

# CITY OF MADISON PURCHASING CARD MANUAL



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Attachments:

Purchasing Guidelines

APM 1-6, Authorized Expenditures for City Agencies

APM 1-5, Policy Regarding Travel at City Expense

APM 3-20, Software Acquisition Policy

APM 4-5, Policy for the Purchase of Printers, Faxes, Copiers, Paper, and Toner

## Key Contacts

### Your Agency P-Card Coordinator:

- To apply for a p-card.
- For questions about policies and procedures.
- To replace damaged cards.
- For assistance with suppliers.
- For account inquiries.
- For billing information.
- To report a lost or stolen card.

### US Bank Customer Service: 800-344-5696

- To report lost or stolen cards.
- For questions about transactions, authorization assistance.

### City Purchasing Card Administrators:

**Mary Richards, (608) 266-4026, [mrichards@cityofmadison.com](mailto:mrichards@cityofmadison.com)**

**Andre Hargianto, (608) 266-4523, [ahargianto@cityofmadison.com](mailto:ahargianto@cityofmadison.com)**

- For reconciliation process and questions.
- For assistance with City of Madison accounting policies and procedures.
- For assistance with new p-cards and p-card limits.
- For questions about authorization
- For assistance with City of Madison p-card procurement policies and procedures.

**Brian Pittelli, (608) 267-4969, [bpittelli@cityofmadison.com](mailto:bpittelli@cityofmadison.com)**

- For assistance with Amazon or Staples orders

## What is a purchasing card (p-card)?

A purchasing card is a US Bank Visa issued in your name to be used for official City business needs. P-cards allow your agency head to delegate the authority to purchase items directly to you, the designated cardholder, enabling you to purchase supplies quickly, easily, and without the need for a requisition, purchase order, invoice, or check.

An additional benefit of using your p-card is that the City receives 2% back from US Bank on all p-card purchases.

## What is a p-card not?

### **A p-card is NOT:**

- a means to avoid appropriate procurement or payment procedures
- a card to access cash or credit
- a right of employment
- for personal use

## How much are you authorized to spend?

Your card has a Single Transaction Limit and a Monthly Limit. These limits are set by your agency and based on your individual purchasing needs. If either of these limits is exceeded, the transaction being processed will be declined.

The Single Transaction Limit limits the total dollar value of any one transaction. For example, if you buy five items, the total of those five items may not be greater than your Single Transaction Limit.

The Monthly Limit identifies the maximum that you may spend in a given month. You may use your card as many times per day or month as needed.

NOTE: The monthly billing cycle limit begins on the 25th of this month and ends on the 24th of the following month. If the 24<sup>th</sup> falls on a weekend or bank holiday, the cycle will end on the following business day.

Your supervisor or agency p-card coordinator may contact Purchasing Services to adjust your p-card limits as needed (see Key Contacts list).

## How is your p-card bill paid?

The Visa Purchasing Card payment system is an individual bill/central payment system. Paper statements are not mailed to cardholders.

An electronic billing file is also sent to Accounting Services along with a summary of all charges. Accounting Services makes one payment to US Bank on behalf of all cardholders.

## How do you obtain a p-card?

- Contact your Agency Purchasing Contact or P-Card Coordinator for authorization
- Complete the P-Card Application forms

- Attend a training session

### How does your p-card affect your personal liability and your credit rating?

**Your credit rating is not affected by your p-card.** The use of your p-card results in a City of Madison liability, **NOT a personal liability** for the cardholder.

### Who should use your p-card?

You are the only authorized user of your p-card. Do not share the card or its number with anyone else. Do not post or write your card number in a location that is accessible to others.

Handle your p-card with the same care you would use with your own personal credit card. You are responsible for purchases made on your card.

The US Bank Purchasing Card Program provides liability protection to the City **once notification is made of any loss, theft or fraudulent use.** However, this level of liability protection does not apply to cards that are made available to multiple users. Therefore, only the person whose name appears on the card should use the p-card.

### What do you do if your card is lost or has been stolen?

**You must notify your agency p-card coordinator immediately when you discover your card is lost or stolen. Additionally, you should report it to US Bank, (800) 344-5696.**

Should the card be lost or stolen, or the card number somehow used without the cardholder's knowledge, approval or authorization, the cardholder shall not be held liable for such purchases. The City is liable for these and all purchases made on all p-cards. The City and US Bank will pursue unauthorized purchases.

If your card is missing you should report it to US Bank, (800) 344-5696, immediately. The card will be put into an "inactive" status. The card status may be re-activated should you find it. If it does not re-appear, the card will be canceled and a new card will be issued. It will take one to two weeks to get a new card.

### What do you do if you are the victim of a fraudulent transaction?

If you see fraudulent activity on your card, report it immediately to US Bank, (800) 344-5696

Identify which charges are legitimate and which are fraudulent

Obtain a replacement card (4-5 business days)

Credits for fraudulent charges should appear in Munis; depending on the charge it may take several business days

### Is there anywhere you cannot use your p-card?

Your p-card will be declined if the merchant from whom you are attempting to make a purchase has a Merchant Category Code (MCC) on the City's list of excluded MCCs.

On rare occasions, you may need to purchase an item from a vendor with an MCC on the excluded list. Please contact Purchasing Services for assistance if this occurs.

### Is the City tax exempt?

**Yes!** Tell the vendor, prior to the purchase, that the City is exempt from state sales taxes. The tax exempt number is **008-1020421147-08** pursuant to Section 77.54(99) WI Statute.

### What are the general instructions for card use?

(Your Agency may establish guidelines that exceed those listed here.)

**You must follow the City's Purchasing Guidelines. If you have any questions, please contact Purchasing Services.**

- For purchases under \$10,000 use your best judgment. No competitive bids are required.
- For purchases over \$10,000 consult the Purchasing Guidelines or contact City Purchasing for guidance.
- If you are making a purchase using grant funds, be sure to follow the grantor's procurement requirements.

### **If the transaction value is greater than your Single Transaction Limit:**

- Use traditional purchasing procedures (i.e., requisition, purchase order, etc.)
- Request an increase in your Single Transaction Limit. (Request must be approved by your supervisor or agency p-card coordinator).
- A coworker within your agency who has a higher limit can complete the transaction for you.

**NOTE: Do not 'split' an order** onto two or more transactions to circumvent your Single Transaction Limit.

### **In-person purchases:**

- Present the card at the point of sale.
- Do not leave the store without:
  - A legible, ITEMIZED receipt
  - Double checking that you were not charged SALES TAX

### **Online/phone purchases:**

- Be sure the website is secure.
- Get an ITEMIZED receipt.
- Make sure you are not charged SALES TAX. You may need to work with the vendor to remove sales tax from your purchase.
- Make sure that your itemized receipt is shipped with your order and that the receipt is marked as PAID.

**Save the original itemized receipts/shipping invoices.** These will be attached to your p-card transaction within Munis.

- Receipts must be legible
- If the purchase is for “unusual” items, write a brief note on the receipt or in Munis describing the purpose of the purchase.

### What are the guidelines for card use and travel?

Your p-card may be used to pay for your business-related registration fees, lodging, airfare, and other travel expenses.

Use of your p-card does not exempt you from the City of Madison Travel Guidelines nor from your agency pre-approval policies and procedures for lodging and air travel.

Lodging within Wisconsin is exempt from taxes. Remember to give the hotel the City tax-exempt number (it is printed on your p-card) when checking in.

**Meals may NOT be charged on your p-card.** They must be paid separately and reimbursed on an Employee Expense Claim through Employee Self Service (ESS).

### What about returns and credits?

You are responsible for following up with the merchant or bank on any erroneous charges, disputed items, or returns as soon as possible. Disputed billings can result from failure to receive goods, defective merchandise, incorrect dollar amounts, duplicate charges, credit not processed, etc.

If you have a problem with a purchased item or a billing resulting from use of your p-card, you should first try to reach a resolution with the supplier that provided the item. In most cases problems can be resolved directly between the cardholder and the supplier.

Credits and Returns: Credited amounts must go back onto your p-card. You may not accept cash, store credit, or any other form of credit. Make sure you get an itemized receipt for your return.

### How does reconciliation work?

(Your agency may establish additional Guidelines.)

Every day your transaction data is downloaded from US Bank and imported into the Munis Purchasing Card Module.

It is your responsibility as the cardholder to verify the correctness of the transactions imported into Munis. If there are inaccuracies and/or erroneous charges, you must report them to your Agency P-Card Coordinator immediately.

You or someone in your agency will review your transactions in Munis, add the appropriate budget organization and object codes, the appropriate commodity code and attach the documentation to the Munis transaction (See Munis Accounts Payable Super User Manual starting on page 106 for more information).

Once the appropriate accounting codes have been entered and documentation has been attached, you or someone in your department will release the transaction into the Munis workflow for approval. Your

transactions will be reviewed by someone in your agency and the Finance Department before they are approved.

### How is the p-card program monitored?

Your agency purchasing and accounting offices, as well as the City Purchasing Services and the City Accounting Office, will conduct random audits of p-card use. The primary purpose of these audits is to ensure that the p-card program procedures are being followed and that the card is being used for appropriate transactions

Consistently maintaining complete documentation of your p-card activity is the best way to demonstrate that you are in compliance with all p-card and purchasing requirements.

### Are there any consequences for failure to comply with program guidelines?

Any misuse of the card or other failure to comply with these procedures may result in any of the following cardholder consequences:

- Revocation of card.
- Disciplinary measures, as appropriate.
- If the misuse involves personal transactions, the cardholder must repay to the City all personal amounts, including any applicable taxes.

This includes misuse by others if they were give permission to use your card.

### What if you leave your agency?

If you leave your agency, you must return your p-card to your supervisor. The supervisor is responsible for cancelling and destroying the card. Returned p-cards are not reissued to other employees for use.

### Are there any special cases to consider when using your p-card?

There are certain items that either should never be purchased with a p-card or need special approval.

#### **Food, Flowers, Commemoratives, Appliance, and Common-Area Items**

- See APM No. 1-6 for details
- Certain food purchases are allowed. Purchases over \$100 must be pre-approved by the Mayor's office.
- Gifts, flowers, cards, etc. for employees or co-workers are generally considered a personal expense.
- A break room refrigerator under \$400 is allowable, but small appliances such as coffee makers and microwaves are considered personal expenses.

#### **Purchases of Software or Computer Hardware**

- See APMs No. 3-20 and 4-5
- City IT pre-approval is required for all software including "Software as a Service" or "Hosted" software.



- All purchases of printers, scanners, copiers, etc. must be pre-approved by City IT and/or Purchasing Services.

**Purchases of Capital Assets**

- See the City of Madison – Fiscal Services Capitalization, Depreciation & Amortization Policy
- Do not make a purchase of an asset that is greater than \$10,000, or building improvements over \$25,000, or construction of infrastructure over \$50,000
- Munis is unable to flag assets purchased via p-card as a capital asset.

**Fuel**

- City vehicles should be refueled at the City's refueling sites. If you are out of town, or if the pumps are not available, you may use your p-card to purchase gas for a City vehicle.