

<i>Procurement Cards</i>	<b>PROCEDURE</b>	
	<b>Document Number:</b>	FRS-PR-029.1
	<b>Version Number:</b>	03

**1.0 Purpose:**

To define the general rules and procedures to be used for the issuance and use of Procurement Cards.

**2.0 Scope:**

This Policy applies to all VTA departments and all vendors participating in the established VTA procurement process.

**3.0 Responsibilities:**

It is the responsibility of the Purchasing and Materials Manager to draft and obtain approval of this Policy to assure organizational understanding and compliance with this Policy.

**4.0 Procedure:**

**4.1 Use of Procurement Cards:**

4.1.1 Procurement Cards are to be used for small purchases of goods and services which cannot be reasonably be obtained using other established procurement methods (e.g., office supply contract, existing blanket purchase orders, etc.).

4.1.2 Procurement Card purchases are limited to \$3,000. per purchase. This limit applies to the total purchase, including taxes, delivery charges, etc.

4.1.3 There will be limits placed on the use of Procurement Cards, which will limit the amount that can be charged per billing cycle and limit the types of merchants for which the card will be accepted. The Purchasing & Materials Manager may increase or decrease these limits for specific Procurement Cards as s/he may determine to be appropriate for the efficient and cost effective conduct of business.

4.1.4 Procurement Cards will be coded to prevent the purchase of liquor, food, entertainment, fuel and travel.

4.1.5 The Purchasing and Materials Manager is authorized to make exceptions to this Procedure for well justified and documented reasons.

4.1.6 The use of Procurement Cards for personal purchases is expressly forbidden.

4.1.7 Procurement Card purchases shall not be repetitive in nature. Repetitive purchases should be reviewed to determine if there is a more efficient method of procurement. Contracts and Materials Management (CMM) can be of assistance in reviewing these purchases to see if a Contract or a Blanket Purchase Order may provide better service to the Department.

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- 4.1.8 There shall be no segmenting of a procurement to circumvent the \$3,000. purchase limit (e.g., the use of three \$1,200. purchases from the same vendor in a short period of time to purchase a \$3,600. item.)

#### 4.2 Issuing Procurement Cards

- 4.2.1 Departments or Divisions wishing to have a Procurement Card issued to one of their employees must submit a written request to the Purchasing and Materials Manager justifying the need for the card. Cards will be approved only if the justification clearly indicates a need. Cards will be issued in the name of a specific VTA employee who will have responsibility for the card, its use and all required record keeping.
- 4.2.2 This request should include the anticipated types and volume of purchases that would be made with the Procurement Card. The request must include the name of the Approving Authority and alternate if one is requested.
- 4.2.3 The Purchasing and Materials Manager will review the request and if approved, will process a request to the bank for issuance of a card.
- 4.2.4 When the card is received, the Purchasing and Materials Manager will assure that the proposed cardholder and his/her Approving Authority have undergone the required training as outlined in the Procurement Card Manual.

#### 4.3 Record Keeping Requirements and Payments.

- 4.3.1 Each employee who is issued a Procurement Card shall have the responsibility of properly documenting each use of the card. Included in this documentation is logging each transaction, approving the monthly card statement from the bank, completing a monthly accounting breakdown of purchases and forwarding the approved monthly statement to the Approving Authority on a timely basis.
- 4.3.2 The cardholder must record each use of the card on a Procurement Card Purchase Log. This log will include information on where the purchase was made, the purpose (what was purchased), the date of purchase and other information contained in the Procurement Card Manual.
- 4.3.3 The cardholder must obtain a receipt or a packing slip for each purchase.
- 4.3.4 On a monthly basis the cardholder will receive a statement from the bank issuing the card. The cardholder shall review each charge on the statement and verify for payment. Each line item will be coded with an appropriate accounting sub-account number. A recap by accounting sub-account number along with the

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receipts and packing slips will be attached to the statement and forwarded to the Approving Authority within three business days.

4.3.5 The Approving Authority will review the statement and verify that all purchases were made within the authorization of this policy and the Procurement Card Manual. The Approving Authority will immediately notify the Purchasing and Materials Manager of any purchases that appear to be unauthorized. Approved statements will be forwarded within three days to the Disbursements Department for payment.

4.3.6 A completed sample of all forms is included in the Procurement Card Manual.

#### 4.4 Revocation of Procurement Cards

4.4.1 Procurement Cards issued to individual employees will be revoked for the following reasons:

4.4.2 The cardholder leaves the employ of VTA.

4.4.3 The cardholder transfers to a different job or to a department and no longer needs the authority to purchase.

4.4.4 The cardholder has not used the card for six months.

4.4.5 The cardholder has demonstrated that they are not capable of maintaining the required records outlined in this policy/procedure and the Procurement Card Manual.

4.4.6 The cardholder has made an unauthorized purchase(s).

4.4.7 The cardholder has made personal purchases.

#### 4.5 Unauthorized Use of the Card.

4.5.1 Unauthorized use occurs when:

4.5.2 A person other than the cardholder uses a Procurement Card.

Note: While a cardholder may not give his/her card to another person make purchases, it is appropriate for that cardholder to use the card to make a purchase and then authorize another person to pick up or otherwise receive the purchased item. If in doing so, the authorized person may sign for receipt and not be in violation of the VTA policies or procedures related to the use of the Procurement Card.

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4.5.3 The cardholder makes a purchase not in keeping with the requirements of this policy/procedure and the Procurement Card Manual.

4.5.4 The cardholder makes a personal purchase.

4.6 Unauthorized use may be deemed by the Authority to be a fraudulent act, and if so determined, will result in permanent revocation of Procurement Card use and may result in disciplinary action, up to and including termination of employment or criminal prosecution.

4.7 Disciplinary actions will be processed in accordance with established personnel policies.

**5.0 Definitions:**

N/A.

**6.0 Records:**

N/A.

**7.0 Appendices:**

N/A.

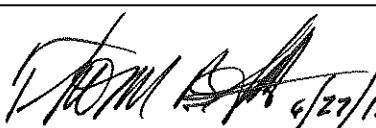
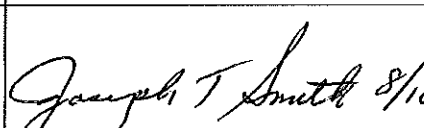
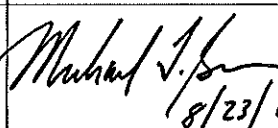
**8.0 Training Requirements:**

It will be the responsibility of CAMM to train Cardholders and Approving Authorities in the use of the Procurement Card.

**9.0 Summary of Changes:**

Increase the maximum per use limit to \$3,000 on Section 4, reformatting Procedure to a new format and periodic review of Policies and Procedures.

**10.0 Approval Information:**

<i>Prepared by</i>	<i>Reviewed by</i>	<i>Approved by</i>
 Thomas B. Smith Purchasing and Materials Manager	 Joseph T. Smith Chief Financial Officer	 Michael T. Burns General Manager