

**SHELBY COUNTY GOVERNMENT  
PURCHASING  
RULES AND REGULATIONS**

Policy No. **RR-380 (Rev.1)**  
Page No. 1 of 1

Subject:	
<b>PROCUREMENT CARD RULES AND REGULATIONS</b>	Effective Date: January 25, 2013
	Supercedes: September 20, 2011
<p><b>Please see the attached Procurement Card Rules and Regulations Manual Release 4 Effective September 20, 2011</b></p> <p>This release/revision is issued to:</p> <ol style="list-style-type: none"><li>1. Revise Section II, B, 1, to read: Employees in pay grade 57 or above</li><li>2. Revise Section III, D, 15, to read: Training Programs &amp; Seminars The remainder (if conducted within Shelby County or if a travel authorization is not required to attend) has been eliminated.</li><li>3. Eliminate Section III, E, item 10 – Charges for items on an existing county approved contract.</li></ol> <p>All other terms and conditions of Procurement Card Rules and Regulations Manual dated September 20, 2011 continue in effect.</p>	

Shelby County Government  
Procurement Card Rules and Regulations  
Release 4 - September 20, 2011

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## I. General Information

### A. Implementation

1. Release 4 of the Procurement Card Rules & Regulations ("Rules & Regulations" hereafter) of Shelby County is effective on September 20, 2011 and supersedes Release 3.
2. The Director of Administration & Finance is assigned responsibility for overall administration of these Rules & Regulations. The Director or designee may issue clarifications, authorize changes in use of the cards, approve changes in administrative responsibilities, and approve other matters relative to the use and administration of the card program consistent with the spirit of these Rules & Regulations. Major changes will only occur in the form of revisions being issued to these Rules & Regulations.

### B. Purposes and Principles

1. The procurement card program was implemented for the following reasons:
  - reduce the time required to acquire goods and services.
  - minimize operating costs and increase productivity in the procurement and payment processes.
  - provide a convenient method to make legitimate County business purchases that do not require employees to advance their own funds or credit.
  - provide vendors with a safe and reliable method to secure payment for goods and services provided to the county.
  - permit the County to take maximum advantage of its exemption from sales taxes.
2. The purpose of these procurement card rules & regulations are to establish guidance for the appropriate use of the Procurement Card on behalf of Shelby County Government as follows:
  - provide clear and specific rules & regulations for the use and administration of the procurement card program.
  - ensure that all users of cards understand both the proper and authorized uses and the prohibited and unauthorized uses of the card.
  - ensure that all purchases with the cards are consistent with County Purchasing Procedures Rules & Regulations for the acquisition of goods and services.
  - ensure that appropriate internal control procedures are established within each department using a card.
  - ensure appropriate internal controls over review and payment are in place and followed by the Finance and Purchasing Departments and that internal auditing of charges is conducted by the County's Internal Audit Department.
  - ensure that cards are used only for specific purposes and within dollar and transaction limits.
3. Principles used in development and administration of the procurement card program and these rules & regulations are as follows:
  - ensure that all users of the card understand that it is to be used only for official business purposes of Shelby County Government and that no use for personal or other non-job related purposes is allowed.
  - ensure that responsibility for each procurement card and its use is fully assigned to and accepted by the cardholder and the cardholder's manager, and that all higher level management officials accept responsibility for proper use of cards in their organizations through administrative actions, including appropriate and timely follow up on possible misuse or violation of these rules & regulations.

- ensure full accountability for the use of all County resources and services related to the procurement card program.
- ensure a balance between the requirements for accountability, responsibility, and compliance with policy and procedure and the procurement-related purposes of the card program.
- provide policies and procedures that can be understood and followed by procurement card users and can be reasonably administered by supervisors, Purchasing, Finance, and other management and can be audited by both internal and external auditors.
- provide minimum standards, policies, and procedures for the procurement card program and permit individual departments and managers to establish additional requirements beyond those required by these rules and regulations.
- provide adequate controls and provisions that apply uniformly to all cards.

### C. Applicability

1. This policy is issued in accordance with the PURCHASING PROCEDURES, RULES & REGULATIONS. These rules and regulations apply to all divisions, departments, offices, and Elected Officials of Shelby County Government. Each cardholder, manager, official, and Elected Official who requests and is issued a procurement card or has a card issued to staff within their organization is subject to these rules & regulations.
2. These rules & regulations and procedure apply only to the Procurement Card program administered by the Purchasing Department. All other forms of credit or charge cards or similar arrangements for Shelby County will be addressed by separate procedures, rules & regulations. These rules & regulations specifically do not apply to accounts used to facilitate electronic commerce as authorized by the Director of Administration & Finance.

## II. Card Issuance and Assignment

### A. The Procurement Card

The procurement card will contain the following information:

- Shelby County Government (preprinted on all cards)
- Employee's Name (individual name of the cardholder)
- Card account number (individual number)
- Card expiration date (specific date for each card)
- Tax exemption statement (preprinted on all cards)

The financial institution that issues the card will have no individual information other than the cardholder's name and work address. No credit reports, social security numbers, or other personal information will be maintained by the issuer of the card.

### B. Requesting and Approving Issuance of Procurement Cards

1. Procurement cards under these rules & regulations will not be approved or issued to the following positions. For Elected Officials, this applies to equivalent positions regardless of job title or classification.
  - County Mayor or any Elected Official
  - Chief Administrative Officer (CAO) and Assistant CAO
  - Senior Management staff

- Division Directors & Deputy Directors
  - Department Administrators
  - Employees in pay grade 56 or above
2. When the department wants a procurement card issued to an employee or official, a "Procurement Card Request Form" (Attachment D) must be submitted to the Purchasing Department.
  3. The request must be signed by the proposed cardholder and approved by the administrator of the department or higher official.
  4. The request must be approved by:
    - Under the Mayor's administration: the Division Director, CAO, or Mayor
    - Under an Elected Official: the Elected Official or his/her authorized designee
  5. The request must be approved by the Purchasing Administrator or designee responsible for the Procurement Card program.

#### C. Acceptance of a Procurement Card

1. Each person issued a procurement card must sign the "Agreement to Accept the Shelby County Procurement Card" (Attachment A). The Agreement must be signed at the point the card is ready for issuance.
2. The Agreement will be signed by the Administrator of Purchasing or designee who issues the card to the cardholder and will be used to document the issuance of the card.

#### D. Cardholder Employment Terminated

1. Procurement cards are issued to and in the name of individual employee cardholders. If a cardholder leaves the employment of Shelby County Government, the card must be cut in half and returned to the Purchasing Department attached to a memo detailing the requested action to be taken. The cardholder or the department, upon request, will be given a receipt for the return of the card. The Department Administrator is responsible for retrieving the card from a terminating employee and for determining that the card has been returned to the Purchasing Department.
2. In the event the County is not able to collect the card when a cardholder terminates employment, the Department Administrator will notify the Purchasing Department immediately by telephone and follow-up in writing.
3. The Purchasing Department will notify the issuing financial institution that the card should be canceled and no further purchases permitted.

#### E. Employee Transferred

1. If a cardholder is transferred to a different department within Shelby County Government, the cardholder must surrender his/her procurement card. If the card is not surrendered, the Administrator of the department the employee is leaving should immediately notify the Purchasing Department and the card will be canceled.
2. The Department Administrator of the employee's new department will determine if the employee should be issued a new procurement card. If so, the procedures for requesting a new card should be followed.

#### F. Lost or Stolen Cards

1. Should a cardholder lose or have the procurement card stolen, it is the responsibility of the cardholder to immediately notify the procurement card issuer. The telephone number of the card issuer will be provided when the card is issued to the cardholder.
2. In addition to notifying the card issuer, the cardholder must notify his/her Department Administrator and the Purchasing Department of the lost or stolen card within one (1) workday after discovery of the loss or theft of the card. The Department Administrator will be required to make or approve a written report to the Purchasing Department within five (5) workdays. This report will include the complete information on the loss, the date the loss was discovered, the date of the loss if known, the location where the loss occurred if known, the most recent purchases made before the loss, and any other information that may be needed.

### III. Use of the Card

#### A. Personal Responsibility of Cardholder

The Procurement Card empowers the cardholder to make small-dollar purchases, but also carries with it the responsibility to be held accountable for these purchases and their contribution to the sound business decisions of the County.

1. The Procurement Card will have the cardholder's name embossed on it and may be used only by that cardholder. No other person is authorized to use the card.
2. No personal use is allowed for any reason. The cardholder has the personal responsibility to insure that no personal, non-job related charges are made on the card.
3. The cardholder will ensure that all charges are made in accordance with Shelby County Governments Purchasing Procedures, Rules & Regulations as well as the Procurement Card Rules & Regulations and only for approved County business.
4. A cardholder who makes an unauthorized purchase may be held personally liable to reimburse Shelby County Government and will receive disciplinary action up to and including termination.
5. The cardholder is responsible for safeguarding the card and the associated account number at all times. Cards must be kept in a secure location at all times. Written card numbers should not be kept where others can easily see them.

#### B. General Provisions and Conditions on Use

1. The Procurement Card is to be used for eligible business purposes authorized herein for Shelby County Government purchases only and must comply with all Purchasing Procedures, Rules & Regulations established for purchases.
2. Each purchase transaction must be authorized in advance by department management. This authorization may be on the Procurement Card Requisition Form (Attachment B), made orally, or by other processes established by the department. The Procurement Card Requisition Form is provided as a recommended document to provide additional documentation and control by department management.
3. Absolutely no cash refunds are permissible. All refunds must be applied as a credit to the Procurement Card.
4. No Elected Official, cardholder or employee may purchase or attempt to purchase an item using a procurement card issued to another employee. Delegation of authority is not permitted for use of the Procurement Card.

5. All items purchased must be immediately available. Purchases for items on back-orders are allowed.
6. An available budget balance must exist in the account to be charged.

C. Limits on Amounts and Number of Transactions

Each Procurement Card will have preset limits. The limits are as follows:

1. Single Purchase Limit - not to exceed \$2,000.00 per transaction. This control governs the dollar amount only for each single purchase. Each procurement card holder still bears the responsibility of following the Purchasing Department's open market buying limits as set forth in the Purchasing Procedures, Rules & Regulations Manual.
2. A single visit or call to a vendor for pre-approved purchases using the card may consist of multiple items not in excess of the authorized Single Purchase Limit of \$2,000.00. Payment for purchases may not be split into multiple charge tickets at the same vendor in order to stay within the Single Purchase Limit. No single item exceeding \$2,000.00 may be purchased using the Procurement Card, unless preauthorized by the Administrator of Purchasing or in an emergency situation.
3. Maximum of six (6) transactions per day - a cardholder may not make more than six (6) purchase transactions per day.
4. 30-Day Limit - Not to exceed \$5,000.00. This is a total dollar amount for all purchases made within a given billing cycle (30-Day Limit).
5. Since the County, not the individual cardholder, is financially liable for purchases made with the County Procurement Card, electronic controls are a component of the Procurement Cards. When authorization is sought for a purchase by the merchant, the financial institution's Procurement Card issuer authorization system will check each individual cardholder's single purchase amount limit, six transaction daily limit and the cardholder's 30-day purchase amount limit before authorization for that transaction is granted. Failure of the electronic controls will not relieve the cardholder of responsibility for violation of any of the purchase limitations.
6. Purchases may not be charged on multiple cards in order to circumvent any limits under these rules & regulations.

D. Eligible Purchases

1. Automotive supplies
2. Building supplies
3. Computer products and supplies
4. Court fees
5. Delivery service charges (FedEx, UPS, etc.)
6. Electronic supplies (not equipment) & data services
7. Employee recognition items
8. Food service supplies
9. Medical equipment & supplies
10. Memberships, dues, books, periodicals, video tapes, audio tapes
11. Office supplies
12. O&M supplies
13. Photographic supplies
14. Small repair services-*one time only* (equipment, electrical, plumbing & HVAC, etc.) *not for routine maintenance or service.*

15. Training programs & seminars (*if conducted within Shelby County or if a travel authorization is not required to attend*)
16. Emergency purchases
17. Other purchases not prohibited

## E. Ineligible Purchases and Restrictions

The Procurement Card may not be used for the following purchases:

### General Restrictions

1. Purchases involving conflicts of interest
2. Purchases not related to official County business
3. Personal charges of any nature
4. Purchases that are inconsistent with specific County purchasing procedures, rules & regulations
5. Purchase of items placed on backorder
6. Payment of State or local sales taxes in Tennessee
7. Charges related to debt or a capital improvement project
8. Charges requiring a specific advance approval outside the department
9. Recurring monthly charges (or other periods less than annually) that on an annual basis would exceed the single purchase limit
10. Charges for items on an existing County approved contract

### Restrictions of Specific Types of Vendors or Businesses

11. Airlines
12. Bars, taverns, nightclubs
13. Fast food restaurants (except for catered events)
14. Hotels and motels
15. Package stores and liquor stores
16. Restaurants (except for catered events)

### Restrictions on Specific Goods and Services

17. Alcoholic beverages, including beer, wine, whiskey, or other liquor
18. Animals
19. Automobile rentals
20. Cash advances, traveler's checks, gift cards or any other form of medium of exchange
21. Contractor's payments
22. Consulting or personal services or any other payment requiring the County to issue an IRS Form 1099 (without regard to whether or not dollar requirements are met)
23. Decorative items such as flowers, plants, lamps, pictures, rugs, etc.
24. Firearms/weapons/ammunition
25. Gasoline/fuel
26. Groceries, food items, & cooking products (except for kitchen operations of the Sheriff, Corrections, Juvenile Court & Head Start) (except for catered events)
27. Heavy equipment rental
28. Insurance
29. Legal or medical services
30. Maintenance agreements
31. Moving expenses
32. Postage (except by the Mail Room)
33. Prescription drugs/controlled substances, except Health Department
34. Printing services, including business cards (except by Printing Services)
35. Telephones & related equipment (except by Telecommunications)
36. Travel and related expenses, including advance travel expenses

## F. Tax Exemption

Shelby County Government is exempt from all state and local sales taxes charged in Tennessee according to state law. The tax-exempt status appears on the Procurement Card.

1. If sales tax is billed incorrectly to the cardholder's account, it is the responsibility of the cardholder to recover the taxes. The first step should be to contact the vendor to determine if a credit can be issued. If not, then dispute the charge as outlined in section IV. C entitled "Transaction Disputes."
2. Nominal amounts of sales taxes may be paid when the acquiring department requests payment rather than incur cost disproportionate to the amount of the tax.
3. If a vendor requires a tax-exempt certificate, it is the responsibility of the cardholder to obtain a tax exemption form from the Purchasing Department:
  - Fax or email request to the Purchasing Department
  - List type of purchase, particular goods or services
  - Provide vendor's complete mailing address, telephone #, and fax #

## G. Locally Owned Small Business (LOSB)

Shelby County Government has initiated a program to expand the procurement of goods and services from locally owned small businesses within Shelby County. To continue the effort of the County, it is important that cardholders try to procure, as much as possible, from locally owned small businesses. You may contact the EOC Administration at 222-1100 to obtain a current list of locally owned small businesses with which Shelby County currently conducts business or at [www.shelbycountyttn.gov](http://www.shelbycountyttn.gov).

## H. Misuse of Procurement Card

1. The Procurement Card represents Shelby County's trust in the cardholder as a responsible employee of the County to safeguard and protect County assets. The cardholder assumes the responsibility for the protection and proper use of the Procurement Card. The following are some examples of misuse of the Procurement Card. These examples are not all inclusive.
2. Personal misuse:
  - Purchases for the personal non-job related benefit of the cardholder or others.
  - Assignment or transfer of a card to another person.
  - Use of the Procurement Card by a suspended or terminated employee.
3. Administrative misuse:
  - Failure to follow these rules & regulations regarding use, documentation and the payment process.
  - Any supervisory or management personnel instructing an employee to make an unauthorized or illegal purchase.
4. Misuse of the Procurement Card will be handled promptly and uniformly for all cardholders. Failure to comply with the requirements of these rules & regulations may result in any of the following actions:
  - Immediate revocation of Procurement Card privileges and surrender of the card,
  - Disciplinary action, up to and including termination
  - Personal liability of the cardholder, or individual authorizing the purchase, to reimburse the County for any losses to the County resulting from the improper or unauthorized use of the Procurement Card.
  - Referral for criminal prosecution in appropriate cases.

## IV. Acquisition Documentation, Reconciliation, and Payment

### A. Acquisition Documentation

1. Any time a purchase is made a document must be secured and retained as proof of purchase. The documentation and vendor receipts must be legible and clearly identify (a) the date of purchase (b) description of items, quantities, and unit prices of each individual item purchased, (c) total amount charged, and (d) the merchant's name and address. Vendor receipts must have the detailed description of each item purchased or Procurement Card purchases may not be made from that vendor. A charge card receipt alone showing only the total of the charge is not adequate documentation.
2. If the business purpose is not evident, a notation of the purpose should be written on the invoice, receipt, or other purchase documentation.
3. When a purchase is made over the counter the cardholder must obtain a customer copy of the charge slip. The cardholder must make sure that all items purchased are itemized on the sales slip or secure an additional invoice or other documentation.
4. When making purchases by telephone or on the Internet the cardholder must document the transaction, attach any shipping documents associated with the order, and verify that the card will only be charged for currently available merchandise.
5. For mail, Internet, phone or fax purchases when a receipt is not available, the cardholder should use a copy of the completed application, flyer, or order form as the receipt. The receipt should clearly indicate the total dollar amount, description of the product or service ordered, name of payee, and date the transaction was made using the Procurement Card.
6. Whenever the cardholder does not have documentation of the transaction to send with the statement, the cardholder must attach an explanation of why there is no supporting documentation. This explanation must include a description of the item(s) purchased, date(s) of purchase, merchant(s) name, and reason(s) for no supporting documentation. The Department Administrator must also approve the explanation.
7. When food and refreshment items are purchased using the card – other than the kitchen operations of the Sheriff's Office, Corrections Center, Juvenile Court and Head Start - there should be submitted with the monthly procurement card payment request the documentation as required by Section IV of the Comprehensive Travel Policy providing an explanation for the event, the identity of those attending, etc.

### B. Payment and Invoice Reconciliation Procedures

1. Individual cardholders will be responsible for monthly reconciliation.
2. At the end of each billing cycle that runs from the 26<sup>th</sup> through the 25<sup>th</sup> of the following month, the Procurement Card issuer will provide one copy of the billing statement to the cardholder and one copy to the Finance Department. The cardholder's copy, a Statement of Account, will have a listing of all the items processed during the previous 30 days. If the statement is not received, the cardholder can print a copy from the bank's Internet site. .
3. The cardholder must review the statement and note any error(s) on the statement. The cardholder must attach copies of the receipt(s) to the statement. It is recommended that smaller receipts and invoices be taped to an 8½ x 11 sheet of paper but be careful to tape over only blank areas of the receipt. The cardholder must also sign the Procurement Card Payment Request Form (Attachment C) certifying the items purchased, assign account codes to each item, and forward to the Department Administrator (or above) for his/her approval within five

- (5) work days after receipt by the cardholder. Noncompliance may mean denial of future use of the card.
4. The Department Administrator (or above) must review the statement, verify the statement and approve the purchases as received and used for necessary county business. The Department Administrator must sign the Form and forward it to the Finance Department by the 10<sup>th</sup> day of the month following the statement date. If the Department Administrator is unavailable, it is the cardholder's responsibility to seek the approval of someone above the administrator. Delegation of approvals is not permitted. It is the Administrator's responsibility to note any instances of noncompliance with these Rules & Regulations and to report corrective actions taken.
  5. By the 10<sup>th</sup> of each month each cardholder must review all transactions, verify the account coding, and approve or sign off on the transactions. The coding in this system is uploaded into the County's general ledger, so it is critical that the coding be correct and that the monthly approval be completed by the 10<sup>th</sup> of each month.
  6. Should travel or extended leave be scheduled by the cardholder at the time payment processing is due, it will be the responsibility of the Department Administrator to complete the appropriate forms so that payment may be completed within the appropriate time frame and forward them to Finance. A brief explanation should be included stating why the cardholder was not available.
  7. The Finance Department will pay purchases made by cardholders on or before the due date to avoid late payment and/or interest charges. If the required documentation and approvals have not reached the Finance Department, the amount of charges on the card will be paid and charged to an account of the cardholder's department. The Finance Department will usually pay the exact amount of charges billed but at its discretion may decide to withhold payment for pending credits or disputed charges.

### C. Transaction Disputes

1. If items purchased with the Procurement Card are found defective or the repair or services faulty, the cardholder must return the item(s) to the merchant for replacement or to receive a credit on the purchase. If the merchant refuses to replace or correct the faulty item(s), then the purchase of the item(s) will be considered to be in dispute.
2. A disputed item must be noted on the cardholder's Statement of Account. In addition, a correspondence letter must be completed by the cardholder with the appropriate documentation attached, if necessary. This letter will be forwarded through the Department Administrator to the Purchasing Department for adjustment. The Purchasing Department will notify the card issuer. The Purchasing Department will notify the cardholder and approving official of the action taken by the card issuer on disputed item(s).
3. It is essential that the time frames and documentation requirements established by the Procurement Card issuer be followed to protect the cardholder's rights in dispute. Dispute policies and procedures issued by the Procurement Card issuer will be provided at the time Procurement Cards are issued to cardholders.

## V. Card Program Responsibilities

### A. Finance Department Responsibilities

The Finance Department is primarily responsible for determining compliance with these Rules & Regulations requirements on documentation, approval for payment of charges, and actual payment of charges. The Administrator of Finance or designee will perform the following:

1. Review each statement and payment request:
  - Match the total amount for each statement received to the master statement.
  - Verify that a "Procurement Card Payment Request" is attached to each statement and is signed by the cardholder and Administrator as provided by policy and further verify that the total amount agrees to the statement.
  - Verify that for each expenditure on the statement there is an invoice, receipt, or other documentation attached that satisfies these Rules & Regulations requirements on documentation.
  - For each charge, verify that the business purpose is reasonably apparent or is documented and appears appropriate.
  - Review for any apparent violations of the procurement card Rules & Regulations.

If there are no problems noted, the Finance Department assigned employee will sign the bottom of the Procurement Card Payment Request noting approval for payment.
2. If problems are noted, notify the cardholder's Department Administrator in writing with a copy to the Division Director or Elected Official explaining the problems noted. Attach a copy of the notification to the statement and reference the notification on the "Procurement Card Payment Request".
3. The Administrator notified must respond or approve a response to any notification concerning problems within 10 business days from the notification date. If a response is not received within the 10 days, Finance may send a copy of the notification with a statement "Response not Received" to the Purchasing Administrator as documentation for cancellation of the card. Finance will review all responses and if the response satisfies the concern, the Finance Department Administrator or designee will indicate acceptance of the response. If the response does not satisfy the concern, Finance will send the notification and response to the Director of Administration & Finance or the Chief Administrative Officer for resolution.
4. If any statements and departmental payment request are not received by the 15<sup>th</sup> calendar day of the month following the date of the statement, Finance may notify the Purchasing Administrator and the card will be cancelled.

#### B. Purchasing Department Responsibilities

The Purchasing Department is primarily responsible for the overall Procurement Card program, managing the relationship with the issuer of the cards, dealing with the issuer of the cards, issuing cards to cardholders, and determining that card usage complies with other County purchasing requirements and Rules & Regulations.

1. The Purchasing Department will maintain a computer log of all cards issued and reference those later cancelled. The log will include the employee name, his/her job title, his/her department, account number, date issued and date cancelled, if applicable. Purchasing will also maintain a paper file containing the Agreement to Accept the Shelby County Procurement Card (Attachment A) signed by Purchasing and the cardholder for each card issued and returned (cancelled). The Agreement includes acknowledgement of the conditions of these rules & regulations including personal liability for any personal purchases.
2. *Every ninety (90) days Purchasing may, at its sole discretion, terminate all cards not used in the previous ninety (90) days.* Purchasing will notify the cardholder and his/her Department Administrator of the cancellation and request return of the card. Returned cards should be cut in half and returned to Purchasing no later than 4:15 p.m. the next business day.

3. The Administrator of Purchasing or designee will examine the County's monthly card statements in order to determine whether any cardholder appears to have violated any purchasing prohibition (example: split purchases, monetary limitations, etc.) which are specifically prohibited under these rules and regulations.
4. If the Purchasing official does not recognize any problems, he/she must document the review in writing. If problems are noted, the Department Administrator will be notified in writing with a copy to the Division Director or Elected Official explaining the transaction in question.
5. The Administrator, Division Director or Elected Official must respond or approve a response to any notification concerning problems within 10 business days from the notification date. If a response is not received within the 10 days, the Purchasing Administrator may cancel the card. Purchasing will review all responses and if the response satisfies the concern, Purchasing will document and sign approving the explanation. If the response does not satisfy the concern, Purchasing will send the notification and response to the Director of Administration & Finance or the Chief Administrative Officer for resolution.

C. Internal Audit Responsibilities

The Internal Audit Department will perform a periodic audit of procurement card activity. The extent of the audit will be established by the Internal Audit Department based on their professional judgment. Transactions will be reviewed to ensure:

1. Adequate detailed documentation is on file, including (a) original receipts, (b) shipping documents (if available), (c) vendor's name, (d) unit cost of each item purchased, (e) date of purchase/sale, (f) total amount of purchase transaction, (g) itemized description of each item, and (h) business purpose, if not evident,
2. The purchases were relevant to the needs of that account,
3. The purchases did not include unauthorized items,
4. Purchases were within spending limits, and
5. Purchases were not in direct violation of goods or services available through contract or preferred suppliers.