

**COUNTY OF MUSKEGON
MUSKEGON COUNTY BOARD OF COMMISSIONERS**

**PURCHASE CARD POLICY
POLICY NO. 2011-329**

APPROVAL DATE: OCTOBER 25, 2011

REVISED DATE: SEPTEMBER 13, 2012

A policy to define, authorize and regulate the use of purchase cards, and to establish procedures for utilizing purchase cards for appropriate expenses in the conduct of official County of Muskegon business and empowering selected employees with the responsibility for protection, custody and proper usage of purchase cards.

- I. Oversight: The Program Administrator located in the Accounting Department designated by the Finance and Management Director, is responsible for the issuance of purchase cards for use by selected County employees; the accounting, monitoring, retrieval and general overview of this Purchase Card Policy; and the establishment of Purchase Card Program Procedures consistent with this Purchase Card Policy and applicable laws and ordinances (referred to below as the “Purchase Card Procedures”).

- II. Permitted Use: Purchase cards may be used only by an employee for the purchase of goods or services for official County of Muskegon business in accordance with the provisions of the Purchase Card Procedures and within spending limitations authorized for each employee. Purchase cards may not be used for cash advances or personal use. Purchases may not be divided into several transactions in order to avoid compliance with this Purchase Card Policy or the Purchase Card Procedures.

- III. Documentation: The employee using the purchase card must submit documentation detailing the goods or services purchased, cost, date or the purchase and the description of the official business transacted as outlined in the Purchase Card Procedures. Employees to whom purchase cards are issued will, upon request of their Department Director, Court Administrator, Elected Official and/or designated departmental assignee, cooperate and furnish information documenting the use of said purchase card.

- IV. Individual Responsibility: The employee using the purchase card is responsible for its protection, custody and proper usage, and for compliance with this Purchase Card Policy and the Purchase Card Procedures. The employee shall enter into an agreement acknowledging the acceptance of the Purchase Card Policy and Purchase Card Procedures with the County of Muskegon, for the use and care of the purchase card, before such purchase card shall be placed in their custody for use. Further, said agreement shall, among other things, hold the employee responsible for immediately notifying

the County if the purchase card is lost or stolen. Each cardholder is responsible for safeguarding the account number and posting any purchase card information is strictly prohibited.

- V. Purchase Card Return: An employee issued a purchase card shall immediately return the purchase card to the Program Administrator upon termination of employment with the County.

- VI. Charge Approval: The Department Director, Court Administrator, Elected Official, and/or designated departmental assignee will approve of purchase card invoices and accounting controls to monitor the use of County purchase cards in accordance with the Purchase Card Procedures. If a cardholder discovers that he or she has inadvertently used a County card for non-county business, the holder shall report this immediately to the Department Director, Court Administrator, Elected Official, and/or designated departmental assignee and provide a payment of the inadvertent charge.

- VII. Accounting: The Department Director, Court Administrator, Elected Official, and/or designated departmental assignee will be responsible for all activities relating to purchase cards in their department including, but not limited to the following:
 - a. Selection of employees authorized to use County purchase cards.

 - b. Execution of the Purchase Card Cardholder Agreement between the County of Muskegon and the employee for the use and care of the purchase card, before such purchase card is placed in the employee's custody for use.

 - c. Review of and proper implementation of this Purchase Card Policy and the provisions of the Purchase Card Procedures.

 - d. Determination of the specific official County business for which purchase cards may be used by departmental employees.

 - e. Determination of the type of categories of goods or services within the department for which the purchase cards may be used to purchase.

 - f. Determination of spending authorization limits for each employee receiving a purchase card in compliance with the Purchase Card Procedures.

 - g. Review and authorize all necessary documentation submitted by the employee using the County purchase card including, but not limited to:

- i. documentation of the goods or services purchased
- ii. the cost of the goods or services
- iii. date of purchase
- iv. the official County business for which purchased.

All documentation must be submitted by the employee with the monthly statement to the Department Director, Court Administrator, Elected Official and/or designated departmental assignee for approval within the timeframe outlined in the Purchase Card Procedures.

- h. Monitor the system, policies and procedures within the department to ensure employees' responsibility for the purchase cards within the department and immediately notify the Program Administrator in the Accounting Office of any fraudulent or irresponsible use of purchase cards. Department Directors, Court Administrators, Elected Officials and/or designated departmental assignee may implement special procedures as the department may require for purchase card delivery, usage and storage. The Program Administrator in the Accounting Office may terminate a purchase card without notice to Department Directors, Court Administrators, Elected Officials and/or designated departmental assignee should any purchase card policy or procedure be abused.

- VIII. Payment on Account: The balance, including any interest due on an extension of credit under a credit card arrangement, shall be paid for within 60 days of the initial statement date.
- IX. Unauthorized/Improper Use: An employee that engages in an unauthorized or improper use of a County purchase card will be subject to disciplinary measures, up to and including discharge, and may be subject to civil/criminal prosecution consistent with applicable laws. The employee found to have inappropriately used the purchase card will be required to reimburse the County of Muskegon for all costs associated with such improper use.
- X. Authorized Credit Limit: The total combined authorized credit limit of all purchase cards issued by the county shall not exceed the amount permitted by state law, which is five percent (5%) of the total budget of Muskegon County.
- XI. State Law: Notwithstanding the terms of the aforesaid Purchase Card Policy, all transactions made pursuant to this Purchase Card Policy shall also be subject to the terms of the Credit Card Transactions law, being Public Act 266 of 1995 of the State of Michigan, as it may be amended.