

**COUNTY OF ORANGE, VIRGINIA  
PERSONNEL POLICIES MANUAL**

**PURCHASING (P) CARD POLICY**

**POLICY NO.: 8.3**

**EFFECTIVE: 7/26/16**

**OVERVIEW:** The P-Card program is part of a continuing effort to streamline procedures of procuring and paying for small goods and services.

**SCOPE:** This policy applies to all regular employees, including employees of Constitutional Officers subject to the County's personnel policies. The P-Card program should be viewed as an efficient means of payment and not as an instrument to circumvent other County procurement procedures.

The policies and procedures contained in this document are applicable to all authorized employees making purchases on behalf of Orange County, when using a County P-Card.

The purpose of these policies and procedures is to provide the internal control measures governing the use of the P-Cards assigned to a County employee.

**PROVISIONS:**

A. Terms of Use

A new participant in the P-Card program must complete the *New Card Request Form* and obtain the appropriate approvals. The Department Director or Constitutional Officer will request a set limit for the new P-Card based on the cardholder's buying needs and note this amount on the request form. Appropriate approvals consist of the Department Director or Constitutional Officer's signature on the request form as well as the signature of the Assistant County Administrator for Finance and Management Services. Once the request has been approved by both parties, the P-Card Administrator will submit the request to the issuing bank for processing. Once the bank has processed the request, an account for the cardholder will be established.

The financial institution issuing the P-Cards will mail all new or reissued P-Cards to the Finance Department. The Finance Department will notify the appropriate cardholder upon receipt of the issued P-Card and copy the Department Director or Constitutional Officer on the notification. The P-Card administrator will release the P-Card to the designated cardholder after the cardholder physically visits the Finance Department and presents the appropriate identification.

All new cardholders must receive training on the County's P-Card policy and procedures and sign a *Purchasing Card (P-Card) Cardholder Agreement Form* prior to the release of the P-Card to the cardholder by the Program Administrator.

The purchasing authority limit for each cardholder will be set by the Department Director or Constitutional Officer and approved by the Assistant County Administrator for Finance and Management Services during the initial P-Card set-up. This authority establishes the maximum dollar amount for the cardholder's purchasing in a given billing cycle (30-day limit). All purchases charged to the cardholder's P-Card accumulate for a given billing cycle. The total of a single purchase or the aggregate of all purchases using the P-Card cannot exceed the cardholder's authorized monthly limit. The P-Card balance will be checked by the issuing bank before each purchase and an authorization request will be declined should the transaction amount exceed the remaining balance of the P-Card for a given billing cycle.

Any user of a P-Card should not pay Virginia Sales & Use Tax on goods or services. P-Card users are responsible for informing suppliers of the County's tax-exempt status prior to or at the time of a transaction. The words "Tax Exempt," as well as the County's Tax Identification Number (TIN), are printed on each P-Card. A copy of the County's ST-12 (Tax Exemption Certificate) is also available to card users upon request to the Finance Department.

This tax exemption does not apply to Meals or Lodging Tax and such taxes should be paid.

The use of a County P-Card does not exempt a user from complying with the County's procurement or purchasing policies. All purchases must adhere to the County's procurement guidelines. All transactions over \$5,000 require a Purchase Order. Intentional circumvention of these policies is strictly prohibited. This includes splitting a transaction amount with the same vendor or multiple vendors for purchases that would otherwise require purchase approval.

Any violation of the County's procurement policy with the use of a County P-Card will result in suspension or revocation of P-Card privileges. Improper use of the P-Card may also result in prosecution for embezzlement under Section 18.2-112 of the Code of Virginia.

Department Directors or Constitutional Officers may establish lower limits as well as additional purchasing guidelines for the P-Card users within their department. Department Directors or Constitutional Officers are required to review and approve every transaction executed by a card user within their department. Department Directors or Constitutional Officers are required to determine if the transaction was for County business purposes. If the Department Director or Constitutional Officer questions the transaction, it is his or her responsibility to resolve the issue with the card user. If the Department Director or Constitutional Officer is not satisfied that the purchase was necessary and/or for County business purposes, termination of card privileges and restitution in full will be required of the card user.

The P-Card that a cardholder receives has the cardholder's name embossed on it and may be used only by the identified authorized cardholder.

B. Prohibited Items for Purchase

The items listed below, which is not intended to be all-inclusive, are prohibited for purchase using a County P-Card. The purchase of any items on this list will result in the revocation of P-Card privileges and disciplinary action. If any of the below items are included on a receipt to be submitted for a County business purchase, the card user must insist that the vendor split the purchase and regenerate a separate receipt for the product(s) to be paid with personal funds. Any exceptions for the purchase of prohibited items must be authorized by the County Administrator.

1. **Alcoholic Beverages** – Any beverage containing alcohol.
2. **Tobacco Products** – Any product containing tobacco, including e-cigarettes or vapes, or product directly related to the use of tobacco.
3. **Personal Items** – Any item not directly related to County business.
4. **Gift Cards** – Gift cards are restricted for purchase unless approved by the County Administrator prior to execution of the transaction.
5. **Donations** – No gift or donation to any organization or individual is permitted on a County P-Card.
6. **Gasoline** – No gasoline purchases for personal or County vehicles are permitted using a County P-Card. Exceptions may be made for certain situations (i.e. travel outside of the Orange County area).
7. **Cash Advances** – No cash advances, wire transfers, or money orders are permitted using a County P-Card.

Each cardholder is responsible for maintaining all receipts for goods and services purchased with a P-Card. The cardholder must contact the vendor directly to resolve any discrepancies or incomplete orders applied to their P-Card.

C. Documentation

All cardholders are required to retain a copy of the itemized receipt and charge slips documenting the purchase charged to their P-Card. The copies of the itemized receipts and charge slips will become the purchasing document for future reference. Care is to be taken to ensure that inappropriate duplicate copies are not prepared.

A detailed charge receipt sent via fax, e-mail, or mail must be obtained with all telephone and Internet orders. Prior to leaving a website, a detailed statement listing items ordered and any additional charges should be printed out by the cardholder. In addition, many

websites e-mail a confirmation of the order shortly after the order is placed. This confirmation sheet should also be submitted with monthly documentation.

If, for some reason, the cardholder does not have documentation of the transaction, the cardholder must work with the vendor to obtain such documentation. A *Lack of Documentation Waiver Statement* must be completed and will temporarily serve as a basis to pay the charge. Frequent use of this method will result in a loss of P-Card privileges.

#### D. Transaction Disputes

If items purchased with the P-Card are found defective, or the repair or services faulty, the cardholder has the responsibility to return the items to the merchant for replacement or to receive a credit on the purchases. If the merchant refuses to replace or correct the faulty item, then the purchase of this item will be considered to be in dispute.

The cardholder initiating the dispute claim must complete a written explanation of the dispute matter and the appropriate documentation supporting the dispute is to be attached. A copy of the dispute explanation and the supporting documentation must be forwarded through the Department Director or Constitutional Officer and to the P-Card Administrator. The P-Card Administrator will notify the cardholder and the Department Director or Constitutional Officer of any additional actions to be taken related to the disputed transaction.

#### E. Monthly Spending Limit Changes

Any requests to increase or decrease cardholder monthly spending limits must be made by the Department Director or Constitutional Officer by submitting the *Card Limit Change Request Form* and sending it to the Assistant County Administrator for Finance and Management Services via e-mail. The P-Card Administrator will be notified upon approval of the changes and apply the necessary adjustment to the account.

#### F. Other Account Changes

Any other changes should also be sent via e-mail to the Assistant County Administrator for Finance and Management Services. Upon receipt of the information, the P-Card Administrator will make all necessary adjustments to the cardholder's account.

#### G. Terminated Employees

If a cardholder is terminated, the cardholder's P-Card must be collected by the Department Director or Constitutional Officer and returned to the Finance Department within two (2) business days of termination. The Finance Department will notify the financial institution that the P-Card has been surrendered and will instruct the financial institution to terminate P-Card authority for the particular card in question. The Finance Department will also destroy the surrendered card.

If the Department Director or Constitutional Officer is not able to collect the P-Card prior

to the cardholder's departure from County employment, the Department Director or Constitutional Officer must notify the Finance Department IMMEDIATELY by telephone and follow-up with a written notification informing the Finance Department of the departure. The Finance Department will notify the P-Card issuer to terminate the former cardholder's purchase authority effective immediately in an attempt to prevent any purchases after the employee departs the County.

#### H. Lost or Stolen Cards

If a cardholder loses or has their P-Card stolen, it is the responsibility of the cardholder to IMMEDIATELY NOTIFY the financial institution that issued the card in accordance with the financial institution's procedures. The contact information for the financial institution is provided on the back of the P-Card itself or is available on the financial institution's website.

The cardholder is to notify the financial institution, Department Director or Constitutional Officer, and the Finance Department on the same day. However, if circumstances prevent same day notification, the Department Director or Constitutional Officer and the Finance Department should be notified of the incident NO LATER THAN ONE BUSINESS DAY following the notification to the financial institution.

#### I. Review

All cardholder accounts are subject to monthly review by the Finance Department to ensure compliance with the County's overall policies and procedures outlined in this policy. If a policy violation is revealed during this review, the cardholder and the respective Department Director or Constitutional Officer will be contacted and disciplinary action will be assessed based on the type of violation.

#### J. Violations

A cardholder's privileges can be suspended for up to three (3) months, or permanently revoked, if any of the following violations are revealed:

1. Authorization of a charge in excess of the cardholder's monthly spending limit.
2. Splitting a transaction in order to circumvent the County's procurement policies.
3. Accepting store credit for returned merchandise.
4. Knowingly allowing unauthorized employee(s) to use your card.
5. Purchasing item(s) on the "Prohibited Items" list.
6. Paying Sales & Use tax on an item.
7. Not following proper documentation procedures.

This policy is subject to periodic review to ensure that best practices are represented and that adequate internal controls have been established in support of the mission of the County as it relates to P-Card usage.



**Orange County**  
***New or Replacement P-Card***  
***Request Form***

<b>Cardholder Information</b>	
Name:	
Department:	
<b>Card Information &amp; Limits</b>	
<i>Description</i>	<i>Requested Limit</i>
Per Transaction Limit:	\$
Monthly Credit Limit:	\$
<b>Reason for Request:</b>	
<i>Please fill out and attach the Cardholder Agreement form and send it back to the P-Card Administrator.</i>	
<b>Cardholder Signature and Date:</b>	
<b>Department Director or Constitutional Officer Signature and Date:</b>	
<b>Asst. County Admin. for Finance &amp; Mgmt. Services Signature and Date:</b>	
<b>Program Administrator Signature and Date:</b>	





**Orange County**  
***Purchasing Card (P-Card)***  
***Lack of Documentation Waiver Statement***

I, \_\_\_\_\_ acknowledge that I am unable to submit the required  
(print name)  
documentation for the purchasing card transaction made at \_\_\_\_\_  
(vendor)  
on \_\_\_\_\_ for \_\_\_\_\_. In lieu of this documentation is  
(date) (amount)  
my statement below:

Please describe the purchase:

I certify that the above statement is true and was proper use of my Orange County Purchasing Card and was consistent with all applicable Orange County policies.

\_\_\_\_\_  
(Department)

\_\_\_\_\_  
(Cardholder Signature & Date)

\_\_\_\_\_  
(Dept. Director or Cons. Officer Signature & Date)

*Forward this statement to your Department Director or Constitutional Office, who will submit it with your P-Card statement.*

*Repeated lack of documentation may be grounds for suspension of your P-Card privileges.*



**Orange County  
Card Limit Change  
Request Form**

<b>Cardholder Information</b>		
Name:		
Department:		
Last Four Digits on P-Card:		
<b>Card Information &amp; Limits</b>		
<i>Description</i>	<i>Old Limit</i>	<i>Requested Limit</i>
Dollars-per-Day Limit:	\$	\$
Dollars-per-Month Limit:	\$	\$
Transactions-per-Day Limit:	\$	\$
Transactions-per-Month Limit:	\$	\$
<b>Reason for Change:</b>		
<i>We believe this card limit request is appropriate and consistent with the Cardholder's job-related duties and by changing the limits as requested above will allow the Cardholder to make better use of the P-Card in his/her role.</i>		
<b>Cardholder Signature and Date:</b>		
<b>Department Director or Constitutional Officer Signature and Date:</b>		
<b>Asst. County Admin. for Finance &amp; Mgmt. Services Signature and Date:</b>		
<b>Program Administrator Signature and Date:</b>		