



LINCOLN COUNTY PURCHASING CARD AND CREDIT CARD POLICY

Adopted: August 20, 2012

Amended: September 20, 2024

POLICY.

Lincoln County (the "County"), by and through its Finance Department, provides Credit Cards ("C-Cards") and Purchasing Cards ("P-Cards") (collectively the "Cards") to its employees for a more rapid turnaround of purchases for lower value goods. By use of the Cards, the traditional requisition, inquiry, ordering, delivery and invoice payment is greatly simplified.

DEFINITIONS.

The following definitions shall apply to this Policy:

(1) Vendor. Any company, entity or individual from which a cardholder is purchasing materials, equipment or services from.

(2) Cardholder. The individual employee who has been issued a P-Card or C-Card giving authorization to make purchases in accordance with the established procedures.

(3) Supervisor. The individual employee who the procurement cardholder reports to.

(4) Administrator. The individual employee responsible for the implementation of this policy and the custodian of the records set forth herein. The County designates the Finance Director as the Administrator.

(5) Statement of Account. The monthly listing of all transactions by the Cardholder issued by the bank directly to the Cardholder.

(6) Single Purchase Limit. The dollar amount limitation of purchasing authority delegated to the Cardholder. This limit shall not exceed \$999.99 for any P-Card and may be less than \$999.99 depending on the Cardholder's Monthly Purchase Limit. The Administrator has the authority to waive the Single Purchase Limit in certain circumstances.

(7) Monthly Purchase Limit. The total monthly dollar limitation of purchasing authority delegated to a Cardholder. This limit may vary between Cardholders and is established by the Administrator in conjunction with the Cardholder's Supervisor and/or the County Manager.

(8) Departmental Administrator. The person designated within each department to be the initial contact, coordinator, and approver of P-Card and C-Card transactions and statements.

ISSUANCE OF PURCHASING CARDS AND CREDIT CARDS.

(1) Eligibility for Issuance.

(A) Purchasing Cards. All Directors may select certain employees to be issued a P-Card within their department(s). The Director shall be required to fill out the Enrollment Form attached hereto as Exhibit A.

(B) Credit Cards. Credit cards shall only be issued to the County Manager, the County Attorney, Elected Officials and Department Heads (including Directors and Division Managers). Other individuals may be eligible for the receipt of a C-Card, if approved by the County Manager.

(2) Employee Agreement. All Cardholders shall be required to sign an agreement wherein they acknowledge the procedures and responsibilities set out herein. A copy of the agreement is attached hereto as Exhibit B.

(3) Monthly Purchase Limit. The Administrator shall determine the Monthly Purchase Limit for each Cardholder and shall provide notification of such to the Cardholder and the Supervisor. The Monthly Purchase Limit for any Credit Cards shall be also approved by the County Manager.

USE OF CREDIT CARDS AND PURCHASING CARDS

(1) The Cards shall only be used by the Cardholder specifically embossed on the Card, and the Cardholder shall be responsible for all charges on said Card. A Card may be used by other individuals within the County in emergency situations, or when special circumstances arise that would require such use. Any use of a Card by an individual other than the Cardholder shall be approved by the Department Head.

(2) Use of P-Card. The use of a P-Card is limited to the Cardholder's Single Purchase Limit. The Single Purchase Limit for any P-Card may not exceed \$999.99 pursuant to the Lincoln County Purchasing Policy. No Cardholder shall be permitted to exceed the Monthly Purchase Limit during the monthly billing period.

(3) Use of C-Card. The use of a C-Card is not limited by a Cardholder Single Purchase Limit, but shall still be limited by the Monthly Purchase Limit. For any purchase greater than \$1,000.00, the Cardholder shall be responsible for review of the Lincoln County Purchasing Policy to make sure that expenditure is appropriate.

(4) Unauthorized Use of Cards.

(A) A Card may not be used for the following expenditures:

- i. Items or services that are not necessary for the operation of the County;
- ii. Items or services that are of a personal nature to the Cardholder;
- iii. Identification;
- iv. Cash advances;
- v. Telephone calls or unauthorized monthly services;
- vi. Health services;
- vii. Financial services;
- viii. Alcohol purchases

(B) In addition, P-Cards may not be used for the following expenditures:

- i. Meals (fast food, restaurant, bars, etc.); and
- ii. All other merchants blocked under Merchant Blocking (see Exhibit C)

- (C) Any Cardholder who makes unauthorized purchases or carelessly uses their Card or allows others to use their Card in the same manner, may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the bank in connection with the misuse. The Cardholder may also be subject to disciplinary action pursuant to the Lincoln County Personnel Policy.
- (D) Exception for After Hours and Emergency Response. In a situation where an employee is required to remain on duty after normal operating hours (for that position) or is required to report after hours for duty (e.g. law enforcement, emergency personnel, etc.), then a P-Card may be used for the purchase of meals.
- (E) General Exception for Sheriff's Office. Given the nature and requirements of those Cardholders employed by the Sheriff's Office, including those charged with the operation of the Lincoln County Detention Center, there shall be a general exception allowing those Cardholders to make expenditures necessary for the fulfillment of their duties therein. This exception however does not grant any Cardholder the right to make expenditures that are irresponsible or of a personal nature to the Cardholder.
- (F) Exception for DSS Services. Nothing in this Section shall hinder Cardholders within the Department of Social Services from providing necessary services to clients, including adults and children under the custody and control of the DSS Director so long as the expenditure is permitted under the laws of North Carolina.

(5) **Delivery of Purchase.** Any purchase made using a Card shall be scheduled to be delivered to the physical address of the Department for which the Cardholder works. No Cardholder should have purchases delivered to their personal address.

(6) **Duty to Seek Best Price.** The County's Purchasing Policy permits the purchase of goods or services with a value of less than \$1,000.00 from a Vendor without any formal actions being required. However, the County strives to spend its funds in the most responsible manner and requires its employees (Cardholders) to compare vendors and seek the lowest prices within the parameters of scope, quality and delivery.

CARDHOLDER RESPONSIBILITIES

(1) **Record Keeping.** All Cardholders shall be responsible for retaining records of all receipts, invoices or other documentation related to the expenditure. If a Cardholder misplaces a receipt then the Cardholder shall complete a Missing Purchase Receipt Log, which is attached hereto as Exhibit D.

(2) **Monthly Statement.** At the end of each billing cycle, the Finance Department will receive all monthly statements for P-Cards and C-Cards. The Cardholder is responsible for reviewing each Monthly Statement (upon receipt from Finance) to verify that all charges are correct.

(A) The Cardholder shall note on each receipt the appropriate GL Code for the expenditure for proper coding.

(B) All P-Card Cardholders shall submit the statement and related documentation to their Supervisor or Departmental Administrator for review and approval prior to submission to Finance. The Supervisor or Departmental Administrator's signature and approval is

indicative that the Cardholder was authorized to make the purchases and that those purchases were made in accordance with this Policy.

- (C) After review of the Monthly Statement and compilation of all necessary documentation, the Cardholder or Departmental Administrator (if applicable) shall return the statement and documentation to Finance for reconciliation.
- (D) If purchased items or credits are not listed on the Monthly Statement, then the Cardholder shall retain the appropriate transaction documentation until the next Monthly Statement. If the purchase or credit does not appear on the statement within 60 days after the date of purchase, the Cardholder or Department Administrator shall notify the Finance Director.
- (E) Failure to return the Monthly Statement and necessary documentation following two (2) or more requests, shall result in the withdrawal of the Card from the Cardholder for a period of at least 30 days.

(3) Returns/Exchanges on Cards. If an item purchased with a Card is not satisfactory, damaged and/or defective, then the Cardholder is required to contact the Vendor to inquire about returns or exchanges of the items. An item is determined to be in dispute if the vendor has not replaced or corrected the item by the date that the Monthly Statement is received.

(4) Dispute of Charge. If the Cardholder is disputing a charge, then the Cardholder shall be required to complete a Dispute Form and include it with the return of documentation to Finance. A copy of the Dispute Form is attached hereto as Exhibit E.

(5) Security of Cards. It is the responsibility of the Cardholder to safeguard the physical Card, and the account number associated with the Card, in the same manner that they would safeguard their personal information. If the Card is lost or stolen, then the Cardholder is responsible for contacting the Finance Director immediately to have the Card deactivated. If the Cardholder cannot reach the Finance Director then they shall also attempt to contact the Bank listed on their Card.

(6) Separation from Employment. Prior to separation from employment with the County, the Cardholder is required to surrender the C-Card or P-Card to either their Supervisor, Department Administrator, or the Finance Director. If there are any outstanding charges on the Card that have not been reconciled at that time, the Cardholder shall also be responsible for submittal of all receipts and related documentation at that time. If the Cardholder fails to follow the requirements of this Section, then the County retains the right to hold the Cardholder's final paycheck until the Card is returned.

FORMS ATTACHED:

- Exhibit A – Procurement Cardholder Enrollment Form
- Exhibit B – Procurement Cardholder Employee Agreement
- Exhibit C – Vendor Type / Merchant Blocking
- Exhibit D – Missing Purchase Receipt Log
- Exhibit E – Vendor Dispute Form

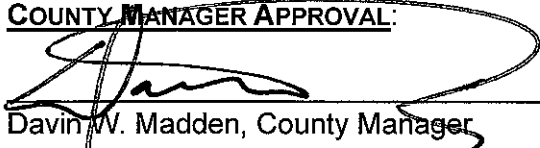

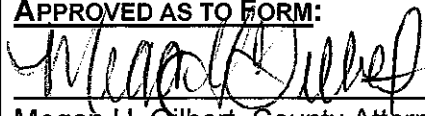
OFFICIAL APPROVAL	
COUNTY MANAGER APPROVAL:  Davin W. Madden, County Manager	Date Approved: <u>Sept. 20, 2024</u>
DEPARTMENT APPROVAL:  Deanna Rios, Finance Director	Date Approved: <u>9/20/24</u>
APPROVED AS TO FORM:  Megan H. Gilbert, County Attorney	Date Approved: <u>09/20/2024</u>

EXHIBIT A



CARDHOLDER ENROLLMENT FORM

Type of Card Requested: ☐ Credit Card ☐ Purchasing Card

Department: _____

Employee Full Name: _____

Job Title: _____

Email: _____

Phone Number: _____

Dept. Administrator: _____

Email: _____

Phone Number: _____

Monthly Card Limit: _____

Transaction Card Limit: _____

Director's Signature:

Finance Director's Signature:

Approved by:

Approved by:

Name: _____

Name: _____

County Manager's Signature (if applicable):

Approved by:

Name: _____

EXHIBIT B



CARDHOLDER AGREEMENT

Employee Name: _____ (the "Cardholder")

Type of Card: ☐ Credit Card ☐ Purchasing Card (the "Card")

I, an employee of Lincoln County and the Cardholder, hereby have requested and received a Card. As the Cardholder, I acknowledge and agree to comply with the following terms and conditions regarding the use of the Card:

- (1) I am being entrusted with a valuable tool, a Purchasing Card or Credit Card, which allows me to make financial commitments on behalf of Lincoln County Government.
- (2) I affirm that I will spend County funds responsibly and will attempt to obtain the best value for the County by obtaining the best price available, when possible.
- (3) I understand that the Lincoln County is liable to an outside lender for all charges made by me on the Card.
- (4) I affirm that I have received and reviewed the Lincoln County Purchasing Card and Credit Card Policy, and understand my responsibilities as a Cardholder, and further understand the repercussions from failing to follow said policy.
- (5) I understand that my Departmental Administrator, Director and the Finance Department will audit the use of this Card and report, and take appropriate action on any discrepancies.
- (6) I understand that my personal credit will not be affected by any use of the Card.
- (7) I agree to return the Card immediately upon request of the Finance Director or upon separation from the County.
- (8) If the Card is lost or stolen, I agree to notify the Finance Director immediately, and if I cannot reach the Finance Director then I agree to also make all efforts to contact the lender.

Cardholder Signature:

_____ (SEAL)

Date Executed: _____

Director Signature:

_____ (SEAL)

Date Executed: _____

EXHIBIT C



VENDOR TYPE MERCHANT BLOCKING

The types of merchants listed below are blocked by Lincoln County for Purchasing Card use. This means that there will be no acceptance of the Card at the Point of Sale from Merchants in these Categories.

1. Restaurants, including:
 - a. Bars/taverns
 - b. Fast food restaurants
2. Retail liquor
3. Financial Matters, including:
 - a. Wire transfers
 - b. Money orders
 - c. Manual cash distribution
 - d. Automatic cash distribution
 - e. Travelers' checks
 - f. Savings bonds
4. Other services
 - a. Funeral services
 - b. Dating/escort services
 - c. Baby sitting services
 - d. Massage parlors
 - e. Miscellaneous personal services
 - f. Childcare services
5. Health services
 - a. Ambulance service
 - b. Doctors
 - c. Hospitals
 - d. Dentist
 - e. Miscellaneous medical service

EXHIBIT D

MISSING RECEIPT LOG FOR CREDIT CARDS AND PURCHASING CARDS

Cardholder Name: _____

Department: _____

Statement Month and Year: _____

Vendor Name	Description of Purchase	Amount	GL Code
Total Amount:			

Cardholder Signature: _____

Reviewed By: _____

Date Reviewed: _____

EXHIBIT E

CARD VENDOR DISPUTE FORM

Cardholder Name: _____

Department: _____

Vendor Name: _____

<u>Invoice No.</u>	<u>Item(s) in Dispute</u>	<u>Invoice Total</u>	<u>Amount in Dispute</u>
	Total Amounts:		

Please give a brief description of the dispute and the expected outcome:

Estimated Date of Resolution: _____

Cardholder Signature: _____

Date Submitted: _____