Head and Purchasing Agent if required.
4. Perform annual audit of Purchasing Card Program providing audit results to the Department, Grand Jury, and Board of Supervisors.
5. Cancel Purchasing Card accounts upon termination of cardholder's employment.

6. Annually, create and maintain the administrative procedures for the day-to-day operation of the Program in accordance with the policy and applicable laws and accounting best practices.

Purchasing Card Committee shall:

A Complete a review will be completed annually every three years, or as needed should an issue arise. by aThe Purchasing Card Committee, which will consist of representatives from the GSA Purchasing Division, Auditor-Controller, County Counsel, and a member of the Public at large. This committee will be responsible for reviewing the existing policy and making recommendations for revision.

Misuse of Purchasing Card

It is the responsibility of the Department Head to ensure that all purchases are reconciled and approved and that expenditures are appropriate. In the event that misuse is identified:

1. The Department Head will immediately notify the Deputy Executive Officer for Human Resources regarding the misuse.
2. The Deputy Executive Officer will inform the Chief Executive Officer and confer with County Counsel.
3. The Department Head will determine the appropriate disciplinary action after consultation with the Deputy Executive Officer for Human Resources and County Counsel, which may include termination, and may result in criminal prosecution.
4. In all cases, the cardholder is required to reimburse the County.

2. POLICIES

2.1 PURCHASING CARD ISSUANCE - AUTHORIZATION

- A. Department Heads are responsible for ensuring that cardholders in their department utilize the Purchasing Cards in accordance with this policy.
- B. If necessary to meet the needs of the department, the Department Head may approve assigning more than one Purchasing Card to a cardholder; however, the cumulative amount shall not exceed \$5,000 per monthly use basis, unless authorized by the Purchasing Agent. Cardholders who sit on outside boards (Retirement, etc.) are authorized to have more than one card up to the approved limits for each entity.
- C. If another board adopts their own purchase limits, the Auditor-Controller's Office will follow those limits when auditing, provided the entity has a written policy in place. Otherwise, they must abide by the County's policy and limits.

2.2 COORDINATION WITH OTHER COUNTY POLICIES

The County Purchasing Card Policy purchases are to be in accordance with the Purchasing Card Policy guidelines and any other County policies applicable to the goods and services being purchased, including, but not limited to:

- A. County Travel Policy, with respect to travel expenses;~~All travel expenses must comply with the County Travel Policy.~~
- B. Applicable Purchases ~~are to abide by applicable safety standards and codes;~~
- C. County standards for ~~Prior to purchasing~~ radio communication equipment. Departments are encouraged to contact Stanislaus Regional 911 prior to purchasing to ensure compliance; ~~to be sure it complies with County standards.~~
- D. County technology standards for ~~The~~ the purchase of computers, printers, and other peripheral equipment, cellular phones and telephone equipment, and software; ~~must be consistent with current County technology standards.~~
- E. The ~~Be aware of conflict of interest issues and the~~ County Code of Ethics, approved by Resolution #2005-675 on August 23, 2005, as they pertain to purchasing of goods and services; and
- F. Contracting, Use of the Purchasing Card, ~~as a method of payment does not eliminate the need to comply with contracting, public works, or uniform accounting procedures.~~

2.3 PURCHASING CARD USAGE AND RESTRICTIONS

- A. Using the Purchasing Card
 - 1. County Purchasing Cards may be used to purchase goods and services costing less than \$5,000 per item, including taxes, shipping, etc. Departments must assure they are making the most economical purchase that meets their needs as well as the requirements of other interrelated departments. All County Purchasing Card users must follow the GSA Purchasing Division Policies and Procedures Manual and Customer Service Guide.
 - 2. Items costing \$5,000 or more may **not** be 'split' between multiple charges and/or cards to avoid credit limits or asset limit policies.
 - 3. Additional Purchasing Guidelines are as follows:
 - a. Cardholders shall obtain a minimum of three competitive quotes on all items exceeding \$1,000, when possible or reasonable. Quotes shall

be supported by written documentation and maintained by the department for 5 years.

- b. Cardholders shall consult ~~Consult~~ with the GSA Purchasing Division prior to purchasing goods or services with a County Purchasing Card to see what may already be arranged through contracts that could be more cost effective (greater discounts). Use GSA Purchasing Division contracts when they exist except in cases of emergency as provided for in the County Ordinance.
- c. The County has entered into master purchasing agreements with specific office supply companies. Currently, these purchasing agreements are with:

Independent Stationers/Warden's Office Supply Depot
Staples

Purchasing card purchases of office supplies should be limited to the above office supply vendors. If the Department required product is not available, or a lower-cost, substitutable product is available from an alternative vendor, subsequent to the purchase, the Department is to contact GSA Purchasing so the master purchasing agreement product/price list can be negotiated.

- d. Cardholders shall identify themselves ~~Identify yourself~~ as a representative of Stanislaus County to receive government discount pricing.

B. Limitations/Restrictions

1. County Purchasing Card charges are subject to the limitation that sufficient funds are available in the department's budget to cover all charges, the expense provides a public benefit and is in accordance with the County Travel Policy and County Ordinance, and is incurred while performing official duties.
2. Allowable charges shall not exceed the approved credit limit established by the Department Head for that specific purchasing card.
3. County Purchasing Cards must never be used for personal purposes. Should a County Purchasing Card inadvertently be used for an unallowable purpose, the cardholder shall immediately notify their supervisor and reimburse the County. NOTE: County Purchasing Card accounts must never be used to represent personal credit worthiness to obtain a personal credit card account.
4. Purchasing Card expenditures for spouses, traveling companions, or any unauthorized individual (including travel expenses for airline tickets, meals, hotel accommodations, etc.) are prohibited.
5. County Purchasing Cards must never be used to receive cash advances.

6. Cardholders are cautioned not to carry the County Purchasing Card during off duty hours (i.e. on vacation).
7. A cardholder may not lend their assigned County Purchasing Card to another individual for their use. One cardholder may charge County business items on their his/her card for another County employee, such as hotel or airline reservations, conference registrations, or County-related meals. If a cardholder delegates another employee to make purchases on the cardholder's card, the cardholder is still responsible for all charges placed on their his/her card.
8. County Purchasing Cards are not to be used to purchase fuel, for private vehicles except where exempt by contract. Payroll reimbursement for mileage covers private vehicle use, according to the County Travel Policy limits and guidelines.
9. County Purchasing Cards may be used to fuel rental vehicles when a cardholder is using the rental vehicle for official County business and a Card Lock Fuel Program station is not available.
10. For motor pool or department owned vehicles County Card Lock Fuel Program stations should be utilized to purchase fuel in order to reduce County costs. Purchasing Cards may be used if there is not a Card Lock Program station available.
11. All Purchasing Card charges are subject to annual audit requirement.
12. Department Head and Elected Officials transactions will be subject to audit by the Auditor/Controller's Office ~~Internal Audit Division~~ and the results reviewed by the Chief Executive Officer and/or the Board of Supervisors. The Chief Executive Officer and/or the Board of Supervisors, at their discretion, may review Purchasing Card use by the Department Heads and Elected Officials at any time.
13. Intentional misuse of a County Purchasing Card may result in disciplinary action, including termination, and may result in criminal prosecution.
14. To mitigate any appearance of a conflict of interest, employees are not to make County purchases at an O'Brien's Market. This provision does not include any personal purchases employees make at any of these stores.

2.4 COUNTY ASSETS

All purchases of County assets and inventoriable equipment must comply with the Auditor-Controller Capital Asset Inventory policy.

2.5 REVIEW/CLOSING OF ACCOUNTS

- B. A review of the purchasing cards assigned to a department should be reviewed by the Department Head, at a minimum, on an annual basis. Assigned department staff has the capability to print or view these reports through the WORKS program. A listing of all Purchasing Cards will be provided annually to the Department Head by the Auditor-Controller. The

~~listing will include cardholder name and monthly credit limit. The Department Head shall review the need and limit for department Purchasing Cards, including those limits in excess of \$5,000. A change in job task, assignment, or transfer to another division may require modification or termination of the Purchasing Card account.~~

- C. Cardholders must return their County Purchasing Cards to the respective department before a cardholder's date of termination.
- D. Departments are directly responsible for canceling Purchasing Cards when a cardholder leaves service or a card is lost or stolen. A staff termination, change of duties, or other reason may necessitate cancellation or credit limit modification of a Purchasing Card.

2.6 COSTCO MEMBERSHIPS AND CREDIT CARDS

- A. County departments, with Department Head approval, may apply for a business membership with Costco Wholesale. Purchases made at Costco outlets with department memberships are restricted to business use only. Personal purchases are not allowed. Departments are responsible for submitting claims to pay off their Costco Credit Card balances in a timely manner to avoid interest charges.
- B. This Purchasing Card Policy applies to the use of Costco Credit Cards. Issuance, maintenance, and cancellation are the responsibility of the department approving the card. Costco American Express cards are not allowed.

2.7 UNAUTHORIZED CREDIT CARDS

Individuals and departments are not to apply for credit cards in the County or department's name, except for the Costco Membership and credit card, or as authorized by the Board of Supervisors.



COUNTY OF STANISLAUS
PURCHASING CARD POLICY

***Approved by the Stanislaus County
Board of Supervisors***

on _____
Resolution # _____

2011 Revisions

TABLE OF CONTENTS

1.	INTRODUCTION	
1.1	BACKGROUND	1
1.2	POLICY STATEMENT	1
1.3	ROLES AND RESPONSIBILITIES	1
2.	POLICIES	
2.1	PURCHASING CARD ISSUANCE – AUTHORIZATION	3
2.2	COORDINATION WITH OTHER COUNTY POLICIES.....	4
2.3	PURCHASING CARD USAGE AND RESTRICTIONS	4
2.4	COUNTY ASSETS	6
2.5	REVIEW/CLOSING OF ACCOUNTS.....	6
2.6	COSTCO MEMBERSHIP AND CREDIT CARDS	7
2.7	UNAUTHORIZED CREDIT CARDS.....	7

1. INTRODUCTION

1.1 BACKGROUND

Per Board Resolution 2003-762, approved by the Board of Supervisors on August 12, 2003, a review will be completed annually by a Purchasing Card Committee, consisting of representatives from the General Services Agency (GSA) - Purchasing Division, Auditor-Controller, County Counsel, and a member of the Public at Large. This committee will be responsible for reviewing the existing policy and making recommendations for revision. The revised policy for 2011 includes recommendations made by the Purchasing Card Committee, including that the County Purchasing Card Policy be reviewed every three years, rather than annually. The Purchasing Card Procedures have been separated from the policy to allow for more timely updates, in keeping with software and other procedural changes.

County Department Heads are accountable to the Board of Supervisors and the public for the funds and assets entrusted to them. Each County Department Head is responsible for administering the basic County Purchasing Card Policy in accordance with policy guidelines and any other policies applicable to the goods and services being purchased.

1.2 POLICY STATEMENT

The purchasing card program is designed to streamline the purchasing and accounts payable process by reducing the paperwork generated by small dollar, high volume transactions, eliminating the need for purchase orders and facilitating timely procurement of goods and services.

1.3 ROLES AND RESPONSIBILITIES

A. Cardholder

1. Comply with all provisions of the Purchasing Card Policy and those adopted by your Department Head or designee (Department Head) governing Purchasing Cards. (Failure to comply may result in disciplinary action, including termination.)
2. Maintain security of card and card number.
3. Comply with County procurement procedures and policies as issued by the GSA Purchasing Division to ensure the best price is obtained for the County.
4. Obtain credit on the purchasing card from merchant for returned goods or discounts. Cash or gift cards may not be accepted from a merchant as to maintain the transaction integrity.
5. Immediately report to your Department Head if the card has been lost, stolen or you believe the card may have been compromised.

6. Maintain notes on actions taken with dates and name of the person spoken to whenever there is a disputed transaction. Assist the County in resolving disputed charges with vendor/Master Card.

B. Department Head

1. The Department Head shall identify their designee in writing and maintain a record of such for five (5) years.
2. Annually, determine need and limit for department Purchasing Cards, including those limits in excess of \$5,000. This review shall be signed and dated by the Department Head, then maintained with Purchasing Card records for five (5) years.
3. Approve limits of less than \$5,000.
4. Ensure that charges incurred by staff against the Purchasing Card are in compliance with the Purchasing Card Policy and deemed an appropriate use of public funds.
5. Ensure the timely reconciliation of the Purchasing Card statements.
6. Review all department charges made against Purchasing Cards each month for appropriateness and authenticity.
7. Request modifications to Purchasing Card as cardholder duties and responsibilities change. These modifications may include cancellation of card, monthly limit, address and name changes.
8. Request cancellation of Purchasing Card Account upon termination of employment.

C. Purchasing Agent (General Services Agency)

1. The Purchasing Agent shall identify their designee in writing and maintain a record of such for five (5) years.
2. Coordinate the Purchasing Card Policy with the Purchasing Card Committee.
3. Approve issuance of all Purchasing Card limits of \$5,000 or more, including those instances when more than one card is assigned to a cardholder, resulting in a cumulative limit of \$5,000 or more.
4. Maintain the listing of Master Agreements posted on the Stanislaus County intranet site.

D. Auditor-Controller

1. The Auditor-Controller shall identify their designee in writing and maintain a record of such for five (5) years.
2. Post charges to department accounts.
3. Issue Purchasing Cards following approval by Department Head and Purchasing Agent if required.
4. Perform annual audit of Purchasing Card Program providing audit results to the Department, Grand Jury, and Board of Supervisors.
5. Cancel Purchasing Card accounts upon termination of cardholder's employment.

6. Annually, create and maintain the administrative procedures for the day-to-day operation of the Program in accordance with the policy and applicable laws and accounting best practices.

E. Purchasing Card Committee

A review will be completed every three years, or as needed should an issue arise, by a Purchasing Card Committee, which will consist of representatives from the GSA Purchasing Division, Auditor-Controller, County Counsel, and a member of the Public at large. This committee will be responsible for reviewing the existing policy and making recommendations for revision.

F. Misuse of Purchasing Card

It is the responsibility of the Department Head to ensure that all purchases are reconciled and approved and that expenditures are appropriate. In the event that misuse is identified:

1. The Department Head will immediately notify the Deputy Executive Officer for Human Resources regarding the misuse.
2. The Deputy Executive Officer will inform the Chief Executive Officer and confer with County Counsel.
3. The Department Head will determine the appropriate disciplinary action after consultation with the Deputy Executive Officer for Human Resources and County Counsel, which may include termination, and may result in criminal prosecution.
4. In all cases, the cardholder is required to reimburse the County.

2. POLICIES

2.1 PURCHASING CARD ISSUANCE - AUTHORIZATION

- A. Department Heads are responsible for ensuring that cardholders in their department utilize the Purchasing Cards in accordance with this policy.
- B. If necessary to meet the needs of the department, the Department Head may approve assigning more than one Purchasing Card to a cardholder; however, the cumulative amount shall not exceed \$5,000 per monthly use basis, unless authorized by the Purchasing Agent. Cardholders who sit on outside boards (Retirement, etc.) are authorized to have more than one card up to the approved limits for each entity.
- C. If another board adopts their own purchase limits, the Auditor-Controller's Office will follow those limits when auditing, provided the entity has a written policy in place. Otherwise, they must abide by the County's policy and limits.

2.2 COORDINATION WITH OTHER COUNTY POLICIES

The County Purchasing Card Policy purchases are to be in accordance with Purchasing Card Policy guidelines and any other County policies applicable to the goods and services being purchased, including, but not limited to:

- A. County Travel Policy, with respect to travel expenses;
- B. Applicable safety standards and codes;
- C. County standards for radio communication equipment; Departments are encouraged to contact Stanislaus Regional 911 prior to purchasing to ensure compliance
- D. County technology standards for purchase of computers, printers, and other peripheral equipment, cellular phones and telephone equipment, and software;
- E. The County Code of Ethics, approved by Resolution #2005-675 on August 23, 2005, as they pertain to purchasing of goods and services.
- F. Contracting, public works, or uniform accounting procedures.

2.3 PURCHASING CARD USAGE AND RESTRICTIONS

A. Using the Purchasing Card

1. County Purchasing Cards may be used to purchase goods and services costing less than \$5,000 per item, including taxes, shipping, etc. Departments must assure they are making the most economical purchase that meets their needs as well as the requirements of other interrelated departments. All County Purchasing Card users must follow the GSA Purchasing Division Policies and Procedures Manual and Customer Service Guide.
2. Items costing \$5,000 or more may **not** be 'split' between multiple charges and/or cards to avoid credit limits or asset limit policies.
3. Additional Purchasing Guidelines are as follows:
 - a. Cardholders shall obtain a minimum of three competitive quotes on all items exceeding \$1,000, when possible or reasonable. Quotes shall be supported by written documentation and maintained by the department for 5 years.
 - b. Cardholders shall consult with the GSA Purchasing Division prior to purchasing goods or services with a County Purchasing Card to see what may already be arranged through contracts that could be more cost effective (greater discounts). Use GSA Purchasing Division contracts when they exist except in cases of emergency as provided for in the County Ordinance.

- c. The County has entered into master purchasing agreements with specific office supply companies. Currently, these purchasing agreements are with:

Independent Stationers/Warden's Office Supply
Staples

Purchasing card purchases of office supplies should be limited to the above office supply vendors. If the Department required product is not available, or a lower-cost, substitutable product is available from an alternative vendor, subsequent to the purchase, the Department is to contact GSA Purchasing so the master purchasing agreement product/price list can be negotiated.

- d. Cardholders shall identify themselves as a representative of Stanislaus County to receive government discount pricing.

B. Limitations/Restrictions

1. County Purchasing Card charges are subject to the limitation that sufficient funds are available in the department's budget to cover all charges, the expense provides a public benefit and is in accordance with the County Travel Policy and County Ordinance, and is incurred while performing official duties.
2. Allowable charges shall not exceed the approved credit limit established by the Department Head for that specific purchasing card.
3. County Purchasing Cards must never be used for personal purposes. Should a County Purchasing Card inadvertently be used for an unallowable purpose, the cardholder shall immediately notify their supervisor and reimburse the County. NOTE: County Purchasing Card accounts must never be used to represent personal credit worthiness to obtain a personal credit card account.
4. Purchasing Card expenditures for spouses, traveling companions, or any unauthorized individual (including travel expenses for airline tickets, meals, hotel accommodations, etc.) are prohibited.
5. County Purchasing Cards must never be used to receive cash advances.
6. Cardholders are cautioned not to carry the County Purchasing Card during off duty hours (i.e. on vacation).
7. A cardholder may not lend their assigned County Purchasing Card to another individual for their use. One cardholder may charge County business items on their card for another County employee, such as hotel or airline reservations, conference registrations, or County-related meals. If a cardholder delegates another employee to make purchases on the cardholder's card, the cardholder is still responsible for all charges placed on their card.

8. County Purchasing Cards are not to be used to purchase fuel, for private vehicles except where exempt by contract. Payroll reimbursement for mileage covers private vehicle use, according to the County Travel Policy limits and guidelines.
9. County Purchasing Cards may be used to fuel rental vehicles when a cardholder is using the rental vehicle for official County business and a Card Lock Fuel Program station is not available.
10. For motor pool or department owned vehicles County Card Lock Fuel Program stations should be utilized to purchase fuel in order to reduce County costs. Purchasing Cards may be used if there is not a Card Lock Program station available.
11. All Purchasing Card charges are subject to annual audit requirement.
12. Department Head and Elected Officials transactions will be subject to audit by the Auditor/Controller's Office and the results reviewed by the Chief Executive Officer and/or the Board of Supervisors. The Chief Executive Officer and/or the Board of Supervisors, at their discretion, may review Purchasing Card use by the Department Heads and Elected Officials at any time.
13. Intentional misuse of a County Purchasing Card may result in disciplinary action, including termination, and may result in criminal prosecution.
14. To mitigate any appearance of a conflict of interest, employees are not to make County purchases at an O'Brien's Market. This provision does not include any personal purchases employees make at any of these stores.

2.4 COUNTY ASSETS

All purchases of County assets and inventorable equipment must comply with the Auditor-Controller Capital Asset Inventory policy.

2.5 REVIEW/CLOSING OF ACCOUNTS

- A. A review of the purchasing cards assigned to a department should be reviewed by the Department Head at a minimum on an annual basis. Assigned department staff has the capability to print or view these reports through the WORKS program. A change in job task, assignment, or transfer to another division may require modification or termination of the Purchasing Card account.
- B. Cardholders must return their County Purchasing Cards to the respective department before a cardholder's date of termination.
- C. Departments are directly responsible for canceling Purchasing Cards when a cardholder leaves service or a card is lost or stolen. A staff termination, change of duties, or other reason may necessitate cancellation or credit limit modification of a Purchasing Card.

2.6 COSTCO MEMBERSHIPS AND CREDIT CARDS

- A. County departments, with Department Head approval, may apply for a business membership with Costco Wholesale. Purchases made at Costco outlets with department memberships are restricted to business use only. Personal purchases are not allowed. Departments are responsible for submitting claims to pay off their Costco Credit Card balances in a timely manner to avoid interest charges.
- B. This Purchasing Card Policy applies to the use of Costco Credit Cards. Issuance, maintenance, and cancellation are the responsibility of the department approving the card. Costco American Express cards are not allowed.

2.7 UNAUTHORIZED CREDIT CARDS

Individuals and departments are not to apply for credit cards in the County or department's name, except for the Costco Membership and credit card, or as authorized by the Board of Supervisors.