
CITY OF CENTENNIAL, COLORADO
13133 East Arapahoe Road, Centennial, Colorado 80112

ADMINISTRATIVE DIRECTIVE
No. 2013-FI-AD-03

PURCHASING CARD PROGRAM

I. **AUTHORITY:**

Article 2 of Chapter 2 of the City's Municipal Code provides the City Manager with the authority to carry out the administrative affairs of the City, including promulgating administrative policies consistent with federal, state and local laws.

II. **PURPOSE OF DIRECTIVE:**

The purpose of this Directive is to define the City's policies for using a City-issued Purchasing Card to purchase business-related goods and services on behalf of the City.

III. **SCOPE:**

This Directive applies to all City employees utilizing, and all purchases made, with a City-issued Purchasing Card.

IV. **DEFINITIONS**

Purchasing Card (P-Card): a commercial credit card with customizable transaction and vendor controls for the purchase of goods and/or services necessary for official City business that is issued to a City employee.

Purchasing Card Administrator: the City Manager's designee with authority to administer the P-Card program.

Purchasing Policy: Administrative Policy 2010-AP-01 (or any future policy approved by City Council that amends or supersedes 2010-AP-01 policy).

V. **DIRECTIVE:**

A. **Employee Eligibility**

Department Directors or Division Managers shall designate and approve which City employees require a P-Card and provide approval to issue a P-Card to such employees. P-Cards will be issued to designated employees with the employee's name on the card.

B. **Accounts Payable**

The Finance Department may issue and utilize a P-Card to process City payments through Accounts Payable.

C. Cardholder Agreement

Prior to being issued a P-Card, employees must understand, agree to, and sign the City's P-Card Request and Cardholder Agreement ("Cardholder Agreement") which shall contain binding P-Cardholder responsibilities.

D. Use and Controls

1. All purchases made using a City P-Card shall comply with the requirements of the City Council approved Purchasing Policy and this Directive, including, but not limited to, purchasing processes, dollar value limitations, and relevance to the business needs of the City.
2. Expenditures shall not be incurred using a City P-Card unless the amount has been appropriated in the City Council approved budget.
3. Price agreements should be used whenever practicable, including cooperative pricing.
4. Sales tax should not be charged or paid on purchases made using a City P-Card. It is the employee's responsibility to inform vendors of the City's sales tax exempt status. The City's tax exempt number is provided to each P-Cardholder.
5. Only the designated P-Cardholder whose name appears on the P-Card may utilize the P-Card to make purchases.
6. The City will institute limitations on all P-Cards. These limitations include, but are not limited to, transaction limits, daily total limits, monthly total limits, and vendor exclusions based upon the Merchant Category Code (MCC).
7. Limitations/controls will be based upon employee position, anticipated employee use, manager/director recommendation, and P-Card Administrator approval.
8. P-Cardholders and approvers will be held accountable for the diligent retention of receipts and adherence to the reconciliation schedules and procedures established by the Finance Department.

E. Unauthorized Use

1. Any use of a P-Card that does not comply with the requirements in the Purchasing Policy, Cardholder Agreement, and/or this Directive is considered unauthorized use. Unauthorized use includes, but is not limited to:
 - a. Personal use;
 - b. Use of a P-Card by someone other than the employee named on the card;
 - c. Cash advances, purchase of traveler's checks, purchase of gift cards (unless preauthorized by the P-Card Administrator), and similar transactions;
 - d. Purchase of alcohol;

e. Purchases unrelated to City business.

2. Unauthorized use of a P-Card will result in disciplinary action, up to and including termination of employment.

F. Audit

The City will audit and review the use of P-Cards to ensure appropriate and effective use, in addition to use in accordance with this Directive, the Cardholder Agreement and the Purchasing Policy. Audits may be initiated by the City Manager, Finance Department, department director, and/or P-Card Administrator.

P-Card records will be subject to review during the City's annual external audit.

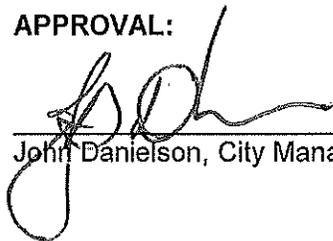
G. Employee Change in Status

1. When a P-Cardholder's employment is terminated (voluntarily or involuntarily), the employee shall return his or her P-Card to his or her department director, the P-Card Administrator, or a Human Resources (HR) Department representative during the employment exit process. The HR representative and the department director shall immediately return the card to the P-Card Administrator who shall cancel the assigned P-Card account.
2. When a P-Cardholder's employment is suspended, the employee shall return his or her P-Card to his or her department director, the P-Card Administrator, or a HR Department representative. The HR representative and the department director shall immediately return the card to the P-Card Administrator for safekeeping.

VI. EFFECTIVE DATE:

This Directive shall be effective upon signature by the City Manager.

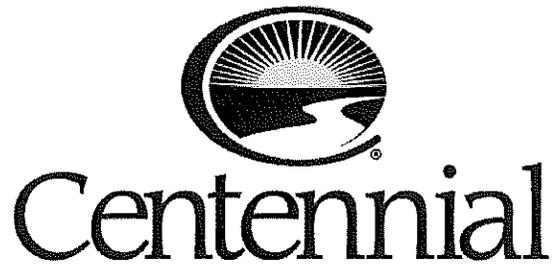
VII. APPROVAL:



John Danielson, City Manager

3/26/2013

Date



Purchasing Card (P-Card) Program Procedures

- The statement close date is the first business day of each month.
 - Within **five (5) business days** of the statement close date, all transactions must be **coded and approved** and all receipts must be submitted through the UMB online system.
- Receipts
 - Scanning receipts – all receipts must be scanned into the UMB online system. A receipt is required for all transactions. Each cardholder is required to maintain original receipts for three (3) months after the statement close date. These receipts may be audited anytime during those three months.
 - Missing receipts – if a receipt is missing, a Missing Receipt Form needs to be submitted in place of the receipt through the UMB online system. The form can be found on CNet. The Finance Department will keep a record of all Missing Receipt Forms submitted.
 - Receipts need to be itemized, when applicable.
- Transaction Coding
 - If you are missing a department, expense, or project code from the drop-down box in the online system, please contact Amanda Fladland.
 - If you are unsure which department, expense, or project code to use please contact the Finance Department.
- Descriptions on Transactions
 - Please include the following when applicable:
 - Business purpose
 - What the item is
 - Who the expense is for (e.g. list of attendees for a business meeting or training event)
 - Location