LYNNWOOD
WASHINGTON

TITLE: **Procurement Card (P Card) Policy**		POLICY: **PUR-004-2015**
EFFECTIVE DATE: 6/24/15	SUPERSEDES: **PUR-004-2005**	PAGES: **2**
MAYOR: **Nicola Smith**	DEPARTMENT DIRECTOR: **Sonja Springer**	PURCHASING MANAGER: **Karen Fitzthum**

APPLICABLE TO: All City Departments, employees and elected officials

APPLICABLE STATUTES:
RCW 43.09.2855 authorizes local governments to use credit cards for official government purchases and acquisitions. It requires that the legislative body adopts a system to manage card and associated transactions, and prohibits cash advances on the cards.

LMC 2.92 authorizes establishment of a credit card program for use by the City.

POLICY STATEMENT:
The policy of the City of Lynnwood is that a Credit Card Program (P Card) is an efficient and effective method of making purchases and payments.

PURPOSE:
The purpose of this policy is to establish the guidelines for the operation of the P Card program, identify the roles and responsibilities of personnel involved in the management of P Cards, protect against and reduce risk of fraud, and ensure that the use of P Cards is in compliance with procurement and contracting requirements and state and federal laws and regulations.

PROGRAM ADMINISTRATION:
The Mayor designates authority to the Procurement and Contracts Manager (Manager) to establish the rules and procedures of the P Card program; issue credit cards; manage user compliance with rules and procedures, and terminate credit cards when necessary. The Manager has the authority to delegate administration of the program to staff as needed to ensure program security and compliance.

Only the Manager or designee is authorized to approve and establish credit card accounts for the City of Lynnwood.

ELIGIBILITY:
A P Card may be issued, upon appropriate approvals, to any employee, full-time, part-time, probationary, limited-term or temporary. Each cardholder must sign a Cardholder Agreement before the credit card will be issued. The Manager has the authority to reject any P Card application.

PURCHASE LIMITS:
The cardholder limit will be set as deemed necessary for ongoing business needs. A director or manager may request a limit to be reviewed and approved by the Manager or designee.

CARDHOLDER LIABILITY:
The use of the P Card is limited to authorized purchases on behalf of the City of Lynnwood. All purchases must be in compliance with City of Lynnwood Purchasing Policies, the Lynnwood Municipal Code and state and federal laws.

In addition, P Cards must not be used in any manner below:

- Splitting purchases to circumvent the daily or monthly purchase limits on a card or to avoid competitive bidding limits
- Cash Advances or ATM Withdrawals
- Items for personal use
- Alcoholic beverages

REQUIRED DOCUMENTATION:
The cardholder is responsible for obtaining original receipts, order confirmations, or any other supporting documentation for each purchase made with a P Card. The documentation must include a detail of what was purchased along with the date and cost. The City shall retain any P Card documentation relating to credit card transactions for six years.

AUDIT:
All credit card transactions and receipts are subject to review by the Procurement and Contracts Manager, their designees, as well as auditors checking for compliance. Periodic reviews or audits may be performed to protect against and reduce the risk of fraud.

FRAUDULENT USE OF CREDIT CARD:
Any fraudulent use of the P Card by others must be reported immediately to the Credit Card Provider (the contracted vendor who maintains the City of Lynnwood P Card accounts) and Manager or designee. The P Card is considered the property of the City of Lynnwood and every effort must be made to protect the credit card and its usage.

Any fraudulent use of the P Card by an employee may be subject to disciplinary measures up to and including termination, legal action, suspension and/or revocation of the card and/or direct payroll deduction for any unauthorized or personal charges made on the P Card.