

Development Authority of the North Country Governance Policies



Subject: Purchase Card Policy
Adopted: December 14, 2017
Resolution: 2017-12-113

Table of Contents

SECTION 1.0 SUMMARY & OBJECTIVES	2
SECTION 2.0 EMPLOYEES AUTHORIZED TO USE PURCHASE CARDS	2
SECTION 3.0 CARDHOLDER PURCHASING LIMITS	2
SECTION 4.0 CARDHOLDER ACKNOWLEDGEMENT OF CREDIT CARD RECEIPT	3
SECTION 5.0 CARDHOLDER RESPONSIBILITIES	3
SECTION 6.0 RESTRICTED PURCHASES	4
SECTION 7.0 MASTER ACCOUNT CHANGES.....	4
SECTION 8.0 ANNUAL REVIEW	4
APPENDIX A PURCHASE CARD POLICY ACKNOWLEDGEMENT	6
APPENDIX B PURCHASE CARD RECEIPT / CANCELLATION FORM.....	7

Purchase Card Policy

SECTION 1.0 SUMMARY & OBJECTIVES

1.1 SUMMARY

The Development Authority of the North Country Purchase Card Program is designed to facilitate the purchase of selected goods and materials from Vendors that the Authority will not make regular purchases from in the course of a year or from vendors whose only method of payment is through a credit card. The Authority will establish a customer account with Vendors that will be used on a regular basis. The Authority shall maintain a written procedure consistent with this Policy concerning the appropriate use of Authority issued Purchasing Cards. Such procedures shall be developed by the Finance Division and recommended to the Executive Director for approval.

1.2 OBJECTIVES

Provide users with an efficient means to address Authority purchasing requirements. The Development Authority Purchase Card will be used primarily with merchants who require credit card payments or for one time purchases. The Authority will establish a customer account with the majority of its vendors. It is the Authority's intent to limit use of Purchase Cards to the greatest extent possible.

SECTION 2.0 EMPLOYEES AUTHORIZED TO USE PURCHASE CARDS

The Executive Director shall authorize issuance of Authority purchasing cards. The card will identify the eligible employee, by name, and indicate that the card is issued by a Tax-Exempt NYS Government Agency. The cards will not identify the Development Authority of the North Country. No Purchase Cards will be issued to probationary employees.

SECTION 3.0 CARDHOLDER PURCHASING LIMITS

Each cardholder is assigned an available credit limit and also a single transaction limit which restricts the amount of any single purchase made by the cardholder. The division manager will review purchasing limits and the purchase card policy with the cardholder. Cardholders will be required to sign the Purchase Card Policy Acknowledgement form indicating their acceptance of these terms (attached as Appendix A).

Use of the purchase card by employees other than the authorized cardholder is strictly prohibited. Violation of this practice may result in the revocation of the card and other disciplinary action as appropriate, up to and including termination and/or criminal prosecution.

SECTION 4.0 CARDHOLDER ACKNOWLEDGEMENT OF CREDIT CARD RECEIPT

All employees authorized to use Purchase Cards will be required to sign a Purchase Card Receipt/Cancellation form (attached as Appendix B). The cardholder is given the original signed receipt and a copy is filed by the Accountant I. The cardholder will sign the back of the credit card and call the 800 phone number to activate the credit card.

SECTION 5.0 CARDHOLDER RESPONSIBILITIES

5.1 When making purchases with the purchasing card, the cardholder should:

1. Understand the Authority's procurement policy.
2. The funding source and evidence of availability of funds shall be determined. If it is determined that the purchase cannot be funded in the budget, an internal budget modification request can be completed to fund such procurement or additional board approval may be required.
3. Be able to substantiate the reasonableness of price for purchased items.
4. Purchase only the number of items, at the quantity and quality needed for appropriate Authority use.
5. Be knowledgeable about individual card limits and do not attempt to make purchases in excess of the single transaction limit.
6. Ensure that a fully authorized purchase order has been created per the "Purchase Card Transaction Procedure."

5.2 In addition, cardholders should:

1. Not split an order just to use the procurement card when the purchase price will exceed the per transaction limit.
2. Not give their card or account number to anyone else other than the vendor from whom they are making the purchase.
3. Use the card only for legitimate Authority business purposes.
4. Maintain the card in a secure location at all times.
5. Not accept cash in lieu of a credit.
6. Immediately notify the credit card company and the Accountant I of a lost or stolen card.
7. Return the card to the Accountant I upon terminating employment.
8. Ensure credits for reported disputed items or billing errors appear on a subsequent statement.

9. Attempt to resolve disputes or billing errors directly with the vendor and notify the credit card company if the dispute or billing error is not satisfactorily resolved.

SECTION 6.0 RESTRICTED PURCHASES

The Purchase Card **CANNOT** be used as payment for the following items:

- Alcoholic Beverages
- Cash Advances
- DEA Controlled and/or Illegal Substances
- Personal Expenses

USE OF THE PURCHASE CARD FOR SUCH PURPOSES WILL RESULT IN REVOKING OF PRIVILEGES AND MAY INCLUDE APPROPRIATE DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT AND CRIMINAL PROSECUTION.

All Purchase Cards have various restrictions as to the category of merchant. Certain types of merchants are unable to accept the card for payment. These restrictions are reviewed on an annual basis and may be amended from time to time with approval of the Comptroller.

SECTION 7.0 MASTER ACCOUNT CHANGES

The following are authorized to act on behalf of the Authority to modify the master account:

- Executive Director
- Comptroller
- Accountant I

All changes to the Master Account must be requested through one of these persons and approved by the Executive Director or Comptroller.

SECTION 8.0 ANNUAL REVIEW

The Purchase Card Policy will be reviewed on an annual basis and amended as appropriate by the Board of Directors. Annually, the Comptroller shall review the following items:

1. The number of outstanding Purchase Cards
2. Purchase Card Limits and Transaction History
3. The Merchant Category Code (MCC)

The Accountant I shall maintain a schedule of Authority issued purchase cards with associated limits.

Revision History:

Revision	Date	Description of changes	Requested By
0	10/25/2010	Initial Release	
1	8/21/2015	Loaded into OnBase	LRT
2	12/14/2017	Removed Procedural sections from the Policy document to separate policy from procedures.	LRT

References:

- ❖ OGS Bulletin “Procurement Card Guidelines”
<http://www.ogs.state.ny.us/purchase/pdfdocument/creditcardguidelines.pdf>
- ❖ NYS Office of the State Comptroller, Bulletin Number G-196
“Small Dollar Purchases.”

**APPENDIX A
PURCHASE CARD POLICY ACKNOWLEDGEMENT**

Certain employees of the Development Authority of the North Country are issued Purchase Cards in order to more efficiently carry out their assigned job duties. Use of the Purchase Card is subject to change upon the order of Authority management.

Use of Authority Purchase Cards is strictly limited to the Authority's Purchase Card Policy and associated procedures. The undersigned acknowledges receipt of a copy of such policy. Further, the employee acknowledges that _____ (name of manager) has reviewed the Purchase Card Policy in detail with the undersigned.

Violation of the Purchase Card Policy may result in revocation of the card and other disciplinary action as appropriate, up to and including termination and/or criminal prosecution.

The undersigned acknowledges the above statements:

Employee

Manager

Date

Date

Executive Director

Date

Transaction Limits:

Single Transaction Limit: \$ _____

Card Limit: \$ _____

CC: Compliance Officer

CC: Accountant I

**APPENDIX B
PURCHASE CARD RECEIPT / CANCELLATION FORM**

Cardholder's Name	Credit Card Number	Expiration Date	Credit Card Limit	Single Transaction Limit

Purchase Card Receipt Cancellation/Expired

Date Rec'd / Cancelled: _____

Accountant I

Cardholder's Signature

Witness (Required for Cancellation)