



Procurement Procedure

SUBJECT: Procurement Card Program

No. P-9

Effective: February 23, 2011

Revised: February 23, 2016

Approved: Constance P. Sanchez
Constance P. Sanchez
Director of Finance

I. PURPOSE

Establish a City-wide procedure for the use of City issued procurement cards (P-Cards) and establish guidelines for administration of the procurement card program. The procurement card program is targeted at providing flexibility in obtaining low dollar goods and services while maintaining fluidity at the department level.

II. SCOPE

This procedure applies to all City personnel, regardless of pay status or level, who has been assigned a P-Card or is assigned to review, approve, or manage the use of P-Cards. Purchases made under this procedure must also comply with the requirements of procedure P-7.

III. DEFINITIONS

- A. Approver** – The Approver is responsible for pre-approving all cardholder transactions prior to purchase.
- B. Cardholder** – A Cardholder is a City employee who has been authorized and approved to utilize the P-Card for City purchases of goods and services necessary to perform work activities.
- C. Card Provider** – A card provider is a financial institution that issues procurement cards (P-Cards) used by the City.
- D. Component Transaction** – Purchases of the component parts of an item that in normal purchasing practices would be completed as a single transaction.

- E. Department Coordinator** – The liaison between the Cardholder, the Department Director and/or designee, Reconciler, Approver, and Program Administrator who is primarily responsible for the submission of needed documentation to the Program Administrator(s) upon request and maintenance of departmental records for all P-Card transactions.
- F. Reconciler-** The Reconciler, who is authorized by the Department Director, has the responsibility to reconcile the Cardholder(s) statements within their department.
- G. Departmental Records** – Departmental records will consist of records as specified in the program's procedures and guidelines. Examples of such records are approver agreement, cardholder agreement, employee application, account maintenance form, transaction documentation, cardholder activity statement, approver's validation of cardholder activity statement, department transaction summary report, reconciliations, procurement card procedure, etc.
- H. Procurement Card (herein referred to as "P-Card")** – A procurement card is a commercial credit card with restricted dollar limitations and assignment of restricted categories of goods and services. A procurement card is referred to as the P-Card for the City Procurement Card Program.
- I. Program Administrator(s)** – The Procurement Manager, who is authorized by the Director of Financial Services, has the responsibility and authority to oversee and regulate the P-Card Program as the Program Administrator. He or she can designate additional Program Administrators to facilitate the oversight of the program.
- J. Separate Transaction** – Purchases, made separately, of items that in normal purchasing practices would be completed as a single transaction.
- K. Sequential Transaction** – Purchases made over a period, of items that under normal purchasing practices would be completed as a single transaction.
- L. Transaction** - A transaction made by means of the P-Card.
- M. Transaction Documentation** – Transaction documentation may consist of any of the following, but not limited to, a sales or charge ticket/slip, sales invoice, credit memo/slip, delivery or receiving ticket/slip, cash register receipt, order form, online receipt of confirmation notice, etc.
- N. Separation of Duties:** Proper separation of duties shall be maintained for the P-Card Program. Key duties such as making purchases (Cardholders),

authorization and certification of funds/ payments (Approvers), reviewing and auditing functions (P-Card Administrator(s) and Reconciler) will be assigned to different individuals to ensure proper management controls.

- a. A total number of transactions as well as the number of assigned cardholders must be considered when determining an acceptable cardholder to approver/reconciler ratio.

IV. PROGRAM LEVELS

A. Financial Services Department

1. The Procurement Manager, or designee, has overall responsibility over the Procurement Card Program. Responsible for the direct oversight of the Purchasing Division, will designate a Program Administrator(s) for citywide administration of this program.
2. The Purchasing Division Program Administrator(s) has the day-to-day responsibility for the management and oversight of the Procurement Card Program. The Program Administrator will function as the primary point of contact for the Department Directors, Approvers, Reconcilers, Department Coordinators, and Cardholders.
3. Among the Program Administrator(s) responsibilities is the issuance and deactivation of P-Cards, monitoring program transactions, creating and maintaining administrative recordkeeping in accordance with the approved record retention schedules, reconciling monthly billings from the card provider to financial records, performing fact-finding inquiries, conducting compliance reviews, and functioning as the program training instructor(s).
4. The Program Administrator(s) is required to comply with Procurement Card Program Procedure and Guidelines.

B. The **Procurement Manager** is responsible for direct oversight of the Purchasing Division:

1. Establishes, monitors, and administers P-Card procedures consistent with City and purchasing procedures.
2. Proactively prepares modifications to strengthen Procurement Procedure(s) as needed.
3. Supervises and provides support and guidance to the P-Card Program Administrator.

4. Promotes the P-Card program throughout the City to expand its use as the preferred payment method for appropriate transactions of the City.
 5. Ensures adequate back-up staff is available and trained for emergencies or employee absences.
 6. Ensures adequate training is provided for P-Card Program Administrator(s), as well as other City personnel.
- C. **Program Administrator** – Individual(s) designated by the Procurement Manager have the following responsibilities:
1. The Program Administrator is responsible for approving or declining P-Card requests and notifying the coordinator of said decision.
 2. The Program Administrator is responsible for monitoring and maintaining the integrity of the P-Card program.
 3. The Program Administrator monitors transactions periodically, paying attention to indications of separate, sequential, component or other questionable transactions.
 4. The Program Administrator must notify coordinators in the event of non-compliance and work with coordinators to resolve any issues.
 5. The Program Administrator expands the P-Card program whenever there are efficiencies to be gained as long as internal control is not compromised and the Purchasing Procedure is still maintained.
 6. The Program Administrator ensures that payment to the card provider is done accurately and on time.
 7. The Program Administrator is responsible for coordinating changes to the Cardholder's status, new cardholder applications, and issuance of new or replacement cards, and any administrative action necessary with respect to the program.
 8. The Program Administrator will publish and distribute program changes to appropriate departmental personnel.
 9. The Program Administrator will conduct yearly departmental compliance reviews and random reviews on a continual basis.
 10. The Program Administrator is expected to respond to any questions regarding the P-Card program.

11. The Program Administrator will receive and safeguard all credit cards issued by the bank until released to the Cardholder or Department Coordinator.
12. The Program Administrator will contact Department Coordinators and/or Cardholders when new cards arrive.
13. Prior to receiving a P-Card, the Cardholder must attend a mandatory training session administered by the P-Card Program Administrator. During training, each Cardholder will receive a cardholder agreement that will outline the responsibilities of the individual and indicate the maximum dollar amount allowed for each single purchase and outline the Cardholder's monthly spending limit.
14. The Program Administrator will file and retain all cardholder agreements. Cardholder agreements should be retained for five (5) years, or until replaced by a new cardholder agreement. The issuance of a new cardholder agreement may result for several reasons: internal restructuring, transfer between departments, reissuance of a new replacement card.
15. The Program Administrator must verify to whom the cards are released to. P-Cards may only be released to the Cardholder, the Department Coordinator, or the Departmental Approver.
16. The Program Administrator is expected to avoid conflicts of interest. They should take themselves "out of the loop" (recuse) whenever there is a family member that has a request pending. Program Administrators will not sign off on transactions at the Cardholder, Coordinator, or Approver level for a family member's P-Card charges, nor will they approve Purchase Requests or change card profiles for family members. Family members are defined under City Policy HR 4.0, Classification and Compensation, Section V, Paragraph J.
17. The P-Card Program Administrator will escalate P-Card transactions that have been flagged to the Assistant City Manager, Deputy City Manager, City Manager, or Mayor for final review and approval.
18. The Program Administrator will conduct new and annual trainings for all Department Coordinators, Approvers, Cardholders, Reconcilers, and Assistant City Managers, City Managers, Deputy City Manager, and Mayor.

D. Mayor, City Manager, Deputy City Manager, and Assistant City Managers

1. The Mayor, City Manager, Deputy City Manager, and Assistant City Manager(s) shall review and approve all departmental requests for exceptions to procedure by their respective direct reports and/or directors under their administration.
2. The Mayor, City Manager, Deputy City Manager, and Assistant City Manager(s) shall be notified, in writing, of violations of policies by their respective direct reports and/or directors under their administration.
3. The Mayor, City Manager, Deputy City Manager, and Assistant City Manager(s) shall approve new card requests and shall annually approve the annual list of cards that are submitted by their respective direct reports and/or directors under their administration.
4. City Manager, Deputy City Manager, and Assistant City Manager(s) shall approve all change requests for P-Card accounts in writing.
5. Attends annual training on the procurement card procedure.

E. Mayor

1. The Mayor or designee shall approve all requests and authorizations for the City Manager, City Secretary's Office, Municipal Court-Judicial, and Internal Auditors Office.
2. The Mayor or designee shall review and approve all requests for exceptions to procedure by the City Manager, City Secretary's Office, Municipal Court-Judicial, and Internal Auditor's Office.
3. The Mayor or designee shall be notified, in writing, of violations of policies by the City Manager, City Secretary Office, Municipal Court-Judicial, and Internal Auditor's Office.
4. The Mayor or designee shall approve new card requests and shall annually approve the annual list of cards that is submitted by the City Managers, City Secretary's Office, Municipal Court-Judicial, and the Internal Auditor's Office.
5. Attends annual training on the procurement card procedure.

F. Department Directors

1. Department Directors and/or designee(s) are responsible for all P-Card transactions charged against their respective budgets. Responsibility includes, but is not limited to: (1) verification that all P-Card transactions charged against their respective budgets are appropriate for the function performed by the department, (2) verification that each item or service charged against their respective budgets is actually used for City business, (3) verification that the item or service charged against their respective budgets is needed at the time the P-Card transaction occurs, and (4) verification that all P-Card transactions charged against their respective budgets are appropriated and available to pay for the P-Card transaction.
2. Department Directors will decide who, within their departments, will receive a P-Card. Department Directors will sign each employee P-Card application.
3. Department Directors will comply with the established guidelines on the number of cards available to be issued within their respective department, which is based on the number of employees.
4. Department Directors will authorize all requests for activation and deactivation of P-Cards.
5. The Department Director(s) and/or designee responsibilities include the review, monitoring, and approval of P-Card transactions made on behalf of the City by department and division personnel.
6. Any special request for higher transaction limits shall be approved by the Department Director, Finance Director, Procurement Manager, and then by the Assistant City Manager, Deputy City Manager, City Manager, or Mayor over the department.
7. The Department Director may designate an Assistant Director or Senior Manager to perform the review of P-Card transactions, including editing of charge codes and preliminary approval.
8. The Department Director will appoint Departmental Reconciler(s) to review all purchases for policy compliance.
9. The Department Directors, Assistant Directors, and Senior Division Managers are required to comply with Procurement Card Program Procedure and guidelines.

10. Has read this procedure and completed the required acknowledgement form.

11. Attends annual training on the Procurement Card Procedure.

G. Department Coordinator

1. The Department Coordinator, (hereinafter referred to as "Coordinator") as designated by Department Director, is responsible for reviewing all P-Card transactions charged against the department budget. Coordinators shall review the status of each Cardholder in the department. They are the liaison(s) between Department Cardholders and Department Directors.
2. Coordinators must ensure that the job functions have appropriate security level and assess on a regular basis if the job function requires a P-Card cancellation.
3. Coordinators are responsible for all card requests and cancellations, as well as, reviewing changes to the account codes charged.
4. Coordinators are responsible for reviewing and assessing the accuracy of P-Card transactions and supporting documents along with verification of proper approval signatures.
5. The Coordinators are responsible for following the approved Purchasing Division Retention Schedules and retaining all P-card transaction documentation for the fiscal end plus five years.
6. Coordinators are responsible for ensuring proper training of the department's Cardholders, Reconcilers, and Approvers. Coordinators should be well versed in the policies and procedures of the P-Card program and should be able to answer most questions presented to them regarding program procedures and P-Card software. Coordinators should assist in coordinating training events with the Program Administrator, and direct Cardholders to available training materials located on the shared drive.
7. Coordinators are responsible for responding to requests for information from the P-Card Program Administrator(s) and are responsible for disseminating information to Cardholders and Approvers, per the request of the Program Administrator.
8. Coordinators shall avoid conflicts of interest. They shall take themselves "out of the loop" (recuse) whenever there is a family member that is a

Cardholder or Approver. Departments shall find an alternate Coordinator/Approver to review these transactions.

9. The Coordinator shall ensure the Program Administrator is notified if the Approver listed on the P-Card application is replaced.
10. Attends annual training on the procurement card procedure.

H. Approver

1. The Approver is responsible for pre-approving all cardholder transactions. The preferred Pre-Approval Form is located on the shared drive. Any customized department Pre-Approval Form must be approved by the Program Administrator.
2. Department Director(s) may perform the role of Approver or may designate authority to the Approver(s) for department-wide administration of P-Cards.
3. The Approver(s), in conjunction with the Reconciler, is responsible for enforcing the P-Card program's policies and procedures within the department and advising the Department Director, Program Administrator, and Procurement Manager of any deviation from policy or procedures.
4. The Approver(s) is required to comply with the P-Card program procedure and guidelines.
5. The Approver is responsible for understanding the processes outlined in this procedure and for adhering to policies and procedures relating to the P-Card program and City procurement.
6. The Approver, in conjunction with the Reconciler, is responsible for detecting separate, sequential, component or other questionable transactions and bringing same to the attention of the Department Director, Program Administrator, and Procurement Manager.
7. The Approver is the primary and first-line of defense in spotting fraud and misuse.
8. The Approver must advise Department Coordinators and the Program Administrator of any Cardholder's change in employment status. In the event of employee exit, the Approver is responsible for recovering P-Cards from exiting employees and returning the card to the Program Administrator for destruction.

9. The Approver shall avoid conflicts of interest. They shall take themselves "out of the loop" (recuse) whenever there is a family member that is a Cardholder. Departments shall find an alternate employee to approve these transactions.
 10. The Approver will initiate the process of obtaining a Supply/Service Agreement when they recognize items/services that are frequently purchased, by means of communicating with the Procurement Manager.
 11. Has read this procedure and completed the required acknowledgement form and approver agreement.
 12. Must submit a new application every two years.
 13. Attends annual training on the procurement card procedure.
- I. **Reconciler** (This role is listed as Approver in the current P-Card banking system.)
1. The Reconciler is appointed by the Department Director.
 2. The Reconciler will serve as an additional transaction reviewer.
 3. The Reconciler must review all electronic P-Card descriptions; original receipts, invoices, online receipts, or confirmation notices, and any additional documentation that supports the transaction for policy adherence. The Reconciler is responsible for submitting the Cardholder Statement Packet (the bank statement, receipts/invoices with appropriate supporting documentation) in an orderly fashion, to the Department Coordinator within 5 business days of the closing of the cycle (the Reconciler may also perform this role).
 4. The Reconciler notifies the Program Administrator, Department Director, and the Approver when misuse by the Cardholder is suspected. The Reconciler initiates an inquiry when any Cardholder misuses the P-Card and then notifies the Program Administrator of the incident.
 5. The Reconciler will fill out the "Reconciler Information" portion of the P-Card Purchase Pre-Approval Worksheet for every transaction.
 6. The Reconciler will utilize the current P-Card Banking system employed by the City of Corpus Christi in order to perform the established role.

7. The Reconciler will give final approval in order to post transactions to the general ledgers. However, the P-Card Program Administrator will finalize all data before posting.
8. The Reconciler will use his/her better business practice judgment when reviewing the transactions.
9. The Reconciler is highly depended upon to identify areas where transactions may be misconstrued as misuse or abusing the P-Card Program.
10. Reconcilers may be required to scan and save the approved Pre-Approval Worksheet and original receipt/invoice, for every transaction, to the current location specified by the P-Card Program Administrator. This role may also be performed by the cardholder dependent upon department delegations.
11. Has read this procedure and completed the required acknowledgement form and reconciler agreement.
12. Must submit a new application every two years.
13. Attends annual training on the procurement card procedure.

J. Cardholder

1. Must be a City of Corpus Christi employee.
2. Must have approval by the Department Director, Finance Director, Procurement Manager, and appropriate Assistant City Manager, Deputy City Manager, City Manager, or Mayor prior to receiving a P-Card.
3. Must have completed the approved training courses which explain the general purchasing requirements necessary for P-Card use.
4. Is authorized to purchase items for approved City business only.
5. The Cardholder(s) is to utilize the P-Card for City purchases of goods and services necessary to perform work activities. **Utilization of the card for non-City purchases or personal expenditures, as well as use by any other person, is not permissible. Any violation may be grounds for immediate revocation of their P-Card and disciplinary action.**

6. The Cardholder is responsible for his/her P-Card safekeeping and the immediate reporting of any misuse, loss, or theft of the card.
7. Among the Cardholder(s) responsibilities is to obtain the appropriate bank statement for all transactions, reconciliation of transactions to the bank statement, and prepare and submit required records to the Reconciler(s) immediately after the closing of their review period (reference the P-Card Schedule located on the shared drive).
8. The Cardholder(s) is required to comply with the Procurement Card Program Procedure, guidelines, and City Procurement Policies and Procedures.
9. The Cardholder is also responsible for attending and taking the required P-Card training to ensure appropriate P-Card usage. The Cardholder is forbidden to share or loan his/her P-Card, per City procedure.
10. All Cardholders must avoid the appearance of impropriety in the use of the P-Card. A Cardholder who exhibits non-compliance may run the risk of termination.
11. The Cardholder is responsible for calling the banking institution to activate his/her card.
12. The Cardholder is required to sign off on all posted transactions via the current online P-Card banking system (exceptions to the online requirement are reviewed on a case-by-case basis by the Program Administrator). The Cardholder must enter a description of what was purchased, the business purpose of the purchase, and must enter the appropriate account codes for each transaction into the online P-Card banking system.
13. The Cardholder is required to collect original receipts, packing slips, invoices, online receipt of confirmation notices, and any other documentation that supports the transaction for each charge that was made and submit to his/her Reconciler immediately after their review period (reference the P-Card Schedule located on the shared drive).
14. Cardholders are required to scan and save the approved Pre-Approval Worksheet and original receipt/invoice, for every transaction, to the current location specified by the P-Card Program Administrator. (Cardholders must still retain all original transaction documentation for the fiscal year-end plus 5 years.) This role may also be performed by the reconciler dependent upon department delegations.

15. The Cardholder must also coordinate returns and credits with the vendor and shall not accept cash refunds for items paid with the P-Card.
16. In the event of a lost or stolen card, the Cardholder must report it immediately to the banking institution and contact their Approver, Reconciler, Department Coordinator, and Program Administrator within one (1) business day.
17. The Cardholder must immediately report any accidental or inadvertent misuse as well fraudulent use and misapplication of the P-Card to the Approver, Reconciler, and Department Coordinator. Work with the Approver, Reconciler, Department Coordinator, and Program Administrator to promptly resolve any errors.
18. The Cardholder is responsible for promptly investigating any erroneous charges and implementing the dispute resolution process. Cardholders must notify the banking institution, Department Coordinator, Approver, Reconciler, and Program Administrator whenever a dispute is initiated.
19. All Cardholders are responsible for the safe keeping of the P-Card. The Card must be safely secured when not in use.
20. The Cardholder is responsible for following the approved Purchasing Division Retention Schedule (i.e., the Local Government Records Control Schedule). This requires all P-Card transaction documentation to be retained for the fiscal end plus five years.
21. In the event of Cardholder exit, the Cardholder must return their P-Card to the Approver.
22. Has read this procedure and completed the required acknowledgement form and cardholder agreement.
23. Must submit a new application every two years.
24. Attends annual training on the procurement card procedure.

V. PROCEDURE

A. Standard Procurement Card (P-Card) Limitations:

1. Single-transaction limit is \$1,000 (corresponds to the purchasing procedures set by the City).
2. Spending limit per Cardholder, per monthly cycle is \$5,000, unless otherwise approved by Department Director, Procurement Manager, and

appropriate Assistant City Manager, Deputy City Manager, City Manager, or Mayor.

3. Certain MCCs (Merchant Category Codes) are blocked as certain types of merchants typically do not fall within the normal course of City business. Some examples are as follows: amusement parks, gambling institutions and tobacco stores. Additionally, while travel is a normal business occurrence, all travel related MCCs are blocked. This is due to tighter-than-normal controls on employee travel. Travel with a Travel P-Card is allowed. (See details below for specifics.)

B. Purchases not allowed on a P-Card:

1. Goods or services for personal benefit, use, and/or consumption (including working lunches, water and/or coffee clubs, congratulatory gifts, birthday celebrations, bereavement gestures, appliances for break rooms, etc.). Food for valid business functions must be approved, in writing, by the Department Director and appropriate Assistant City Manager, Deputy City Manager, City Manager, or Mayor before the purchase is made.
2. Internet gambling, alcoholic beverages, flowers, entertainment, gifts, cash refunds, tobacco products, and other items blocked specifically by MCC.
3. Payments to PayPal (or any other similar payment type service where the purchaser is required to create an account and deposit funds.)
4. Gift Certificates, store value cards (i.e. Target, Home Depot, etc.) or any other item that can be converted into cash or value.
5. Cash advances, money orders, or cash refunds.
6. Sales taxes added on to any transaction.
7. Gratuities for approved meal services are not allowed.
8. Gasoline/diesel fuel. (If fuel is needed for a City vehicle, then a City fuel card must be utilized.)
9. Separate, sequential, or component transactions totaling more than the established P-Card single-transaction limit. The \$1,000 single transaction limit is placed on the card to match the single bid limit the City has set as procedure. Separating or making repetitive purchases

(sequential purchasing) over a number of days in order to circumvent the single bid rule is strictly prohibited.

10. Back-ordered items not available at the time of purchase.
11. Recurring monthly invoices or scheduled payments (i.e. telephone service or storage unit fee).
12. Purchase orders and/or requisitions submitted via INFOR.
13. If a Cardholder is in doubt whether or not it is appropriate to use the P-Card for a particular purchase, ask the Purchasing Division, Approver, Department Coordinator, or the Program Administrator for clarification. In addition to the restrictions listed above, Cardholders are advised to avoid the appearance of impropriety when using the P-Card.

C. Exceptions:

1. Exceptions to the restrictions enumerated in this procedure may be obtained only by the written approval of the Department Director and appropriate Assistant City Manager, Deputy City Manager, City Manager, or Mayor. Exceptions shall be granted on a case-by-case basis and must be updated every fiscal year.
2. City supplies and services that could be used for personal use, but are necessary for conducting City business; such as auto parts, auto repair services, lawn supplies and equipment, etc. may be purchased with the P-Card. When making a purchase of this type, a full explanation of the job, work order, or project that the item was used for is required.
3. Generic cards are assigned to a division of a department to be shared by employees of the division to pay bills. This exemption is only applicable to Accounts Payable in the Financial Services Department. These cards are assigned to a custodian within the division who is charged with the safe keep and control of the card. Exceptions for this card will be granted on a case by case basis.

D. Travel:

The Travel MCC template will be deactivated from all P-Cards and all travel related transactions must be completed with the Travel P-Card. All travel must be in accordance with The Travel Policy and Out-of-town Travel Procedures (F-13) and In-Town Mileage Reimbursement (F-14).

1. A Travel P-Card is to be used for approved City business travel only, items that can be procured via a Travel P-Card are as follows:
 - A. Airfare
 - B. Lodging or hotel stays
 - C. Ground transportation, rental car, shuttle bus, or taxi
 - D. Gas (for city owned, leased, or rented vehicles only)
 - E. Rental car insurance
 - F. Conference/training registration
 - G. Parking
2. Purchases NOT allowed on a Travel P-Card:
 - A. Meals (per diem is to be used for these purchases)
 - B. Fuel pumped into a personal vehicle (a personal vehicle is any vehicle not owned, leased, or rented by the City.)
 - C. Incidentals (i.e. pay-per-view movies, room service, or mini bar charges)
3. When renting a vehicle, cardholders must purchase a small to mid-size car at the most economical rate to the City. The maximum additional insurance must also be purchased (F-13 Item II.C.1).
4. Frequent flyer rewards earned on City business travel, are to be used for future City business travel only.
5. Travelers must not receive mileage reimbursement and pump fuel into their personal vehicle using their Travel P-Card.
6. Travel purchases must be accompanied by an Expense Report. Reference The Travel Policy and Out-of-town Travel Procedures (F-13) and In-Town Mileage Reimbursement (F-14) for clarification.

E. Transactions exceeding \$1,000 must be submitted via a requisition.

F. Rewards and Recognition, and Other Related Events:

1. All Rewards and Recognition events and purchases MUST be approved, in writing, by the Department Director and Assistant City Manager, Deputy City Manager, City Manager, or Mayor prior to the purchase being made.
2. Lifting of Other Restrictions - There are certain instances where it is allowable to buy items that are restricted above. Written approvals from the Department Director and appropriate Assistant City Manager, Deputy City Manager, City Manager, or Mayor is required in these instances.

Exceptions shall be granted on a case-by-case basis and must be updated every fiscal year.

G. Prohibited Activities:

1. Lending an assigned P-Card to another city employee or any other individual to conduct standard business.
2. Lending an assigned P-Card to another city employee or any other individual to commit fraud or theft.
3. Using a P-Card assigned to another employee.
4. Using a P-Card to commit fraud or theft.
5. Using a P-Card for non-City purchases or personal expenditures.
6. Authorizing or directing an employee to use a P-Card in violation of above-mentioned procedures.
7. Using a P-Card for personal gain; for you or a coworker.
8. Separating transactions in order to avoid going over the single transaction limit.
9. Sequential transactions.
10. Component transactions.
11. Failing to provide receipts to support purchases.
12. Failing to complete review of transactions on the online P-Card banking system within the required time frame (reference the P-Card Schedule located on the shared drive).
13. Failing to provide proper coding for a transaction on the P-Card banking system.
14. Failing to complete an Expense Report, for travel purchases, within the required timeframe.

VI. PERFORMANCE MEASURES

- A.** Minimum performance standards must be met by every Cardholder and Approver on a monthly basis and during all desk audits to allow continuation of P-Card privileges.

- B.** Monthly criteria against which performance will be measured include ensuring that the purchase:
 - 1. Was not a separate, sequential, or component transaction totaling more than the established P-Card single transaction limit.
 - 2. Was not a recurring or scheduled payment.
 - 3. Was correctly described.
 - 4. Had the correct accounting string provided (i.e, fund, organization, and object code).
 - 5. Had the appropriate approvals obtained by the Cardholder.
 - 6. Was an allowable PayPal purchase.
 - 7. Was not a travel-related expenditure charged to the P-Card.
 - 8. Was not a meal charged to a Travel P-Card.
 - 9. Was made with a legitimate business if the vendor utilized a SQ for payment.

- C.** Desk audit criteria against which performance will be measured include the following:
 - 1. Is the Cardholder reconciling the statement?
 - 2. Is the Approver approving the statement?
 - 3. Does the Cardholder have an itemized receipt for each transaction?
 - 4. Does the Cardholder have a pre-approval form?
 - 5. Was the pre-approval form signed and dated by the Supervisor on or before the transaction date?
 - 6. Is the purchased item's description accurately defined?
 - 7. Was sales tax charged? If so, was it recouped?
 - 8. Was gratuity paid? If so, was it recouped?
 - 9. For Travel P-Card transactions, ensuring that the Travel P-Cardholder purchased insurance for the rental of a vehicle.
 - 10. For Travel P-Card transactions, ensuring that the appropriate Expense Report accompanies the travel purchases.
 - 11. For Travel P-Card transactions, ensuring that incidentals were not charged to the Travel P-Card.

VII. CONSEQUENCES FOR VIOLATION OF THIS PROCEDURE:

- A.** Failure to comply with the performance standards below will result in the following disciplinary action. The City Manager has given the Finance Director the authority to impose these disciplinary actions as appropriate. Department Directors do not have the ability to override the discipline.
1. Less than 95% compliance with the performance criteria tested will result in a written notice being sent to the Cardholder and Department Director. The Cardholder will be required to attend mandatory P-card refresher training in order to retain P-Card privileges.
 2. Less than 90% compliance with the performance criteria tested will result in the Cardholder having his/her P-Card privileges suspended for one month.
 3. Less than 75% compliance with the performance criteria tested will result in the Cardholder's P-Card privileges being terminated.
- B.** In the case of misuse, the employee or cardholder may be held personally liable to the City of Corpus Christi for unauthorized transactions and repayment of charges. Additionally, depending on the circumstances, violation(s) may result in up to and including (1) revocation of P-Card privileges, (2) disciplinary action (3) termination of employment (3) and legal action that can result in fines and/or imprisonment.

VIII. QUESTIONS REGARDING THIS PROCEDURE

Questions regarding this procedure shall be directed to the Procurement Manager at (361) 826-3160.



PROCUREMENT CARD PROGRAM PROCEDURE, P-9

Acknowledgement Form

I have received a copy of the City of Corpus Christi's Procurement Card Program Procedure, P-9, and I understand that compliance with this Procedure is a condition of being a participant of this Program.

I have carefully heard and/or read this Procedure and understand its content. I have been given an opportunity to ask questions about this procedure and receive explanations in English and/or Spanish.

As a participant of the City's Procurement Program, I understand that I must comply with all policies, procedures, and manuals established for this program. I also understand that all purchases that I make with the procurement card (P-Card) must be in compliance with State law governing procurement and City Policies.

I agree to comply with this Procedure. I understand that failure to do so or if I am found to have misused the procurement card (P-Card) in any manner will result in my being in violation of this Procedure. Violation of this procedure will result in the authorization to use the P-Card being revoked and subject me up to disciplinary action up to and including termination, and may result in prosecution.

Employee's Name (Print)

Employee Identification Number

Employee Signature

Date

Department Name

Organization Number

Form Reviewed By:

Program Administrator

Date