

I. PURPOSE

This is to establish a change to the procurement/payment method which will enhance employee productivity and efficiency and reduce administrative costs, while maintaining the integrity of the City's fiscal and procurement policies and practices. City employees are able to expedite purchases to meet their immediate work demands. Additional cost savings are achieved by reducing administrative time and costs that otherwise would be required to process petty cash and field purchasing transactions.

II. POLICY STATEMENT

A. The Procurement Card Program is to be used by City departments to:

- Provide a preferred alternative procurement method to petty cash and field purchase orders (PO's).
- Reduce the number of petty cash, field purchase orders (PO's) and travel advance transactions.
- Facilitate travel related transactions for employees who travel on City business.
- Expedite and streamline the payment of procurement activities.

B. Idaho Fall's Procurement Card Program authorizes City employees (account holders) to make purchases pursuant to State of Idaho statutes for materials and certain services within guidelines and established dollar limits. Also, with this privilege comes the responsibility to ensure purchases are:

- Made in compliance with Idaho Codes §18-3122 &18-3124.
- Solely for City business and represent good value for price paid.
- Properly funded with correct Chart of Account information.
- Properly documented and transmitted to Controller's Office for posting in a timely manner.

C. While the Procurement Card will be jointly issued in the name of the City of Idaho Falls and the individual account holder, or department name, use of the card will not affect the employee's personal credit worthiness or credit rating.

III. PROCEDURES

A. Procurement Card Eligibility. Department Directors may request that a full time employee (only within their respective departments) receive a Procurement Card. Part-time, non-benefited and/or seasonal employees are not eligible to be issued a Procurement Card. Pursuant to best practices for risk management, all card holders may be subject to a background check through Human Resources.

A Procurement Card is a privilege. Department Directors or the Municipal Services Director may amend or revoke an employee's Procurement Card at any time, for any reason.

When considering which employees should be assigned a Procurement Card, the following criteria are suggested:

- Will the employee's use of the Procurement Card enhance productivity?
- Has the employee demonstrated sound judgment when recommending purchases?
- Does the employee often travel on City business?

B. Account Holder Transaction Purchase Limits.

The Controller's Office will establish standard categories with transactional and monthly limits based on common needs of users.

The per transaction limit will be established by the Controller's Office based on business need.

Contract use and individual transaction overrides of transaction limits or Merchant Category Code (MCC) restrictions may be granted by the Controller's Office to meet a specific and appropriate business need.

Procurement Card purchases are not to be split to make purchases which exceed the authorized "per transaction" or maximum monthly limits.

C. Acceptable Procurement Card Uses

Procurement Cards may be used for purchases and/or authorized travel related expenses as outlined below and which do not exceed the established dollar limits. Account holders are encouraged to conduct research for the most economical price and include Idaho Falls merchants whenever possible. Acceptable purchases include:

- Materials and services not covered by City contracts or agreements managed by Purchasing.
- Contract purchases of material/services if Procurement Card payment is established/approved by the Purchasing division.
- Food or beverage for City-sponsored functions (IRS regulations apply).
- Equipment parts and repairs not covered by City contracts or agreements managed by Purchasing.
- Training and seminars
- Fuel for travel outside of Southeast Idaho.
- City-related travel reservations and expenses such as airfare, hotel accommodations and rental car reservations and expenses, meals and other pre-approved travel expenses.

D. Travel Use of Procurement Card

All travel expenses shall be in compliance with the City Travel Policy, including but not limited to allowable accounts for meals and incidentals. Employees who use a Procurement Card for travel expenses are not eligible to request a travel advance. Travelers may not "double-dip" by receiving a per diem and using their Procurement Card for meals.

Employees who use a Procurement Card for travel related expenses must be careful to charge only expenses related directly to the traveling City employee and City business. If the traveler anticipates expenses for traveling companions who are not City employees, or for non-business (such as in-room movies, laundry services, personal telephone calls, non-business car rental or extra hotel days), these expenses must be separately charged to a personal account and should not appear on the Procurement Card statement.

If a group of City employees are traveling together and wish to combine travel expenses onto one card, the card limits cannot be exceeded and the Travel Expense Request form must be processed as a group.

E. Prohibited Procurement Card Uses

Procurement Cards are not to be used for the following:

- Purchases that do not comply with State of Idaho Statutes and City Procurement policy
- Personal purchases.
- Cash advances.
- Non-City purposes.
- Alcohol, or tobacco, non-prescription drugs, or similar products.
- Purchase of items or services available on an established City contract or agreements unless established/authorized by purchasing division.
- Products available from materials and supplies available from Building Maintenance, or another City Department.
- Products or services which require the purchase approval of another department.

Procurement Cards may not be shared. **The only person entitled to use the card is the person whose name appears on the face of the card.**

F. Loss of Procurement Card Privileges

Failure to comply with the requirements of the Procurement Card guidelines may result in cancellation of Procurement Card privileges and/or disciplinary action, up to and including termination. Some examples of situations that may result in cancellations are:

- Use of Procurement Card for prohibited uses by this policy or the law.
- Multiple charges to the same vendor for quantity or amount that indicates deliberate misuse (like loaning of the card to another employee).
- Repeated lack of required documentation.
- Repeated incidents of the monthly expense documentation being received by Controller's Office after the due date.
- Repeated errors in the monthly expense documentation.

Any account holder's employment superior may retrieve the Procurement Card from the employee at any time, for any reason. The card is to be promptly forwarded to the Municipal Services Director, accompanied by a memo from the manager requesting the card be suspended or cancelled.

Separating employees shall return their Procurement Card to their supervisor before leaving, along with any outstanding purchase receipts. It is the supervisor's responsibility to retrieve the Procurement Card from retiring, resigning or terminated employees and send it to the Municipal Services Director prior to the employee's final working day of employment. Upon notification to Municipal Services Director the Controller's Office will deactivate the procurement card.

G. Department Responsibility for Obligations

Department Directors are responsible for the purchases made by their staff members.

H. Account Holder Responsibility

- Sign the Procurement Card User Agreement form annually.
- Safeguard their Procurement Card
- Use the Procurement Card only for authorized transactions.
- Report any discrepancies in a timely manner

- Reconcile account in a timely manner as outlined in the policy.
- Submit receipts and invoices within 7 days of the 25th of each month.
- Immediately report a lost or stolen card or any fraudulent use to the Controller's Office.

I. Supervisor Responsibilities

- Approve account holder purchases within City and department policies
- Ensure Account holder conforms to established Procurement Card usage guidelines and policies.
- Audit details of account holders receipts to ensure purchases are appropriate and for City use while complying with other City policies.
- Review and approve account holder's account reconciliation in the system for timely submission to Controller's Office.

J. Department Director Responsibilities

- Authorize use of procurement card.
- Review and approve application for new account holders for their department.
- Resolve any issues related to inappropriate use of their department staff's use of the Procurement Card.
- Review card usage of staff members, as necessary.

K. Controller's Office Responsibilities

- Sets the transaction and credit line limit of each Account holder.
- Review and process approved Procurement Card expense reports and monthly procurement card transaction activity.
- Point of contact for any on-site transaction issues or emergencies.
- Notify account holder and/or immediate supervisor of any expense reports that have missing receipts, discrepancies, signatures, or incomplete/unclear documentation.
- Report repeated incidents of delays or errors to the Municipal Services Director.
- Audit account holder's monthly statements to ensure compliance with established policies for use of the Procurement Card.
- Prepare a monthly and annual report detailing the status of the program, its effectiveness and any recommendations for improvements.

L. Municipal Services Director Responsibilities

- Review and approve applications for new account holders requested by Department Directors in compliance with established policies, procedures and best interest of the City.
- Modify or revoke account holder privileges based on but not limited to, documented incidents of abuse, repeated late processing of statement/payment, disciplinary action, permanent or temporary changes in employment status or upon request by the account holders Department Director, and/or Controller's Office.
- Address reoccurring inappropriate use of Procurement Card or any program problems.
- Establish detailed program guidelines and procedures consistent with this policy and monitor controls.
- Present reports detailing the status of the program, its effectiveness and any recommendations for improvements.

IV. OBTAINING A PROCUREMENT CARD

The City employee who wishes to obtain a Procurement Card (and his/her supervisor) shall review this Procurement card program, User Agreement and will submit a Procurement Card Application (available through the Controller's Office).

Section 18-3122 – Idaho State Legislature

 legislature.idaho.gov/statutesrules/idstat/Title18/T18CH31/SECT18-3122/



Idaho Statutes

TITLE 18

CRIMES AND PUNISHMENTS

CHAPTER 31

FALSE PRETENSES, CHEATS AND MISREPRESENTATIONS

18-3122. Definitions. The following words and phrases used in this chapter mean:

- (1) "Authorized credit card merchant" means a person or organization who is authorized by an issuer to furnish money, goods, services or anything of value upon presentation of a financial transaction card or a financial transaction card account number by a card holder, and to present valid credit card sales drafts to the issuer for payment.
- (2) "Automated banking device" means any machine which, when properly activated by a financial transaction card and/or a personal identification code, may be used for any of the purposes for which a financial transaction card may be used.
- (3) "Card holder" means any person or organization named on the face of a financial transaction card to whom, or for whose benefit, a financial transaction card is issued by an issuer.
- (4) "Credit card sales draft" means:
 - (a) Any sales slip, draft, voucher or other written or electronic record of a sale of goods, services or anything else of value made or purported to be made to or at the request of a card holder with a financial transaction card, financial transaction card account number or personal identification code; or
 - (b) Any evidence, however manifested, of any right or purported right to collect from a card holder funds due or purported to be due with respect to any sale or purported sale.
- (5) "Expired financial transaction card" means any financial transaction card which is no longer valid because the terms agreed to have been cancelled or have elapsed.
- (6) "Financial transaction card" or "FTC" means any instrument or device known as a credit card, credit plate, bank services card, banking card, check guarantee card, debit card, telephone credit card or by any other name issued by the issuer for the use of the card holder in obtaining money, goods, services, or anything else of value on credit, or in certifying or guaranteeing to a person or business the availability to the card holder of the funds on deposit that are equal to or greater than the amount necessary to honor a draft or check payable to the order of such a person or business; or any instrument or device used in providing the card holder access to a demand deposit account or a time deposit account for the purpose of making deposits of money or checks therein, or withdrawing funds in the form of money, money orders, or traveler's checks or other representative of value therefrom or transferring funds from any demand account or time deposit account to any credit card account in full or partial satisfaction of any outstanding balance existing therein.
- (7) "Financial transaction card account number" means the account number assigned by an issuer to a financial transaction card to identify and account for transactions involving that financial transaction card.
- (8) "Issuer" means a business organization or financial institution or its duly authorized agent which issues a financial transaction card.
- (9) "Personal identification code" means any numerical and/or alphabetical code assigned to the card holder of a financial transaction card by the issuer to permit the authorized electronic use of that FTC.

(10) "Personal identifying information" means the name, address, telephone number, driver's license number, social security number, place of employment, employee identification number, mother's maiden name, checking account number, savings account number, financial transaction card number, or personal identification code of an individual person, or any other numbers or information which can be used to access a person's financial resources.

(11) "Revoked financial transaction card" means an FTC which is no longer valid because permission to use it has been suspended or terminated by the issuer with actual notice having been made upon the card holder.

History:

[18-3122, added 1981, ch. 164, sec. 1, p. 288; am. 1991, ch. 331, sec. 1, p. 856; am. 1999, ch. 124, sec. 1, p. 361; am. 2007, ch. 33, sec. 1, p. 74.]

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Section 18-3124 – Idaho State Legislature

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Idaho Statutes

TITLE 18

CRIMES AND PUNISHMENTS

CHAPTER 31

FALSE PRETENSES, CHEATS AND MISREPRESENTATIONS

18-3124. Fraudulent use of a financial transaction card or number. It is a violation of the provisions of this section for any person with the intent to defraud:

- (1) To use an FTC or FTC number to knowingly and willfully exceed the actual balance of the demand deposit account or time deposit account;
- (2) To use an FTC or FTC number to willfully exceed an authorized credit line in the amount of one thousand dollars (\$1,000) or more, or fifty percent (50%) of such authorized credit line, whichever is greater;
- (3) To willfully deposit into his account or any other account by means of an automatic banking device, any false, forged, fictitious, altered or counterfeit check draft, money order, or any other such document;
- (4) To knowingly sell or attempt to sell credit card sales drafts to an authorized credit card merchant or any other person or organization, for any consideration whether at a discount or otherwise, or present or cause to be presented to the issuer or an authorized credit card merchant, for payment or collection, any credit card sales draft, or purchase or attempt to purchase any credit card sales draft for presentation to the issuer or an authorized credit card merchant for payment or collection if:
 - (a) Such draft is counterfeit or fictitious;
 - (b) The purported sale evidenced by such credit card sales draft did not take place;
 - (c) The purported sale was not authorized by the card holder;
 - (d) The items or services purported to be sold as evidenced by such credit card sales draft are not delivered or rendered to the card holder or person intended to receive them; or
 - (e) If purportedly delivered or rendered, such goods or services are of materially lesser value or quality from that intended by the purchaser, or are materially different from goods or services represented by the seller or his agent to the purchaser, or have substantial discrepancies from goods or services impliedly represented by the purchase price when compared with the actual goods or services purportedly delivered or rendered.
- (5) To knowingly keep or maintain in any manner carbon or other impressions or copies of credit card sales drafts, and to use such impressions or copies for the purpose of creating any fictitious or counterfeit credit sales draft, or to engage in any other activity prohibited in this section.

History:

[18-3124, added 1981, ch. 164, sec. 3, p. 289; am. 1991, ch. 331, sec. 3, p. 857; am. 1999, ch. 124, sec. 2, p. 363; am. 2002, ch. 72, sec. 1, p. 158; am. 2007, ch. 33, sec. 2, p. 76.]

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City Credit Card Emergency Call Tree

		<u>Office Phone</u>	<u>Cell Phone</u>
1 Call	Megan Ricks	208-612-8596	208-270-1496
2 Call	Derick Sorensen	208-612-8782	208-252-0066
3 Call	Bruce Young	208-612-8231	208-221-6860
4 Call	Mark Hagedorn	208-612-8232	208-270-9087

If a card is declined, lost, or stolen the numbers presented above are to be used, in order, issue resolution. These contacts are available 24/7, and changes can be made effective immediately.