

HUMAN RESOURCES DEPARTMENT

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Date: June 9, 2014
To: Dee F. Bruemmer, County Administrator
From: Mary J. Thee, Human Resources Director/Asst. County Administrator
Subject: Policy Updates

The proposed updates to the Purchasing and Purchasing Card policies were developed to incorporate process changes resulting from the new ERP. They were worked on by staff from Administration, FSS and HR. The changes were discussed a Department Heads/Elected Officials meeting and their recommendations were incorporated. Here are the proposed changes to the Administration Policies:

General **Policy 11 "Purchasing"** updates the policy to provide oversight of purchases to the appropriate board. It clarifies that purchases made with purchasing cards are controlled by a separate policy. Updates were made to comply with the current practices as it relates to the new software system. It adds additional clarification regarding the bidding process and establishes a process for unsolicited bids.

General **Policy 26 "Purchasing Card"** updates the policy to provide clearer guidance to staff utilizing purchasing cards by reorganizing the language. An additional level was authorization was added to address purchases in specific departments such as Conservation and Secondary Roads. Language was added to allow updates to the appendices such as names of program coordinators and contact information without re-adoption of the policy.

~~XI~~Draft for discussion purposes

11. PURCHASING POLICY

POLICY

Scott County Code provides that the Director of Facility & Support Services shall be responsible for developing, implementing and administering a centralized purchasing function for all County offices and departments. ~~(Exceptions to the policy would include Scott County Conservation Board)~~

This policy encompasses the purchasing, contracting and leasing of goods, materials, supplies, equipment, and services and shall be accomplished through competitive bidding whenever possible and specifically where it is required by the Code of Iowa; through competitive quotes; or Government Contracts.

SCOPE

Administrative authority to purchase, sign leases or contract agreements shall be limited to aggregate purchase prices not exceeding \$10,000. Purchases, leases and contract agreements in excess of \$10,000 must be approved by the ~~Board of Supervisors~~authorized board. This policy shall not be circumvented by purchasing or leasing a group of similar or identical items each costing \$10,000 or less but exceeding \$10,000 in aggregate.

Any and all lease or contract agreements exceeding three (3) years in length must be approved by the ~~Board of Supervisors~~authorized board even though the total aggregate lease or contract cost may not exceed \$10,000.

If the lease or contract agreement is open ended it should be re-bid at least every three years. If the lease or contract agreement does not include a total cost amount for services provided then an estimated total cost should be determined and based on that estimated total cost appropriate approval requirements shall be followed.

This policy does not cover purchases made with the County Approved Purchase Card. Those purchases are covered under Policy Number 26.

In the event that there is a conflict between this policy and Iowa or Federal law, the applicable law will prevail.

PURPOSE

The purpose of this policy is:

- A. To professionally coordinate and maximize the effectiveness of the purchasing, contracting and leasing of goods, materials, supplies, equipment, and services by Scott County.

- B. To protect and provide for increased public confidence and trust in the procedures followed by the County in public procurements.
- C. To ensure the ethical, fair and equitable treatment of all persons who deal with the purchasing system of the County.
- D. To provide increased economy in County purchasing activities and to maximize, to the fullest practical extent, the purchasing value of public funds.
- E. To foster effective broad-based competition.
- F. To effectively support other county departments, component units and agencies.

ADMINISTRATIVE PROCEDURES

A. Approval to Purchase, Lease or Contract Goods and Services

1. Unencumbered spending authority must exist at the appropriate departmental budget level prior to the issuance of a purchase order.
2. No lease or lease-purchase contract for real or personal property shall be entered into until a public hearing has been held on the proposed contract. Notice of the public hearing shall be published in at least ~~an official one~~ newspaper of general circulation at least 4 days and no more than 20 days prior to the public hearing date.
3. Purchases, leases or contracts up to \$2,500 shall require department head approval or authorization from the individual with budgetary responsibility.
4. Purchases, leases or contracts between \$2,500 and \$5,000 shall require approval of the department head ~~and the Purchasing Specialist (or designee) and the Purchasing Specialist.~~ 5. Purchases, leases or contracts exceeding \$5,000 and up to \$10,000 shall be approved by the department head (or designee), and the Director of Facility & Support Services (or designee), or the County Administrator.
- ~~5. Purchases, leases or contracts exceeding \$5,000 and up to \$10,000 shall be approved by the department head, Director of Facility & Support Services or the County Administrator.~~
6. Purchases, leases or contracts exceeding \$10,000 shall require approval of the department head, Director of Facility & Support Services, County Administrator and the Board of Supervisors.
7. Lease and contract agreements which do not include a total cost amount for services (i.e., the agreement may only make reference to an hourly rate plus cost of parts) require the department to estimate the total cost. The calculation at arriving at this estimate should be documented with the purchase request and depending on the amount will require appropriate approvals as stated above. If the agreement is open ended then the calculation of the total cost amount shall be based on a three year period.
- ~~8. Purchasing Division shall maintain a log of all purchase, lease or contract requests.~~

9. Purchasing division shall utilize appropriate insurance and indemnification language if required. Insurance and indemnification requirements shall be developed in conjunction with ~~Risk Management Coordinator and the Risk Management Committee~~ Coordinator or County Attorney.

B. Requisitioning Individual Department / Office Responsibilities

1. Determine the quality and quantity of goods, materials, supplies, equipment, and services needed and delivery date required. Utilize past purchase information or resources when appropriate. Research specifications to ensure that appropriate information is provided to adequately describe the desired product or services along with minimum standards or requirements.
2. If a lease or lease-purchase contract is being proposed the requesting department shall submit the proposed lease or lease-purchase contract to the Director of Facility & Support Services with the following attachments:

- a. ~~Copy of the public notice to be published in the following format per Iowa Code Section 331.305:~~

~~The Board of Supervisors of Scott County will conduct a public hearing on the proposed lease (purchase) contract with~~

~~_____ for~~

~~_____ in the amount of~~

~~\$_____ per year for _____ years at the Scott County Courthouse on _____, 20__ beginning at _____ p.m.~~

~~All citizens are invited to this public hearing and may express their views either orally or in writing.~~

- b. _____

- a. Prior to submitting lease for approval to the Board of Supervisors, originating department shall request legal review of proposed contract by the County Attorney or Risk Management Attorney's office. A letter from the County Attorney's office acknowledging that they have reviewed the contract and find it to be in compliance with applicable state laws. (Note: Departments should send a copy of their initial review request for the County Attorney's office to FSS so it may be identified as a future agenda item on the Board's information memo.)

Copy of the public notice to be published in the per Iowa Code Section 331.305.

- b. The Director of Facility & Support Services will submit the lease proposal to the Board at the next Board meeting that coincides with the public hearing publication date requirements in accordance with Iowa Code Section 331.305.

~~When ever~~ Whenever possible, competitive bids for lease agreements shall be secured with the assistance of the Purchasing division.

3. Anticipate requirements, giving accurate description of article(s) required and sufficient time to purchase item(s) on a competitive basis. ~~Originating~~When needed, the originating department will identify and collaborate with purchasing division to prepare additional specifications and insurance requirements if any, to secure required items.
4. Receive and inspect item(s) delivered direct by vendor and refuse shipments that fail to meet the purchase order contract. All commodity type items will be coordinated to be received by Facility & Support Services. For specialized items, the department shall coordinate with Facility & Support Services to inspect and accept all items, at time of delivery.
5. Handle all purchases within established procedures. Utilize applicable purchasing resources (competitive bidding, purchasing system, pre bid items, web bid items) whenever possible and where appropriate.

~~6. A list of authorized persons, to be used on requisitions and purchases, shall be supplied to the Purchasing Division. No requisition or purchases will be completed without authorization.~~

C. Computerized Purchase Order System

1. County departments shall use the ~~computerized Scott County Purchase Order System~~Enterprise Financial Planning (ERP) system following guidelines and procedures as promulgated by Facility & Support Services.

D. Competitive Quotations

1. Whenever feasible, all purchases, leases and contracts for goods, supplies, materials, equipment and services required for public use shall be on an equal and competitive basis. All acquisitions or purchases are to be awarded to the lowest responsible bidder. In determining the lowest responsible bidder, consideration shall be given to the vendor's price, conformance with specifications in all material respects, and past performance. In addition, the Purchasing department may take into consideration reputation, ~~and~~ business, and financial capabilities. ~~If the aforementioned determinants are equal consideration will be given to any vendor which is a locally owned business in Scott County.~~
2. For public improvements and construction contracts (excluding design and consulting contracts) that exceed the public bidding requirements as set forth in the Iowa Code Section 331.341 the determination and criteria for determining the lowest responsible bidder shall be accomplished through a formalized process. That process shall set out criteria and notification in the specifications document and gather qualification, reference and other ~~pertinent information at the time of the bid. The purchasing division, requesting department and/or design~~ consultants shall utilize said information to qualify the apparent low bidder prior to contract award. The use of ~~an~~ American Institute of Architects Form 305A with an addendum or a similar standardized form for gathering appropriate information from bidders shall be used whenever possible. Scott County reserves the right to reject a low bid based on the criteria set forth and the evaluation of the submitted information and research conducted

~~3. Specific bidding procedures as required by law must be followed for public improvements including the repair or construction of county buildings. These formal bidding requirements need not be followed when emergency repair of a public improvement is necessary. (See Section F of this policy for specific bidding procedures) All other purchases, leases and contracts in excess of \$5,000 require written, faxed, or e-mailed quotations. Purchases, leases and contracts less than \$5,000 may be quoted by fax, email, or telephone with the selected quote confirmed in hard copy format. Every attempt should be made to receive at least three quotations from responsible vendors. Bids can be received by fax, e-mail, mail, or hand delivery before bid deadline, if applicable. 3. For purchases less than \$2,500.00 departments/ offices that require a purchase order may enter the purchase into ERP directly as a purchase order.~~

~~For purchases between \$2,500.00 and \$10,000.00 departments/ offices are strongly encouraged to obtain at least three competitive quotes. Departments may request the Purchasing Department to obtain quotes on their behalf or may obtain their own quotes utilizing applicable purchasing resources (competitive bidding, purchasing system, pre bid items, web bid items), and enter them directly into the ERP requisition form, attaching PDF's as documents.~~

~~For purchases over \$10,000.00 requisitions shall be entered into the ERP system and routed to the Purchasing Division, who shall solicit bids utilizing open competitive bidding practices. Typically bids received by the Purchasing Department will be submitted through the bidding service selected for use by Scott County. The Purchasing Department acknowledges that there may be some occasions where it is not possible to obtain three bids based on the type of purchase. If this is the case, the department shall submit a written statement why they did not obtain multiple bids for the item being purchased.~~

4. All parties involved shall comply with all applicable laws and regulations pertaining to their employment practices, and shall not discriminate in providing services on the basis of race, color, creed, national origin, sex, handicapped condition or religious affiliation.

~~5. The Iowa preference law requires the County to use only products and materials grown or produced in Iowa if they are available in a marketable quantity and of a quality adequate for the purpose for which the County will use them, and if the cost is no higher than that of the same products produced in a different state.~~

~~5. The County shall comply with the state preference law as it relates to Iowa products.~~

6. Whenever possible, all requests for bids and all proposals for expenditure of public funds must be made in general terms so that no brand or trade names are specified. Also, all requests must contain this statement: "By virtue of statutory authority, a preference will be given to products and provisions grown and coal produced within the State of Iowa."

E. Availability Unsolicited Proposals-

Definition- an unsolicited proposal is a document or package of Public documents submitted to Scott County or a Scott County Office or Department, that proposes to

provide a product or service that was not solicited nor initiated by Scott County.

1. An unsolicited proposal that does not correspond to the Scott County mission, vision, or values, is outside of the normal scope of Scott County government services, is not a product Scott County requires or a service Scott County needs may be rejected without further consideration by the Purchasing Recordsdivision

~~Purchase orders and other information of a public nature shall be available for inspection upon verbal or written request to the Purchasing Specialist. Copies of bids/quotations and a summary of those received can also be obtained from the Purchasing Division. Every courtesy will be extended to vendors for information or assistance relating to Scott County's needs.~~

2. An unsolicited proposal that does correspond with the mission and scope of Scott County government will be evaluated for merit by the department or office with jurisdiction or control in the service area that best matches the proposal. In the absence of a clear corresponding department or office, the review of the unsolicited proposal shall be made by the Director of Facility and Support Services with input and assistance from County Administration.
3. The Purchasing Division may require the submission of additional or supplemental information from the submitter in order to fully evaluate the submission. An unsolicited proposal submission that refuses to provide typical, pertinent information that the evaluator deems necessary, may be rejected without further consideration.
4. Unsolicited proposals that are found to have merit may be forwarded to the Board of Supervisors for consideration. Proposals without merit or determined to be outside of the scope of Scott County government shall not be forwarded to the Board of Supervisors.
5. Proposals that have the potential for competitiveness, either by their nature or as required by law, shall initiate a request for proposal process. The Purchasing Division shall take measures to protect information contained in the unsolicited proposal. Said measures may include returning all copies of the unsolicited proposal to the submitter for resubmission as part of the RFP process. At a minimum, the Purchasing Division shall notify the submitter that the unsolicited proposal is, by law, a public document.

F. Public Access to Procurement Information

Purchase orders and other information of a public nature shall be available for inspection upon request to the Purchasing Specialist, providing that they are not deemed to be confidential because they contain trade secrets or reports that give a competitive advantage and serve no public purpose. Purchasing records are also governed by Freedom of Information Act laws for public records. See policy 31- Public Records and Information for further information. The Facility and Support Services Department shall maintain records of purchases made (award information, contracts and purchase orders) and the purchasing process (bid requests, specifications, proof of publication, bid results, bid documents and submittals, etc.) for all centralized purchasing transactions. In the absence of other legislative requirements, the retention duration for said records shall be: three years past the award date or the contract completion date (whichever is later).

G. Bids on Contracts for Repair or Construction of County Buildings.

1. See Iowa Code section 331.341 for specific contract letting procedures to follow.

GH. Special Provisions for Secondary Roads Department:

1. Construction and Maintenance Projects: These types of services will be either bid through the I.D.O.T., Secondary Roads office or in coordination with I.D.O.T. meeting their specifications and requirements and bid through the County Secondary Road Department. Participation by Facility & Support Services will not be required in these areas.
2. Purchases through the State of Iowa General Services Office and the Iowa Department of Transportation Purchasing Department: The Secondary Road Department will take advantage of State Purchasing Facilities and their volume purchasing discounts when practical and possible.
 - a. The Secondary Road Department will fill out the required State Order Forms or submit a department "requisition order".
 - b. Upon receipt of order and billing, the Secondary Road Department will check shipment against the order and prepare the necessary County claim for payment.
 - ~~c. No involvement by Facility & Support Services is required.~~
 - d. All orders exceeding \$10,000 will require prior Board approval.
3. Equipment Repair Parts, Materials and Services: The specifics on these items generally cannot be anticipated or determined in advance. These are generally items that cannot be inventoried and must be purchased expeditiously to prevent costly delays and operational problems. The purchase of these items require the technical expertise and knowledge of Secondary Road's garage personnel for effective, expeditious purchasing. These purchases may also be the type or nature where they are only available from one source.
 - a. The ordering of these materials and supplies and services may only be authorized by a Secondary Road Department "requisition order".
 - b. Any individual "requisition order" in excess of ~~\$500~~1,000, with the exception of purchase of tires, must receive prior approval by the County Engineer.
 - c. Upon receipt of the order, billings will be checked by the Secondary Road Department and claims prepared for the Engineer's authorization and approval by the Board.

- ~~d. No involvement of Facility & Support Services shall be required.~~

HJ. Emergency Purchases

1. County Administrator, or ~~his / her~~ in absence the Director of Facility and Support Services, or designee may declare an emergency when:
 - a. The circumstances pose a threat to the public health, welfare or safety.
 - b. The situation must be taken care of immediately in order to prevent immediate and apparent loss to the County.
 - c. Conditions beyond reasonable control of the County occur; such as accidents or unforeseeable failure in equipment, which are essential to the operation of the County.
2. In the event that the circumstances surrounding the emergency do not allow ~~_____~~ sufficient time to convene the Board of Supervisors, the County Administrator, or ~~his / her~~ designee may authorize emergency purchases in excess of \$10,000.
3. If the emergency purchase requirements are met, the County Administrator, or ~~his / her~~ designee shall take informal bids if time allows.
4. In all cases of emergency purchases by the County Administrator or ~~his / her~~ designee, the following must be submitted to the Board of Supervisors ~~within 72 hours of~~ at the next meeting following the purchase:
 - a. A detailed purchase ~~request~~ description outlining the critical nature of the need to purchase
 - b. An invoice if goods have been received
 - c. A written account explaining why an emergency was declared
 - d. The effects of the emergency on County operations or the public
 - e. Why the particular vendor was chosen.
5. All emergency purchases will be reviewed carefully by the Board of Supervisors at the next regularly scheduled meeting to assure that the use of the procedure is not being abused.

26. PURCHASING CARD POLICY

POLICY

It is the policy of Scott County to have a Purchasing Card Program. This program is intended to replace blanket orders, ~~petty cash~~, and purchase orders used to purchase items of small dollar value (<\$2,500).

SCOPE

This policy is applicable to all offices and departments within Scott County Government and other component units that participate in the Scott County Purchasing Card program.

BENEFITS

~~County Departments~~Department staff will be able to ~~obtain supplies and repair parts much faster and easier than before. Department staffs will be able to consummate~~procure purchases without emergency claim voucher requests, ~~or~~ filling out credit applications for vendors that will be only used once, ~~or constant replenishment of petty cash. Paperwork and processing for department staff.~~ Staff in the Purchasing Division, and Accounts Payable field and in the office will be able to make purchases to support their core functions in a much more effective manner, requiring fewer trips and will be sharply reduced. able to get items much quicker. These efficiencies will allow the various groups to focus their energies on the more important core aspects of their jobs. This policy and the program structure will support efficiency while maintaining accountability and approval structures.

GENERAL PROGRAM PROVISIONS

This card is to be used to make county purchases as outlined herein. With the approval of the Purchasing Card application by the Department Head/Elected Official, the cardholder has been delegated expenditure and purchasing authority. Said authority is delegated only as it applies to the scope of the cardholder's job and as outlined by the cardholder's immediate supervisor and Department Head or Elected Official. The implied purchasing and expenditure authority of the purchasing card is NOT intended to supersede nor enhance the fiscal authoritative limitations that exist within each Department/Office. For the cardholder: you are only authorized to make purchases for which your supervisor or Department Head/Elected Official has expressly granted and delegated you proper authorization.

The Purchasing Card is not a personal credit card and remains the property of Wells Fargo Bank. The liability for all outstanding charges on the card is with the County; therefore, the card must only be used for purchases required in the normal course of business.

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The Purchasing Card that the cardholder receives has his/her name embossed on it. It may not be transferred to, assigned to, or used by anyone other than the designated cardholder.

Employees must attend a training session prior to card issuance. Each card holder must sign the *Acknowledgement of Scott County Purchasing Card Policy form* (attachment B) prior to being issued a purchasing card.

It is the responsibility of each cardholder to be acquainted with the Purchasing Policies and guidelines of the County and to make card purchases in accordance with these policies.

The cardholder is responsible for following department guidelines for making purchases, being fiscally responsible with county funds, ensuring receipt of materials and supplies, obtaining acceptable receipts and resolving any discrepancies or damaged goods issues.

Cards may be revoked for misuse or non-compliance with procedures. Additionally, disciplinary procedures up to and including termination may result from misuse of the Purchasing Card. The County retains the right to cancel a cardholder's Purchasing Card.

The County may have existing contracts with suppliers for guaranteed/discount pricing. The Purchasing Division provides services to cardholders to allow for competitive purchasing and pricing through pre-negotiated pricing lists or competitive quotes. Contact purchasing for assistance to ensure that county dollars are spent in an effective and efficient manner.

ADMINISTRATIVE PROCEDURES

Program Administrator

Two Program Administrators will coordinate the Purchasing Card Program. The Cardholder Program Administrator will be the Operations Manager, Facility & Support Services who will follow procedures set forth in this policy. This Program Administrator shall be the liaison between the cardholder and the purchasing card system. This Administrator shall issue cards, make card changes, help with transaction disputes and other cardholder related tasks. This cardholder administrator along with the Director of Facility and Support Services shall also facilitate the training required by this policy.

The Accounting Program Administrator shall be the Budget Manager, who will follow the procedures set forth in this policy. This Administrator shall coordinate the reporting, accounting and funds transfers for the Purchasing Card Program. This Administrator shall oversee and audit the period close-out process and liaison with claims clerks on close-out and reporting issues. This program administrator shall prepare the required period reports for the purchasing card program (see Reports below).

Both Administrators shall ~~be cross-trained to allow for back-up of duties in the event of an absence~~provide for a backup within their department, and shall provide ~~for a further back-up person and adequate~~ training thereof. All persons performing Program Administrator functions shall ensure the integrity, consistency and compliance of the program with the policies and procedures herein.

Reports

The Accounting Program Administrator shall download period transaction information at the conclusion of each four-week accounting period. The transaction information shall be audited for completeness and compliance with the county chart of accounts. If necessary, revisions to the transactions shall be made to ensure data integrity for the import into county accounting data systems.

The Accounting Program Administrator shall prepare and distribute the following purchasing system reports immediately following the close of the current purchasing card cycle:

1. Exception Report - this report documents any transactions that are not in compliance with provisions of this policy including unwarranted sales tax, missing receipts, incomplete receipts, etc.
2. General Ledger Report - this report documents the information that will be imported into the county accounting data system including department, vendor, account, amount, posting date, etc. for each individual transaction during the period.
3. Newspaper Report - This report summarizes and sub-totals the amount paid to each vendor for publication in the newspaper.

Policy Review and Revisions

This policy and these procedures shall be reviewed annually by the County Financial Review Committee for possible recommended changes. Said revisions or changes shall be prepared as recommended by the County Administrator or the Director of Facility and Support Services and forwarded to the Board of Supervisors for their consideration and action. ~~The program administrators~~The Cardholder Program Administrators along with the Director of Facility and Support Services shall provide training for cardholders, claims processors and/or department heads as required for substantive changes to the policy or procedures herein.

This program is designed to be easy to use and flexible. Therefore, user feedback is crucial. In order to make this program as effective as possible, Purchase Card users must notify the Program Administrators of all problems encountered with the card. Users should also communicate any comments related to the reporting, documentation, procedures, and use restrictions related to the Purchasing Card Program. This program

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is designed to be an important tool ~~in helping to help~~ card users perform their job.

General Responsibilities

This card is to be used to make county purchases as outlined herein. The transactions and credit limits on the card are determined by the Department Head/Elected Official within policy limits and are dependent upon the requirements of the cardholder's position and function. Department Heads/Elected Officials should use ~~lower~~ "standard" transaction and period limits for cards ~~wherever~~ whenever possible to ensure adequate program control and accountability. Higher limits should only be used when necessary to afford the cardholder the ability to efficiently make higher dollar purchases routinely required for their job. With the approval of the Purchasing Card application by the Department Head/Elected Official, the cardholder has been delegated expenditure and purchasing authority.

The Purchasing Card is not a personal credit card and remains the property of Wells Fargo Bank. The liability for all outstanding charges on the card is with the County. Therefore, the card must only be used for purchases required in the normal course of business. All purchases are to be documented with an itemized receipt. Failure to provide a receipt of the purchased transactions could result in personal liability of the transaction.

~~The Purchasing Card that the cardholder receives has his/her name embossed on it. It may not be transferred to, assigned to, or used by anyone other than the designated cardholder.~~

~~The County retains the right to cancel a cardholder's Purchasing Card. Employees must sign the Acknowledgement of Scott County Purchasing Card Policy form (attachment B) prior to being issued a purchasing card. Cards may be revoked for misuse or non-compliance with procedures. Additionally, disciplinary procedures up to and including termination may result from misuse of the Purchasing Card.~~

Personal Use of Purchasing Card

Cardholders ~~cannot~~ shall not use the Purchasing Card for personal purchases with the intent of reimbursing the County. Cardholders are, under no circumstances, allowed to make personal purchases using the Purchasing Card. Violation of this provision will result in revocation of the purchasing card, disciplinary action, collection proceedings and possible criminal actions. Any violations of this provision shall be reported on the exception report.

Cash Advances

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The Purchasing Cards are not set up to allow nor intended to be used for any type of a cash advance.

Purchasing Card and System Controls

The Purchasing Card is different from ~~your normal~~ personal MasterCard/Visa. It has the ~~—~~ability to control use in the following ways:

- Maximum dollar amount of each transaction- (see section “Card Limits”
- Total spending limit per cycle
- Merchant Category Code (MCC)

The “Delegation of Authority” that has been provided to each cardholder sets the maximum dollar amount for each single purchase or transaction (Single Purchase Limit), and a total for all purchases made within a given billing cycle (28 days).

Each time a cardholder makes a purchase, the limits ~~may~~will be automatically checked and the authorization request will be declined should the amount exceed those limits.

The credit limit on each card was preset based on certain usage assumptions. If the credit limit on your card is not adequate to handle planned purchases, contact your department head who will determine if spending limits on the card need to be increased and will contact the Cardholder Program Administrator.

The Merchant Category Code (MCC) allows for restriction of card use by type of business. Each business is classified by the services or products that it supplies and is given a specific MCC. Therefore the Purchasing Card can be restricted for use at specific types of businesses by excluding specific ~~MCCs~~MCC Codes from authorized use.

Card Limits

	<u>Per Transaction</u>	<u>Per Billing Cycle</u>
<u>Standard</u>	<u>\$ 500.00</u>	<u>\$ 2,500.00</u>
<u>Intermediate</u>	<u>\$2,500.00</u>	<u>\$25,000.00</u>
<u>Enhanced</u>	<u>\$5,000.00</u>	<u>\$25,000.00</u>

The base limit for cards issued shall be the standard amount listed above. A Department Head or Elected Official may request the enhanced card limit ONLY if the card user is expected to ROUTINELY make purchases that would exceed the standard card limits.

Emergency Raised Card Limits

The County Administrator may request additional higher emergency spending

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limits/authorization for certain emergency or special situation such as: natural disasters, disaster recovery, business continuity, etc. Such request should be made during a regular Board meeting when possible, but may be made pursuant to the emergency procedures in Policy 11.

Purchasing Card Security

~~Keep~~ It is the card holder's responsibility to immediately sign the back of the card upon issuance. The Purchasing Card should be kept in a secure location at all times. The cardholder⁷ should be the only one using the card. It is the cardholder's responsibility to ensure the security of the card ~~and to make it accessible only to you.~~

~~Guard the Account Number~~ The cardholder shall guard the account number carefully. Do not post it at your desk or write it in any place that is easily accessible to others.

Similar to a personal credit card, if the Purchasing Card is lost/stolen you must immediately notify Wells Fargo Bank by phone (See Contact List-Attachment A). You must also notify the Cardholder Program Administrator and your immediate supervisor. The card will be immediately suspended and a replacement card will be issued.

Card Issuance / Changes / Suspension / Cancellation

To request a Purchasing Card, additional cards, or changes to existing cards, Department Heads shall contact the Cardholder Program Administrator and request card changes using provided request ~~forms~~ form. All requests must be approved by the Department Head/Elected Official or their designated representative.

~~Purchasing Cards are issued to individual employees.~~ If an employee leaves the department, whether transferred to another County Department or terminated, it is the ~~department head's~~ Department Head/Elected Official's responsibility to obtain the Purchasing Card from the cardholder that is terminated/transferred, notify the Cardholder Program Administrator to cancel the card, cut the card in half, and return it to the Cardholder Program Administrator.

~~Purchasing cardholders~~ Exceptions are issues relating to purchases or transactions that are not in compliance with the provisions of this policy. Each reporting cycle, these issues are reported on the Exception Report.

Cardholders will have the opportunity to resolve minor exceptions (sales tax, missing, inaccurate or incomplete receipts) and have the issues removed from the exception report if resolved within 30 days. Once removed, the exceptions will not count against a Cardholder. Major infractions (personal charges, split transactions, inappropriate use, etc) will NOT be removed, even if resolved. Habitual violators of the policy will also not have the opportunity to remove items from the exception list. Major infractions with blatant disregard for the provisions of this policy may result in immediate revocation

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and/or suspension of card holder privileges.

Cardholders that have 3 or more minor exceptions within a 6-month period shall have their cardholder privileges revoked and their card suspended until they are retrained on this policy. ~~The matter will also be forwarded to the Human Resources Department for disciplinary action. If a second suspension is required the suspension shall be permanent and the employee will not be a cardholder within this program. A permanent suspension will also be forwarded to the Human Resources Department for disciplinary action. Under the discretion of the Cardholder Program Administrator or Accounting Program Administrator an employee may be required to complete training on the policy for a single minor exception. A permanent revocation of the purchasing card and privileges may result from a blatant major infraction(s) or habitual minor infractions and repeated suspensions. The Program Administrator will notify the Human Resources Director of any actions taken.~~

Personal Credit Rating

The Purchasing Card and all the charges on it are County liabilities. Therefore, it has no impact on your personal credit rating.

~~Remember that you signed an agreement with the County prior to receiving the Purchasing Card and as such, you are responsible for any abuse as outlined in this policy.~~

Audits

To ensure the success of the Purchasing Card program and the County's financial responsibility, continual audits of a cardholder's Purchasing Card documentation and files will occur.

The primary purpose of the audit is to ensure that complete and accurate record keeping is occurring and that all Purchasing Card program procedures are being followed.

Auditing and oversight occurs at many levels within the program. Claims clerks audit purchases as part of the reconciliation process. Department Heads or designees review department purchases as they approve the submission of the reconciliation documents. The Accounting Program Administrator reviews all purchases and receipts for policy compliance and proper accounting. The Auditor's Office reviews all purchases, documentation and accounting of the program. The County's independent annual financial audit includes a sample audit of the program each year.

Guidelines for Card Use - Cardholder Responsibilities

~~It is the responsibility of each cardholder to be acquainted with the Purchasing Policies~~

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~~and guidelines of the County and to make card purchases in accordance with these policies. Whenever possible, purchases should be made from Scott County-based businesses.~~

Purchasing Cards shall be used for “point of sale” transactions only. ~~That is~~Those are defined as ~~transactions where the credit card transaction occurs purchases made at the same time you agree to make the purchase. It is not acceptable to convert previously invoiced purchases to the purchasing card. This provision minimizes the potential for duplicate payment of county obligations.~~a physical location. This provision does not preclude cardholders from making purchases remotely via the internet or telephone. It does, however prohibit contacting a vendor to charge ~~a purchase~~an invoice to the purchasing card that was previously invoiced as a traditional bill. Invoices received that were not made via purchasing card must be paid via the traditional accounts payable methods to avoid duplicate payment and unnecessary confusion.

Examples of the types of transactions your Purchasing Card should be used for ~~include~~including, but not limited to:

- Office Supplies
- Repair Parts
- Miscellaneous Operating Supplies
- Items specified on County Contracts
- Travel expenses including airfare and hotel (no meals; employee portion only if traveling with others)
- Seminar and training registration fees

~~This list is by no means complete. It will be up to the cardholder to seek out potential opportunities for card usage.~~ If you locate a supplier that will accept our purchasing card, but are unsure if it is an unauthorized use of the card, call the Cardholder Program Administrator

~~Do not use your Purchasing Card on expenditures that impact the following items:~~

- ~~Meals (due to IRS regulations regarding meal reimbursements when no overnight stay is required, and due to Possible non-covered spouse traveling to seminar/conference/training with employee, no meals will be allowed on purchasing card. Use existing Treasurer Travel Advance procedures or seek personal reimbursement from County within allowable meal guidelines found in the County’s travel policy) NOTE: Sheriff Transportation Deputies are exempt from this provision~~

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- ~~Items that are not within your departments authorized budget.~~
- ~~Individual purchases which have been artificially separated from larger or bulk requirements to fall within spending limits~~
- ~~Professional Services and 1099 Services~~

The cardholder is responsible for ensuring receipt of materials and supplies, and resolving any receiving discrepancies or damaged goods issues.

The County may have existing contracts with suppliers for guaranteed/discount pricing. The Purchasing Specialist will notify county departments of any and all preferred suppliers discounted contracts. Purchasing off competitively bid contracts for routinely purchased items is the most cost-effective method of procurement. Purchasing items from non-preferred suppliers when an agreement between the County and a supplier exists must be explained. Repeated violations will result in revocation of card privileges.

General Instructions On How To Purchase

- Identify a transaction that you wish to pay for make with the Purchasing Card.
- Determine the transaction is not one of those prohibited by County/Departmental policy. If ~~not prohibited~~, proceed with the transaction.
- Order Item via in-person purchase, internet or phone transaction.
- ~~Submit Purchasing Card to cashier. If purchasing over the phone or Internet give supplier Purchasing Card number and date.~~
- Submit Purchasing Card to cashier or submit card number and expiration date via the phone or internet. Vendors may also require the 3 digit security code located on the back of the card. Verify that websites used provide for encryption or other security to safeguard cardholder information. Never type purchasing card number into a free text field or send your entire credit card number and expiration date in the body of an email. Reputable sites clearly post security information. If you are unsure if the site you are trying to use is adequately secure, contact the IT Department for advice or assistance.
- Notify the supplier that the County is tax-exempt and should not be charged Sales Tax sales tax. The Federal tax ID number and Illinois tax exempt number is located on the face of the card. Upon receiving invoice receipt make sure that sales tax has not been charged.
- Processing fees are not to be paid by Scott County. Charging the consumer these fees is specifically against the vendor's merchant agreement with Visa/MasterCard.
- When ordering over the phone/internet provide the supplier with your complete shipping instructions including name, street address, and internal location information. Instruct the supplier to include in the delivery package a receipt or packing slip detailing what was purchased and the amount of each item.
- When making purchases on line, ensure that the internet vendor has a secure site. The address window must start with https://. Look for a "lock icon" on the web page. When placing an order over the internet, the cardholder must confirm that the merchant will charge the purchasing card only when a shipment is made. The card

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holder must also request that a detailed packing slip be included with the items when sent. If items are back ordered, the County may not be charged except upon shipment of the merchandise. The back ordered merchandise must be received in the billing cycle in which the charge was made. The card holder must print a copy of the on-line sales receipt at the time of the on-line purchase for use as the receipt for reconciliation purposes.

- If purchasing in person, review sales slip to determine all amounts were properly charged, sales tax was not assessed, and retain the receipt.
- For all types of purchasing card transactions it is the *cardholder's responsibility* to obtain acceptable receipt(s) documenting the transaction. Said receipts should be obtained at the time of the transaction and turned into the claims clerk as soon as possible to avoid "end of the cycle" issues and to allow clerks the opportunity to reconcile periodically throughout the cycle. Acceptable receipts should be original (avoid photo copies and faxes) wherever possible. Acceptable receipts should include the card number (usually the last four digits) of the card number and detailed information about what was purchased. Cardholders should mark "PC" in bold, visible letters on the receipt to properly identify the receipt and facilitate routing to the proper accounting stream.

Should a required receipt be lost or not obtained by the employee, a signed statement by the employee and Department Head/Elected Official explaining the circumstance and documenting the expense should be completed by the employee for the Program Administrator's review. If the expense is deemed reasonable by the Program Administrator it shall be paid through the purchasing card. Transactions documented in this manner will be reported on the Exception Report as a minor exception.

Sales Tax

The cardholder is responsible for indicating to the supplier that the County is tax exempt, and therefore, should not be charged sales tax. Repeated neglect by the cardholder to ensure that the supplier does not charge sales tax will result in card privileges being revoked. All sales tax should be avoided wherever possible. If sales tax appears on a purchasing card transaction, it is the cardholder's responsibility to reverse those charges or seek out credit for the tax amounts.

Unauthorized Uses

Cardholders shall NOT make purchases with the county purchasing card that are not for authorized county uses and specifically approved within the management structure of their particular department, elected office, or agency.

Further, certain types of purchases are strictly forbidden per this policy regardless of Department Head, Elected Official, or agency authorization.

- Personal Use - Cardholders are, under no circumstances, allowed to make personal purchases using the Purchasing Card. Violation of this provision will result in revocation of the purchasing card, disciplinary action, collection proceedings and possible criminal actions.
- Meals - No meals will be allowed on the purchasing card. Food provided as part of training or meeting events, where the County is the training or meeting event organizer, and as approved by the Department Head or the designee may be purchased. Sheriff Transportation Deputies while transporting inmates are exempt from this provision
- Items that are *not* within your departments authorized budget.
- Individual purchases which have been artificially separated from larger or bulk requirements to fall within spending limits
- Professional Services and 1099 Services

If

Why Approval is May Be Denied

If a supplier advises that card approval has been denied, it is most likely a violation of one of the established levels of authority checks.

- Example- the purchase exceeds the single dollar transaction limit on the card.
- Example- the account is over the set monthly cycle limit.
- Example- transaction is a violation of the Merchant Category Code.
- Example- the expiration date or three digit security code was incorrectly entered by the merchant.

The supplier will not have information related to the reason for denial, nor does the cardholder have the authority to obtain this information from the Bank. If a transaction is denied, the cardholder should contact the Cardholder Program Administrator for assistance. Please allow 24-48 hours for that information to become available.

~~Do not split a transaction into two or more transactions just to get below your single transaction limit. Exceptions to this policy will be noted and are considered serious violations of this policy. Cardholders that engage in or allow a vendor to split transactions to avoid card limits will be subject to card revocation (temporary or permanent, depending on the severity) and possible disciplinary action.~~

Disputed BillingsCharges

If ~~you have~~there is a problem with a purchased item or ~~billing of an item,~~you charges for a transaction, the card holder should first try to reach a resolution with the vendor that supplied the item. Most problems can be resolved expeditiously in this manner.

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If the cardholder is unable to reach an agreement with the supplier, contact the Cardholder Program Administrator. ~~The~~This Program Administrator can assist the cardholder in resolving the dispute and can involve Wells Fargo (the card issuer) in the dispute if necessary. Similar to all credit cards the County Purchasing Card program does have the ability to place transactions in a disputed status to give further time to resolve the dispute.

Any disputed charges are placed in a suspended account and subtracted from the payment due. Once final resolution is reached the charge is either reapplied to the balance due, or permanently removed from the account.

~~If Supplier Does Not Accept Credit Cards~~

~~Thank the vendor for their time and search for a vendor that will accept credit cards, or send a requisition to Purchasing to place the order.~~

Reconciliation Responsibilities (For claims clerks ~~and~~, Department Heads, Elected Officials and agencies)

- Online statements are available continuously at www.wellsfargo.com.
- The billing cycle for the Purchasing Card is every fourth Thursday. Exceptions to this may occur due to holidays when cycle periods may be shortened to allow for reconciliation on regularly scheduled work days. Reconciliations by claims clerks with Department Head/Elected Official/ Agency approval must occur on that day to ensure that documentation —is provided as funds are transferred to Wells Fargo.
- Clerks are encouraged to reconcile weekly to reduce the amount of work at the end of the cycle.
- ~~Verify transactions on the statement with actual sales receipts and packing slips. If there is a disputed billing, follow the procedures as noted.~~
- Cardholder is required to provide all sales receipts, ~~packing slips~~ for the transactions listed on the statement immediately. In the event a receipt is lost or misplaced; it is the cardholder's responsibility to obtain a duplicate receipt. Verify transactions on the statement with actual sales receipts and packing slips. If there is a disputed billing, follow the procedures as noted.
- Claims clerks will print cardholder reconciliation sheets and attach all receipts. In addition, a department summary sheet must be attached with all cardholder sheets beneath. The signature of the Department Head/Elected Official or designee is required (similar to payroll and accounts payable).
- NOTE: If a cardholder had no purchase activity on the purchasing card for a particular billing cycle, no Statement of Account will be generated for that cardholder unless adjustments for previously billed transactions are processed during that billing cycle.

Approval of Card Use

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Department Heads/Elected Officials or designees, because of their knowledge of the job responsibilities of the cardholders, are required to look at each cardholder's purchases, and at the merchant who made the sale in order to determine if these items were for ~~Official~~official County ~~Use~~use and if they were allowed to be purchased in accordance with the instructions provided.

If for any reason the ~~department head~~Department Head/Elected Official or designee questions the purchase(s), it is their responsibility to resolve the issue with the cardholder. If they cannot be satisfied that the purchase was necessary and for ~~Official County Use~~official county use, then the cardholder must provide a Credit Voucher proving item(s) have been returned for credit. Unauthorized use of the Purchasing Card will result in revocation, possible collection and potential disciplinary action, up to and including termination of employment.

Non-substantive modifications to appendices may be updated without approval of the Board of Supervisors.

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Attachment A

SCOTT COUNTY PURCHASING CARD PROGRAM CONTACT LIST:

Cardholder Program Administrator: ~~Tammy Speidel,~~

Operations Manager, Facility ~~and~~ Support Services

_____ 600 West 4th Street, Davenport, IA

_____ Phone: (563) 328-3241

_____ Fax: (563) 328-3245

_____ E-mail:

~~tspeidel~~Tammy.Speidel@scottcountyiowa.com

Accounting Program Administrator: ~~Sarah Kautz,~~

Budget Manager

_____ 600 West 4th Street, Davenport, IA

_____ Phone: (563) 326-8651

_____ Fax: (563) 328-3285

_____ E-Mail: ~~skautz@scottcountyiowa.com~~

E-Mail: david.farmer@scottcountyiowa.com

Administrative Assistant

_____ 600 West 4th Street, Davenport, IA

_____ Phone : (563) 326-8604

_____ Fax: (563) 328-3285

_____ E-Mail Chris.Berge@scottcountyiowa.com

Wells Fargo Bank Customer Service: 800/932-0036

Contact Customer Service 24-hours per day/7-days per week to report lost or stolen cards ~~(. This should also report be reported to the Cardholder Program Administrator)~~ and the cardholder's immediate supervisor.

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Attachment B

**ACKNOWLEDGMENT OF SCOTT COUNTY
PURCHASING CARD POLICY IN EXCHANGE FOR ISSUANCE OF
WELLS FARGO BANK PURCHASE CARD**

Scott County ("County") is pleased to present you with this purchasing card. It represents the County's trust in you and your empowerment as a responsible agent to safeguard and protect our assets.

I, _____ (Print Name), hereby acknowledge receipt of a Scott County Wells Fargo Purchasing Card, number (last 8 digits) _____. As a Corporate Cardholder, I agree to comply with the terms and conditions of this Agreement, including the "Scott County Purchasing Card - Policies and Procedures" outlined in cardholder training and contained in Scott County General Policy ~~XXVI~~26.

I acknowledge receipt of said Agreement and Procedures and confirm that I have read and understand the terms and conditions. I understand that the County is liable to Wells Fargo Bank for all County charges.

I agree to use this card for County approved purchases only and agree not to charge personal purchases. I understand that the County will audit the use of this card and report any discrepancies.

I further understand that improper use of this card may result in disciplinary action, up to and including termination of employment. Should I fail to use this card properly, I authorize the County to deduct from my salary that amount equal to the total of the discrepancy. I also agree to allow the County to collect such amounts even if I am no longer employed by the County.

I understand that the County may terminate my right to use this card at any time for any reason. I agree to return the card to the County immediately upon request or upon termination of employment.

Applicant: _____

Signature: _____

Date: _____

Last 4 Digits of Social Security #: _____

County Dept./Department / Agency _____

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Attachment C

Scott County Purchasing Card Program

Request for Purchasing Card Issuance

Department: _____ **Date:** _____

As Department Head of the above named department I am requesting the issuance of purchasing cards to the following individuals under my span of control. I understand that each cardholder must attend training as required by the Purchasing Card Program Administrator prior to card issuance and activation. Said training is intended to inform and orient cardholders to the policies and procedures regarding the Purchasing Card Program, Scott County General Policy #~~XXV4~~26.

I understand that the use of purchasing cards by our department must only occur in accordance with the above-mentioned policy.

Requested Cardholders:

1)	2)
SSN:	SSN:
<u>Card Limit</u>	<u>Card Limit</u>
<u>Default FUND</u>	<u>Default FUND</u>
<u>Default DEPT</u>	<u>Default DEPT</u>
<u>Default PROGRAM</u>	<u>Default PROGRAM</u>
<u>Default STATE PROGRAM AREA</u>	<u>Default STATE PROGRAM AREA</u>
<u>Default STATE OBJECT CODE</u>	<u>Default STATE OBJECT CODE</u>
3)	4)
SSN:	SSN:
<u>Card Limit</u>	<u>Card Limit</u>
<u>Default FUND</u>	<u>Default FUND</u>
<u>Default DEPT</u>	<u>Default DEPT</u>
<u>Default PROGRAM</u>	<u>Default PROGRAM</u>
<u>Default STATE PROGRAM AREA</u>	<u>Default STATE PROGRAM AREA</u>
<u>Default STATE OBJECT CODE</u>	<u>Default STATE OBJECT CODE</u>

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5)

SSN:

Card Limit

Default FUND

Default DEPT

Default PROGRAM

Default STATE PROGRAM AREA

Default STATE OBJECT CODE

6)

SSN:

Card Limit

Default FUND

Default DEPT

Default PROGRAM

Default STATE PROGRAM AREA

Default STATE OBJECT CODE

7)

SSN:

~~(use additional forms if request exceed eight cardholders)~~

Card Limit

Default FUND

Default DEPT

Default PROGRAM

Default STATE PROGRAM AREA

Default STATE OBJECT CODE

8)

SSN:

Card Limit

Default FUND

Default DEPT

Default PROGRAM

Default STATE PROGRAM AREA

Default STATE OBJECT CODE

Department Head Approval: _____

Are there currently other cardholders in the department? Y / N

Department # _____

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

June 19, 2014

APPROVING VARIOUS HUMAN RESOURCES AND GENERAL POLICIES

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That General Policy 11 "Purchasing" is hereby modified to reflect current practices and integration with the financial software.

Section 2. That General Policy 26 "Purchasing Card" is hereby modified to clarify the procedures for staff utilization and add another level of card limits.

Section 3. This resolution shall take effect immediately.