

LIVINGSTON COUNTY CREDIT CARD PROCEDURES

INTRODUCTION

Livingston County is introducing an alternative approach to purchasing products and services through the use of credit cards. A credit card purchase will not replace the normal purchasing procedures, but it will be used in instances where it is not advantageous or cost effective to issue a Purchase Order.

Credit card privileges may be rescinded at any time at the discretion of the Department Director and/or County Administrator (or designee) if policies and/or procedures are not followed. The County Administrator (or designee) will audit credit card usage and the cardholders will be personally liable for any unauthorized use that occurs on their credit card.

These procedures provide the guidelines under which cardholders may utilize their credit card. All cardholders should read the procedures carefully. A cardholder's signature on the Livingston County Cardholder's Agreement indicates that the cardholders understand the intent of this process and agrees to adhere to the guidelines.

GENERAL

Credit cards will be issued to permanent County employees with pre-approval by their respective Department Director. No person other than the person to whom the credit card is issued is authorized to use the assigned credit card.

The Department Director (or Designee) will provide training to the employee prior to the issuance of the credit card to ensure that all policies and procedures are understood. An employee will not be issued a credit card unless training has taken place.

The credit card issued to the employee shall only be used for purchases directed by the Department Director under the provisions of the Purchasing and Credit Card Policies and approved for County business only.

HOW TO OBTAIN A CREDIT CARD

1. The initial step in obtaining a credit card is for the Department Director to obtain a Credit Card Activation Request Form from the Purchasing Department (Program Administrators).
2. The Credit Card Activation Request Form must be completed in full and the original returned to the Program Administrator (Purchasing Dept.). On the Credit Card Activation Request Form, the Department Director must set a limit for the maximum dollar amount per transaction and the maximum number of transactions that can occur within a monthly billing period.
3. The employee and the Department Director must review the Credit Card Policy and Procedures, the Purchasing Policy and Procedures and the Credit Cardholder's Agreement and questions should be answered **prior** to the

submission of the Credit Card Activation Request Form to the Program Administrator.

4. After the Credit Card Activation Request Form is received and approved by the Program and County Administrator (or designee), a credit card will be requested for the employee.
5. Once the credit card is received by the Program Administrator (Purchasing Dept.), the Program Administrator will contact the Department Director for card pick-up. The Department Director shall have the employee sign the Credit Cardholder's Agreement acknowledging that he/she has received the credit card.
6. The original Credit Cardholder's Agreement shall be forwarded back to the Program Administrator (Purchasing Dept.), a copy remain with the Department Director and a copy for the cardholder. A copy of the agreement will be kept with the Program Administrator and the original will be forward to the Human Resource Department for employee file.

PURCHASE PROCESS

Making a Purchase

1. The cardholder will present the credit card at the time of purchase. As a governmental agency, Livingston County is exempt from sales tax and the cardholder must take appropriate measures to ensure that the County is not charged tax on purchases. The tax exemption number will be located on the face of the card and should be noted prior to completing the sale to insure that no taxes are charged.
2. The cardholder must sign the receipt and keep a copy of the charge receipt and transaction receipt when they leave with their purchase. Transaction details for all charges made during a month should be entered onto the Monthly Transaction Log. All related charge receipts for that month should be kept and filed together with the Monthly Transaction Log.
3. The cardholder may also place an order over the telephone or internet. When a telephone or internet order is placed, the cardholder should print a copy of both the order confirmation and the invoice receipt showing prices and shipping charges. The internet transaction should be entered on the Monthly Transaction Log.
4. When the goods are received, the cardholder should check the goods against the Monthly Transaction Log entries and enter the date of delivery. The cardholder must keep all shipping documents together with the corresponding charge receipts and file them with the cardholder's Monthly Transaction Log.

SHIPPING AND RECEIVING

The cardholder must provide the vendor/supplier with the appropriate shipping information. **All goods must be shipped to an official Livingston County business address.**

Incorrect Shipments or Returns

If a shipment is incorrect, the cardholder should promptly contact the vendor/supplier to arrange for a return, exchange or credit. If the vendor/supplier agrees to issue a credit, it should be noted on the cardholder's Monthly Transaction Log and a copy of any credit memo should be kept and filed with the Monthly Transaction Log. The cardholder should verify that the credit is properly reflected on the next monthly statement.

It is the cardholder's responsibility to know the vendor's return policy.

RECONCILING MONTHLY PURCHASES

Monthly Transaction Logs/Monthly Statement:

1. Each cardholder must keep a log of all transactions charged to his/her account on a monthly basis. For each month, a new Monthly Transaction Log should be started. ***Reference the P05 - Monthly Transaction Log Form***
2. The cardholder will be sent a monthly invoice statement by the credit card company. It will be the responsibility of the cardholder to reconcile the charges on the account with the cardholder's Monthly Transaction Log. (Confirm Internet download invoice statement process with Standard Federal.)
3. At the end of the billing cycle for each month, the original sales documents (receipt, packing slips, cash register tape, credit card slips) for that month should be stapled to the reconciled Monthly Transaction Log and forward to the Department Director for approval.
4. It is the responsibility of the Department Director to review the cardholder's Monthly Transaction Log and monthly invoice statement prior to submission to the Clerk's Office for payment processing.
5. Treasurer's Office will be responsible for the bank reconciliation according to the Livingston County ACH Policy adopted under resolution #703-227.

Discrepancies:

1. The cardholder must report any discrepancies on the cardholders monthly invoice statement to the vendor immediately to try to resolve the issue(s) in question.
2. The cardholder will need to complete a P06 - Credit Card Dispute Form and forward a copy to the Program Administrator (Treasurer's Office), and attach a copy with the P05 – Monthly Transaction Log, and if required, to the vendor.

- a. If the discrepancy cannot be resolved with the vendor, the cardholder will then need to contact the Program Administrator (Treasurers Office) within 30 days from the date of the statement on which the discrepancy appeared.
- b. The Program Administrator will finish completing the P06 – Credit Card Dispute Form and give final disposition to the outcome of the clam and file.

MONITORING PROCEDURES

The County Clerk will review each credit card billing and all documentation to guarantee compliance with the credit card policy prior to submitting any claims to the Livingston County Board of Commissioners for approval and payment.

The Financial Officer/County Clerk shall prepare quarterly and annual reports, which will include information deemed appropriate for credit card usage monitoring purposes and to ensure compliance with the Credit Card and Purchasing policies.

TERMINATION OF THE CARDHOLDER

1. The Department Director must immediately notify the Program Administrator (Purchasing Dept.) that the credit card of the named cardholder should be deactivated.
2. The Department Director shall complete a Credit Card Deactivation Form and forward it to the Program Administrator (Purchasing Dept.).
 - a. Or, the credit card is surrendered to the Human Resource's Department upon an exit interview, and the credit card is forwarded to the Program Administrator (Purchasing).
3. The Program Administrator (Purchasing Dept.) will immediately deactivate the credit card and send back to the Department Director a completed Credit Card Deactivation Form to close out the cardholders file.
 - a. And, the Program Administrator will request from the Human Resource's Department the original Credit Cardholder's Agreement when all of the above has been completed.

If, upon voluntary or involuntary termination of employment of the cardholder, the credit card must be:

- Turned in to the cardholder's Department Director and destroyed; or
- Forwarded to the Program Administrator (Purchasing); or
- During an exit interview be surrendered to Human Resources and forwarded to the Program Administrator.

MISUSE OF THE CARD BY THE CARDHOLDER

1. Whenever a credit card is misused or the policies and procedures are violated, the Department Director will work with the Human Resources Department to determine the appropriate disciplinary action, up to and including termination.
2. The Department Director may request suspension or cancellation of a credit card any time by notifying the Program Administrator (Purchasing Dept.), and follow up with a completed Credit Card Deactivation Form.
3. The Department Director along with the Human Resources Department will work together in determining the appropriate disposition of the credit card. The Human Resources Director will inform the County Administrator (or designee) if the credit card should be deactivated.
4. The County Administrator (or designee) may unilaterally suspend or cancel a credit card if:
 - The Livingston County Credit Card policies and procedures are not followed.
 - After review, it is determined that there is no longer a need for the cardholder to use a credit card.
 - If the cardholder 1) attempts to exceed the maximum transaction dollar limit; 2) attempts to exceed the maximum monthly transaction limit; or 3) attempts to use the credit card for any unauthorized use.

REPORTING LOST OR STOLEN CREDIT CARDS

If a credit card is lost or stolen the cardholder must immediately notify the credit card company at the toll-free number on the back of the card. In addition, the Program Administrator (Purchasing Dept.) must be notified that the card is lost or stolen on the first available business day.

In order to receive a replacement credit card, the cardholder and their Department Director must complete a new Credit Card Activation Request Form and the cardholder must complete a new Credit Cardholder Agreement.

The Program Administrator (Purchasing Dept.) will provide a replacement credit card after the proper forms have been submitted and approved.

The cardholder is responsible to review and reconcile the monthly invoice statement of the deactivated credit card as well as the monthly invoice statement for the new credit card.