

HABERSHAM COUNTY BOARD OF COMMISSIONERS
EXECUTIVE SUMMARY

SUBJECT: Consider Approve Procurement Card Policies and Procedures Manual

DATE: October 11, 2024

RECOMMENDATION
 POLICY DISCUSSION
 STATUS REPORT
 OTHER

BUDGET INFORMATION:
ANNUAL-
CAPITAL-

COMMISSION ACTION REQUESTED ON: October 21, 2024

PURPOSE: To seek Habersham County Board of Commissioners approval on the attached creation of the Habersham County Procurement Card Policies and Procedures Manual.

BACKGROUND / HISTORY: Habersham County does not currently have a Procurement Card Policy separate from the Purchasing Policy and Procedures. Habersham County Finance Department would like to propose an independent Procurement Card Policy to reflect current practices and reflect a change to the new procurement card system with Bank of America from Truist Bank as reflected below.

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- a. Procurement Card Policies and Procedures Manual: Habersham County does not currently have a Procurement Card Policy separate from the Purchasing Policy and Procedures. Habersham County Finance Department would like to propose an independent Procurement Card Policy to reflect current practices and reflect a change to the new procurement card system with Bank of America from Truist Bank. Bank of America is the preferred vendor for Procurement Card systems from the State of Georgia and will allot Habersham County to acquire rebates annually which is not the case with Truist Bank. This policy reflects the same threshold changes as the Purchasing policy.
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OPTIONS:

- 1) Approve the attached revisions to the Habersham County Procurement Card Policies and Procedures Manual and sign resolution;
 - 2) Deny Procurement Card Policies and Procedures Manual; or
 - 3) Commission defined alternative.
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RECOMMENDED SAMPLE MOTION: Move to approve Procurement Card Policies and Procedures Manual as reflected in documents attached hereto, and authorize the Chair to sign the resolutions pertaining to those policies, attached hereto.

DEPARTMENT:

Prepared by:

Director _____

**ADMINISTRATIVE
COMMENTS:** _____

_____ **DATE:** _____

County Manager

2024-10-003

**RESOLUTION OF THE HABERSHAM COUNTY BOARD OF COMMISSIONERS
ESTABLISHING PROCUREMENT CARD POLICIES AND PROCEDURES MANUAL**

WHEREAS, the Habersham County Board of Commissioners believes it is the best interest of all taxpayers and County employees to establish Procurement Card Policies and Procedures Manual for the Board of Commissioners and Finance Department; and,

WHEREAS, the use of procurement cards has proven to be a cost-effective method of obtaining low-cost supplies and services for Habersham County; and

WHEREAS, the Board of Commissioners wishes to establish rules and guileless to prevent any potential financial losses due to the misuse of purchasing cards; and

WHEREAS, state and federal laws require increasingly stringent and comprehensive accounting and reporting requirements;

NOW, THEREFORE BE IT RESOLVED that the Board of County Commissioners of Habersham County, Georgia, hereby establishes revisions to the Purchasing Rules and Regulations Manual attached hereto.

BY: _____
Ty Akins, Chairman

The above Resolution was adopted by the Habersham County Board of Commissioners on this, 21st, day of October, 2024.

ATTEST: _____
Brandalin Carnes, County Clerk

HABERSHAM COUNTY

Procurement Card Program

Policies and Procedures Manual



HABERSHAM COUNTY
GEORGIA | Est. 1818

What is the Procurement Card?

The Procurement Card is a Visa credit card issued by Bank of America. It is a purchasing tool which offers alternative method for purchasing and paying for small dollar items.

The Procurement Card enables the purchase of non-restricted commodities by telephone, computer internet or in person directly from the vendors. The vendors are categorized by the Merchant Category Code (MCC) listing. The codes are standard merchant codes used by all vendors. The Procurement Card may **not** be used for automated fuel dispensing, entertainment, cash and other categories as shown “prohibited” in the Merchant Category Codes Listing. The Procurement Card may **not** be used for food purchases and restaurants unless expressly requested and authorized by the Department Head for approved County operations. However, the card is permitted for airlines and hotel transactions.

The informal bid method is used for purchases of goods and services up to a value of \$2,500. Quotations are solicited informally by telephone, facsimile or electronic mail. A minimum of three telephone quotes is required and must be filed with the purchase transaction as part of the procurement card documentation.

Participation in the Procurement Card program allows County departments to expedite the purchasing process for some of their needs. Care must be taken in the use of credit cards to ensure that ALL purchases are made within Georgia State Statutes, the Habersham County Purchasing Policies, and Procurement Card Policies. The card is to be used only for official Habersham County purchases.

The Procurement Card will be issued in the employee’s name and the “Habersham County’s Logo” clearly indicated on the card. *The Procurement Card program is NOT intended to replace or to change any existing rules and regulations.* The Procurement Card is a supplemental tool to assist departments in obtaining necessary commodities and services. All commodities and services, normal and routine, to a department’s operation should be fully preplanned for to allow the Finance Department sufficient time to process for the fullest monetary savings possible for the County.

Procurement Card Use

The card works similar to a personal credit card except all charges are paid in full by Habersham County.

Habersham County policies and procedures require certain types of vendors be blocked from Procurement Card use. Among these are fuel, food (with exception listed above), entertainment, and cash transactions. The card can be used for hotel, airlines and rental cars. These transactions and their receipts must be turned in as part of the monthly process. Unauthorized transaction types will be blocked at the point-of-sale level of all merchants who fall into the prohibited codes.

The Cardholder must contact the Finance Department for transactions outside of the spending controls assigned to the card (emergency or other). A card will be available for Departmental use for items that fall outside of the individual users limits. An example for use: food or fuel required for business purposes and/or emergency situations.

Cardholder Eligibility and Responsibility

1. Requirements for eligibility

- Applicant must be an employee of the Habersham County.
- To comply with O.C.G.A. 36-80-24, Elected Officials who desire a Procurement Card must be authorized by resolution through a public vote of the Habersham County Board of Commission and sign a User Agreement with the County. All other Procurement Card policies apply to elected officials.
- Each individual Cardholder must sign a Cardholder Agreement (Attachment 1) and return it to the Procurement Card Administrator.
- Applicant's request for a Procurement Card must be approved by their Department Head and a Procurement Card Request Form (Attachment 2) must be executed and submitted to the Procurement Card Administrator. The Department Head must designate whether the individual and issued Procurement Card are approved for authorized food purchases
- Applicant must be assigned a Departmental Liaison selected by his/her Department Head.

2. Responsibilities

The Cardholder must use the Procurement Card for legitimate Habersham County business purposes only. The Procurement Card may **not** be used for food and restaurants, entertainment, cash and other categories prohibited in the Merchant Category Codes Listing. Misuse of the card will subject Cardholder to disciplinary action in accordance with Habersham County Policies and Procedures relating to disciplinary action and termination for cause. The Cardholder must:

- Ensure the Procurement Card is used for legitimate business purposes only.
- Maintain the Procurement Card in a secure location at all times.
- Not allow other individuals to use their Procurement Card.
- Adhere to the purchase limits and restrictions of the Procurement Card and ensure the total transaction amount of any single transaction does not exceed \$2,499.99 without receiving the required purchase order. **Splitting of a large purchase into \$2,499.99 increments to circumvent the purchase order limitations is considered a misuse.**
- Obtain and reconcile all sales slips, register receipts, and/or Procurement Card slips to Bank of America's Cardholder statement and provide same to Departmental Liaison to forward to the Procurement Card Administrator for review and approval.
- Notify Departmental Liaison if the default accounting code should be changed on an individual transaction.
- Notify Procurement Card Administrator regarding any unresolved disputes or billing errors. Not accept cash in lieu of a credit to the Procurement Card account.
- Identifying and notifying Departmental Liaison of transactions which require the submission of use tax to the Department of Revenue.
- Immediately report a lost or stolen card to the Departmental Liaison.
- Return the Procurement Card to Departmental Liaison upon terminating employment with Habersham County or transferring Departments within Habersham County.
- Report erroneous and emergency transaction needs to the Departmental Liaison during normal business hours.
- All Travel & Training purchases must be recorded on a Habersham County Government Employee Travel Expense Statement under **Card Charges** with copies of receipts.

Departmental Liaison Responsibilities

Each Department Head must designate one or more Departmental Liaisons for his/her department. The Department Head will assign a Departmental Liaison for all Procurement Card applications approved for his/her employees. The Departmental Liaison must receive training before any employees in the department may receive a Procurement Card.

1. Responsibilities

- Review vendor receipts.
- Retain all Cardholder charge slips and receipts for audit by internal and external auditors.
- Review and approve Cardholder transactions online via the “Works” application. Ensure that the default coding is correct and/or make the appropriate changes.
- Report to the Procurement Card Administrator any disputes with vendor and/or Bank of America not resolved by Cardholder.
- Identify and notify Procurement Card Administrator of transactions which require the submission of use tax to the Department of Revenue.
- Notify Procurement Card Administrator of lost or stolen cards.
- Request Procurement Card Administrator to cancel a Cardholder’s card (e.g. terminated employees, transferring departments, loss of Procurement Card privileges) as approved by Department Head and return canceled cards to Procurement Card Administrator.
- Assist Cardholders with erroneous declines and emergency transactions.

Procurement Card Administrator

The Finance Department will assign a Procurement Card Administrator to be responsible for the over-all Procurement Card Program. Responsibilities include:

1. Responsibilities

- Habersham County liaison with Bank of America.
- Review Department approved applications for completeness of required information.
- Submit completed card applications to Bank of America
- Training Departmental Liaisons.
- Ensure that all Cardholders understand and sign Cardholder Agreement (Attachment 1) documenting agreement with the terms of the Procurement Card Program.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement.
- Handle disputed charges/discrepancies not resolved by Cardholder or Departmental Liaison.
- Secure revoked Procurement Cards and submitting information to Bank of America.
- Review all departmental transactions and conduct transaction audits.
- Ensure lost or stolen cards have been disabled by Bank of America.
- Notify Finance Department of any transactions which require the submission of use tax to the Department of Revenue.
- Assist the Department Liaison with erroneous declines and emergency transactions.

Procurement Card Finance Department

1. Responsibilities

- The Finance Department reconciles Bank of America's transactions to Bank of America's electronic file and to the transaction totals posted to the Habersham County accounting system.
- Review usage and audit Procurement Card data for appropriateness and compliance to policies and procedures.
- Review monthly procurement card travel expenditure report and documentation and compliance to Habersham County Government Employee Travel Statement.

Procurement Card Maintenance and Closure

1. All contact with Bank of America for card set-up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the Procurement Card Administrator located in the Finance Department.
2. The Procurement Card Administrator is required to close an account if a Cardholder: (a) transfers to a different department, (b) moves to a new job in which a Procurement Card is not required, (c) terminates employment or (d) for any of the following reasons which will also subject Cardholder to disciplinary action in accordance with Habersham County Purchasing Policy and Policies relating to disciplinary action and termination for cause:
 - The Procurement Card is used for personal or unauthorized purposes.
 - The Procurement Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to Habersham County.
 - The Cardholder allows the card to be used by another individual.
 - The Cardholder splits a purchase to circumvent the limitations of the Procurement Card.
 - The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Procurement Card.
 - The Cardholder fails to provide Departmental Liaison with required receipts.
 - The Cardholder fails to provide, when requested, information about any specific purchase.
 - The Cardholder does not adhere to all of the Procurement Card policies and procedures.
3. A request for closing a Cardholder account will be submitted to Bank of America by the Procurement Card Administrator. If a plastic card exists for the Procurement Card account being closed, you should return it to your Departmental Liaison immediately.

Procurement Card/Account Number Security and Storage

Cardholders should always treat the Habersham County Procurement Card with the same level of care as personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded.

The Departmental Liaison assigned to each Procurement Card will maintain the Cardholder's vendor receipts/packing slips/charge slips. All other documentation concerning the Procurement Card Program will be maintained by the Procurement Card Administrator located in the Habersham County Finance Department. This documentation includes, but is not limited to, applications, Cardholder Agreements, agency billing statements, reconciliation of accounting statements and copies of transmittals and correspondence with Bank of America.

Cardholder Liability

The Procurement Card is a corporate charge card. It is responsibility of the Cardholder to ensure that the card is used within the stated guidelines of this manual. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and disciplinary action in accordance with Habersham County Policies and Procedures relating to disciplinary action and termination for cause.

Lost, Misplaced or Stolen Procurement Cards

Report any lost or stolen Procurement Card immediately to either the Departmental Liaison or the Procurement Card Administrator during normal business hours. The Procurement Card Administrator can be reached at (706)839-0206 in Purchasing. During non-business hours Bank of America representatives are available to assist you 24 hours a day, 365 days a year, toll free at the number on the back of your card. Be sure to notify your Department Liaison about the lost or stolen card at the first opportunity during normal business hours.

Erroneous Declines

There may be certain situations when a vendor receives a decline message when processing your Procurement Card transaction. If you do not know the reason for the decline, immediately contact the Procurement Card Administrator for assistance. If purchase is being made outside of normal business hours, the employee must find an alternate payment method or terminate the purchase and contact the Department Liaison Officer who in turn will contact the Procurement Card Administrator during normal hours.

Credits

The vendor should issue a credit to your card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. ***Under no circumstances should you accept cash in lieu of a credit to the Procurement Card account.***

Disputes & Billing Errors

Always attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the card account. If an agreement cannot be reached with the vendor, you should contact your Department Liaison immediately. Bank of America Customer Service Number is 1-800-538-8788 for any disputes outside of normal business hours.

Nearly all issues can be resolved using this process. If you are unable to obtain an acceptable resolution, the Cardholder must contact the Departmental Liaison for assistance. The total amount billed by Bank of America will be charged to the individual departmental accounts and credits for disputed transactions will be posted to departmental accounts when credit appears on the Bank of America billing.

Sales and Use Tax

Habersham County is exempt from Federal excise tax and Georgia sales and use tax and the exemption number is printed on each Procurement Card. A sales tax exemption certificate will be furnished if requested. If tax is charged or paid to a vendor, please notify your Departmental Liaison.

Parties Involved

1. Card Issuer – Bank of America’s services include issuing Visa Procurement Cards to Habersham County employees, providing electronic transaction authorizations, and billing Habersham County for all purchases made on the cards.
2. Habersham County - Arranges with the card issuer, Bank of America, to have Procurement Cards issued to eligible employees and agrees to accept liability for the employees’ use of the cards.
3. Department Head - Habersham County official who must approve employee’s request for a Procurement Card, assign Departmental Liaison, designate default accounting code for purchases on the Procurement Card, and submit application to the Procurement Card Administrator. Department Head approval delegates transaction authority to the Cardholder.
4. Departmental Liaison - An employee in each department designated by the Department Head to be responsible for coordinating with the Procurement Card Administrator.
5. Procurement Card Administrator - The central Administrator located in the Habersham County’s Finance Department coordinates the Procurement Card Program for Habersham County and acts as Habersham County’s intermediary in correspondence with the card issuer. In addition, the Procurement Card Administrator is responsible for reviewing transactions of individual Cardholders to make sure the transactions are legitimate business expenses, appropriately classified, and are consistent with Habersham County’s purchasing policies.
6. Cardholder - An employee of Habersham County who is approved by their Department Head to use the Procurement Card to execute purchase transactions on behalf of the Habersham County (Attachment 2).
7. Vendor - The merchant from whom a Cardholder is making a purchase.

Audit Assistance

The Department Liaison, the Procurement Card Administrator and/or Finance Department will perform periodic audits of compliance with the guidelines of the Procurement Card Program, Habersham County policies and procedures relating to the expenditure of Habersham County funds as well as Cardholder statements and other required documentation.

Procurement Threshold Chart

Methods of Procurement: The process of procurement is initiated by a request from an agency of the County for a specific commodity and/or service. This **Quick Reference Chart** establishes the general guidelines and requirement which govern the procurement process.

Total Contract Value	Quote/Bid Requirements (Minimum)	Award Approval
\$0 - \$999.99	Single Quote <i>Procurement Card</i>	Department Head or Designee
\$1,000.00 - \$2,499.99	Single Quote	Department Head or Designee
\$2,500.00 - \$7,499.99	3 Verbal Quotes Minimum submitted to Finance for review/recordkeeping	Purchasing Coordinator, Department Head, or Designee
\$7,500.00 - \$14,999.99	3 Written Quotes Minimum submitted to Finance for review/recordkeeping and solicited appropriately	Chief Financial Officer
\$15,000.00 - \$24,999.99	3 Written Quotes Minimum submitted to Finance for review/recordkeeping and solicited appropriately	County Manager
\$25,000.00 and greater	Formal, Advertised, Invitations/Requests	Board of Commissioners



ATTACHMENT 1

**HABERSHAM COUNTY
PROCUREMENT CARD
CARDHOLDER AGREEMENT**

REQUIREMENTS FOR USE

The Purchasing Card is to be used only to make purchases at the request of and for the legitimate business benefit of Habersham County.

The Procurement Card must be used in accordance with the provisions of the Procurement Card Program Policies and Procedures Manual (of which I have received a copy today) established by Habersham County.

Violations of these requirements may result in revocation of use privileges and/or disciplinary action, up to and including termination of employment. Employees who are found to have inappropriately used the Purchasing Card will be required to reimburse Habersham County for all costs associated with such improper use.

Purchasing Card Account Number: _____

Single Purchase Credit Limit: _____

Monthly Credit Limit: _____

Authorized for Food/Restaurant Purchases (Department Head to Initial): Yes _____ No _____

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Received by: _____ (Print Cardholders Name) _____ (Employee Number)

Cardholder Signature: _____

Date: _____

Return Signed Document To: Habersham County Finance Department

ATTACHMENT 2

Habersham County Purchasing/Travel Card Request Form

Employee Name:

Employee Title:

Department:

Department/Division Code:

Assigned Reconciler (if applicable):

Indicate any of the following that applies:	Primary Use of Card
Elected Official	Travel
Appointed Official	Purchasing
Constitutional Officer	Purchasing and Travel

Justification for requesting P-Card:

Employee/Card holder (print)	Employee/Cardholder (signature)	Date
Department Director (print)	Department Director (signature)	Date
Purchasing Card Administrator (print)	Purchasing Card Administrator (signature)	Date

Procurement Threshold Chart

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\$2,500.00 - \$7,499.99	3 Verbal Quotes Minimum submitted to Finance for review/recordkeeping	Purchasing Coordinator, Department Head, or Designee
\$7,500.00 - \$14,999.99	3 Written Quotes Minimum submitted to Finance for review/recordkeeping and solicited appropriately	Chief Financial Officer
\$15,000.00 - \$24,999.99	3 Written Quotes Minimum submitted to Finance for review/recordkeeping and solicited appropriately	County Manager
\$25,000.00 and greater	Formal, Advertised, Invitations/Requests	Board of Commissioners