

Bank of America

PURCHASING CARD PROGRAM

For

SPARTANBURG COUNTY

CARDHOLDER MANUAL

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SPARTANBURG COUNTY PURCHASING CARD PROGRAM CARDHOLDER MANUAL

Introduction

Welcome to the Bank of America Purchasing Card Program. This program is designed to help better manage your purchases and brings many benefits to you, the County and its vendors.

The success of the Purchasing Card Program and its continuing use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this manual.

What is the Purchasing Card?

The Purchasing Card is a credit card issued by Bank of America. It is a fast, flexible new County tool which offers an alternative to the existing Purchase processes and provides an extremely efficient and effective method for departmental purchases. The card is to be used only for official purchases.

The Purchasing Card will enable you to purchase non-restricted commodities, by telephone, by internet, or in person, directly from the vendors.

The Purchasing Card will be issued in the employee's name and the "County's Logo" clearly indicated on the card.

The Purchasing Card program brings many benefits to...

Cardholders - You will be able to obtain services directly from your vendors without using a purchase requisition or purchase order. This streamlines the County process and can help improve turnaround time and reporting. It significantly reduces the workload and processing costs related to the purchase and payment of services.

The County - The Purchasing Card program provides a cost-efficient, alternative method for County purchases. Built-in card features make the program easy to control and manage and reduces processing costs at all levels by reducing the number of requisitions, purchase orders, and invoices and empowering the individual to make purchases and allocate expenses as needed.

Vendors - The Purchasing Card will be welcomed by vendors who accept credit cards. When they accept the card for business purchases, vendors need not send invoices to the County, and they will receive payment directly from Bank of America within 48 hours.

PARTIES INVOLVED

Card Issuer - Bank of America's services include issuing Purchasing Cards to County employees, providing electronic transaction authorizations, and billing the County for all purchases made on the cards.

County - Arranges with the card issuer, Bank of America, to have Purchasing Cards issued to approved employees and agrees to accept liability for the employees' use of the cards.

Department Head - Must approve the employee's request for a Purchasing Card, assign a Departmental Liaison, designate default accounting code for purchases on the Purchasing Card, and submit application to the Purchasing Card Administrator. Department Head approval delegates transaction authority to the Cardholder.

Purchasing Card Administrator - A Finance Department employee who coordinates the Purchasing Card program for the County and acts as the County's intermediary in correspondence with the card issuer.

Cardholder - An employee of the County who is approved by his/her Department Head to use the Purchasing Card to execute purchase transactions on behalf of the County.

Vendor - The merchant from whom a Cardholder is making a purchase.

Cardholder Eligibility

Criteria to receive a Purchasing Card are as follows:

- Applicant must be an employee of the County.
- Applicant's request for a Purchasing Card must be approved by his/her Department Head.
- Each individual Cardholder must sign a **Cardholder Agreement**.

CARDHOLDER RESPONSIBILITIES

The Cardholder must use the Purchasing Card for legitimate business purposes only. Misuse of the card will subject the Cardholder to disciplinary action in accordance with County Policies and Procedures relating to disciplinary action and termination for cause. The Cardholder must:

- Ensure the Purchasing Card is used for legitimate business purposes only.
- Maintain the Purchasing Card in a secure location at all times.
- Not allow other individuals to use their Purchasing Card.
- Obtain and file all sales slips, register receipts, etc. and match slips to Bank of America's Cardholder transactions that appear on the Works system before signing off the transaction on the Works system. **Retain all charge slips and receipts for audit by internal and external auditors.**
- Audit and change accounting code if necessary on each individual transaction. Type in or accrue sales tax.
- Attempt to resolve disputes or billing errors directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved by faxing Bank of America the required Dispute Form (Attachment A). Flag the transaction as disputed and notify Finance (3626 smason@SpartanburgCounty.org).
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder transaction.
- Not accept cash in lieu of a credit to the Purchasing Card account.
- Accrue the use tax on transactions which are taxable but the sales tax has not been paid. Increase charge to 106% with a credit of 6% to account number 1-3-3280-35040.
- Type in the sales tax paid on any transaction where the sales tax does not show. The system will re-calculate the taxable amount.
- Immediately report a lost or stolen card to Bank of America at 1-888-449-2273 (24 hours a day, 365 days a year).
- Immediately notify Finance (3626 smason@SpartanburgCounty.org) of a lost or stolen Purchasing Card at the first opportunity during normal business hours.
- Return the Purchasing Card to the Finance Departmental upon terminating employment with the County or transferring Departments within the County.
- If a vendor does not accept Credit cards, contact the Finance Department.
- Report erroneous and emergency transaction needs to the Finance Department during normal business hours.

DEPARTMENT HEAD (or APPROVER) RESPONSIBILITIES

Each Department Head must designate (or be) the APPROVER for his/her department. This person must receive training before any employees in the department may receive a Purchasing Card. Responsibilities include:

- Reviewing and signing off all Cardholder transactions.
- **Seeing that all Cardholder charge slips and receipts are retained for audit by internal and external auditors.**
- Reviewing accounting codes for each cardholder transaction.
- Attempting to resolve any disputes with vendor and/or Bank of America not resolved by the Cardholder.
- Notify Finance of any unresolved disputes, noting the reason for dispute. Flagging transaction as disputed.
- Checking transactions for the proper application of sales/use tax.
- Notifying Finance of lost or stolen cards.
- Requesting Finance to cancel a Cardholder's card (e.g. terminated employees, transferring departments, loss of Purchasing card privileges) as approved by the Department Head.
- Collecting canceled cards from Cardholders and forwarding them to the Finance.
- Assisting Cardholders with transactions.

PURCHASING CARD ADMINISTRATOR RESPONSIBILITIES

The Finance Office will assign a Purchasing Card Administrator to be responsible for the over-all Purchasing Card program. Responsibilities include:

- County liaison with Bank of America.
- Utilizing Works Software from Bank of America.
- Reviewing Department approved applications for completeness of required information.
- Submitting completed application to Bank of America and receiving Purchasing Card from Bank of America.
- Training Cardholder before releasing Purchasing Card.
- Having Cardholder sign Cardholder Agreement, signifying agreement with the terms of the Purchasing Card program.
- Handling disputed charges/discrepancies not resolved by the Cardholder or the Department Head.
- Initiating change of default accounting codes upon request of Department Head.
- Securing revoked Purchasing Cards and submitting information to Bank of America.
- Making accruals for transactions which require the submission of use tax to the Department of Revenue.
- Reconciling Bank of America's bill to Bank of America's electronic file and to the transaction totals posted to the County's accounting system.
- Reviewing usage of Purchasing Card data for appropriateness.
- Ensuring that lost stolen cards have been blocked by Bank of America.
- Assisting the Departments with erroneous declines and emergency transactions.

1. Requirements for Receiving a Purchasing Card

Before receiving a Purchasing Card, you are required to sign The County Purchasing Card Cardholder Agreement. By signing this agreement, you indicate that you understand the intent of the program, and will comply with all guidelines of this Manual as well as County Policies and Procedures relating to the expenditure of County funds.

2. Purchasing Card Maintenance and Closure

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 Purchasing Card Administrator who is located in the Finance Department.

The Purchasing Card Administrator will close an account if a Cardholder: (a) transfers to a different department, (b) moves to a new job in which a Purchasing 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 County Policies and Procedures relating to disciplinary action and termination for cause:

- The Purchasing Card is used for personal or unauthorized purposes.
- The Purchasing Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the County.
- The Cardholder allows the card to be used by another individual.
- The Cardholder splits a purchase to circumvent the limitations of the Purchasing Card.
- The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Purchasing Card.
- The Cardholder fails to provide Finance or Internal Audit with required receipts.
- The Cardholder fails to provide, when requested, information about any specific purchase.
- The Cardholder does not adhere to all of the Purchasing Card policies and procedures.

A request for closing a Cardholder account will be submitted to Bank of America by the Purchasing Card Administrator. *If a plastic card exists for the Purchasing Card account being closed, you should return it to the Finance Department immediately.*

3. Purchasing Card Use

The card works just like your personal credit card. Spending parameters for each Purchasing Card issued are set by the County. The County will adjust limits as determined by demonstrated need.

The County may require that certain types of vendors be blocked from Purchasing Card use. Transactions will be blocked at the point-of-sale level.

4. Purchasing Card/Account Number Security and Storage

Cardholders should always treat the County Purchasing Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.

The Cardholder assigned to each Purchasing Card will maintain the Cardholder's vendor receipts/packing slips/charge slips. The Purchasing Card Administrator located in the County Finance Department will maintain all other documentation concerning the Purchasing Card program. 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.

5. Cardholder Liability

It is your responsibility to ensure that the card is used within stated guidelines of this Manual and the Cardholder Agreement form. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to administration, and disciplinary action in accordance with County Policies and Procedures relating to disciplinary action and termination for cause.

6. Lost, Misplaced or Stolen Purchasing Cards

Report any lost or stolen Purchasing Card immediately to Bank of America toll-free at 1-800-300-3084. Bank of America representatives are available to assist you 24 hours a day, 365 days a year. Be sure to notify the Finance Department about the lost or stolen card at the first opportunity during normal business hours.

7. Completing a Purchasing Card Transaction

Follow these general guidelines when using your card or account number to make a purchase:

- Determine if the intended purchase is within spending guidelines.
- For face to face transactions provide the vendor with your Purchasing Card plastic or for telephone orders give the vendor your account number and expiration date.
- Obtain a copy of the charge slip, sales receipt and/or packing slips and compare it to the Bank of America Cardholder transaction on the Works system.
- Change the accounting code for the purchase to be charged to if different than the accounting code that appears on the Works transaction.
- Check to see if the sales tax paid shows up on the Works transaction – if not enter it. If no tax was paid, accrue the use tax.
- **Sign off on the transaction in a timely manner.**

8. Erroneous Declines

There may be certain situations when a vendor receives a decline message when processing your Purchasing Card transaction. If you do not know the reason for the decline, contact Finance for an explanation. 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 Finance Department during normal hours.

9. Emergency Transactions

For any transaction which does not meet the spending controls assigned to the card, the Cardholder must contact the Finance Office for assistance.

10. Credits

The vendor should issue a credit to your card account for any item that 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 Purchasing Card account.***

11. Disputes & Billing Errors

You should 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 Bank of America at **1-800-300-3084**. Bank of America may request you to mail or **fax to 1-800-253-5846** a signed Dispute Form to document the reason for the dispute. The Bank of America Dispute Form is included as an attachment to this manual (Attachment A).

Nearly all issues can be resolved using this process. If you are unable to obtain an acceptable resolution, the Cardholder must contact the Finance Department for assistance. The total amount billed by Bank of America will be batched as disputed and credits for disputed transactions will be posted likewise this disputed batch when the credit appears on the Works system.

12. Sales and Use Tax

In State Vendors - The vendor is responsible for collecting retail sales tax at the point of sale. The amount of sales tax should be indicated on the receipt provided by the vendor. **IF THIS TAX DOES NOT SHOW UP ON THE TRANSACTION – TYPE IT IN.**

Out Of State Vendors - Vendors located out of State should not collect sales tax (UNLESS THEY HAVE A VALID S.C. TAX NUMBER). If sales tax is charged by a vendor in another state, please notify Finance. **USE TAX MUST BE ACCRUED ON THESE TRANSACTIONS.**

13. Vendor Participation

If a vendor frequently used by County employees does not accept the card, the County will assist in recruiting the vendor to take the necessary steps to begin acceptance of the card. Cardholders should contact the Finance Department when encountering vendors who do not accept the card.

14. Audit Assistance

The Internal and External Auditors will perform periodic audits of your compliance with the guidelines of the Purchasing Card program, County policies and procedures relating to the expenditure of County funds as well as Cardholder statements and other required documentation.

15. Customer Service

Bank of America Customer Service is available 24 hours a day, 365 days a year at 1-800-300-3084 for:

- Reporting a lost or stolen card
- Disputes or billing errors

For all other questions or issues, please contact the Finance Department.