

**SAN DIEGO POLICE DEPARTMENT  
PROCEDURE**

**DATE:** JUNE 29, 2017

**NUMBER:** 1.42 – ADMINISTRATION

**SUBJECT:** USE OF DEPARTMENT-ISSUED PROCUREMENT CARDS (P-CARDS)

**RELATED POLICY:** N/A

**ORIGINATING DIVISION:** ADMINISTRATIVE SERVICES

**NEW PROCEDURE:**

**PROCEDURAL CHANGE:**  **MINOR CHANGES**

**SUPERSEDES:** DP 1.42 – 11/07/2014

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**I. PURPOSE**

This Department procedure establishes guidelines for the use of procurement cards.

**II. SCOPE**

This procedure applies to all members of the Department.

**III. BACKGROUND**

The Procurement Card (P-Card) Program is intended to provide an alternative and efficient means for making necessary Department purchases utilizing a VISA credit card. The program is meant to supplement purchasing methods already in place. It is not intended as an overall replacement or means to circumvent current purchasing methods. The Procurement Card Program simplifies the purchasing process, expedites the ordering and delivery of goods, and reduces the paperwork required to issue requisitions and process payments. Payment processing costs are also reduced by consolidating all monthly purchases into one invoice for payment.

The City's Procurement Card Program is administered through the Office of the City Comptroller. Bank of America issues the VISA procurement cards and provides day-to-day program support.

#### **IV. DEFINITIONS**

- A. Approver – a Cardholder’s supervisor or higher level manager with review authority over purchases. (An Approver who is also a Cardholder may not approve his/her own purchases.)
- B. Billing Official - an individual responsible for the final step of the Department’s payment process, The Billing Official is usually the point of contact to liaison with Procurement Card Program administrators and cannot be a Cardholder or Approver.
- C. Billing Cycle – the period of time between billings. The billing cycle begins on the 23rd of each month and ends on the 22nd of the following month.
- D. Cardholder – an authorized employee to whom a procurement card has been issued.
- E. Cardholder Agreement – a signed document affirming an individual’s acceptance of a procurement card and agreement to comply with all applicable rules.
- F. Cardholder Transaction Log – a detailed register documenting each transaction and accounting information.
- G. Procurement Card (P-Card) – a VISA credit card issued to a single individual authorized to make approved Department purchases.
- H. Bank of America Works – a web-based application to review procurement card transaction information, generate reports, and provide access to authorized account holders (<https://payment2.works.com/works/session>)

#### **V. PROCEDURE**

##### A. Training

Before a P-Card is issued, a prospective Cardholder, Approver, and Billing Official must receive training regarding the appropriate use of the P-Card. The training should include the following:

1. General information about the purpose of the P-Card and how the program works;
2. Cardholder liability and responsibilities;
3. Detailed information from the department or division regarding specific internal policies and procedures;

4. Citywide prohibited purchases;
5. Dollar and transaction limits;
6. Budgetary control procedures;
7. The process for reporting lost/stolen P-Cards, requesting new cards, and/or changes to Cardholder status; and,
8. The monthly statement reconciliation process.

B. Cardholder Responsibilities

The Cardholder has responsibilities related to the proper use of an issued P-Card. Those responsibilities include the following:

1. Cardholders are to be experienced in City and Department purchase and requisition procedures, as established by their respective department or division;
2. Ultimate responsibility for the appropriate use and security of the P-Card rests with the Cardholder;
3. The Cardholder has read and signed the *Cardholder Agreement* form as a condition of P-card issuance;
4. The Cardholder signs the card upon receipt and ensures that it is only used by the assigned Cardholder;
5. The Cardholder will ensure that all P-Card purchase requests are complete and receive proper approval;
6. The Cardholder will ensure that all purchases are cost effective and for official City or Department business;
7. The Cardholder will ensure that the P-Card is securely maintained, but will promptly report a lost or stolen card to Bank of America (via their 24-hour toll free number 1-888-449-2273), then to their designated Approver;
8. The Cardholder will allocate transactions in Bank of America Works, upload receipts, and print Cardholder Transaction Log;
9. The Cardholder will ensure that all activity is allocated in Bank of America Works, paperwork is completed properly and submitted to Fiscal Operations within two business days of the billing cycle end date;

10. The Cardholder will ensure that all P-Card charges are proper and will pursue proper dispute resolution channels for improper charges;
11. The Cardholder will return the P-Card and all related documents to their Approver in the event of termination or transfer; and,
12. The Cardholder may be required to provide personal information for identification purposes when reporting a lost or stolen card to Bank of America, but should never give personal information to a merchant when using the P-Card.

C. Supervisor Responsibilities

Supervisors of staff who participate in the P-Card Program have specific responsibilities. The Supervisor's responsibilities include:

1. Verify all documentation is attached to the Cardholder Transaction Log;
2. Verify all charges are appropriate;
3. Ensure that Cardholder Transaction Log and documentation are turned into the Billing Official in a timely manner;
4. Review and approve Cardholder Transaction Log for timeliness and accuracy, specifically to ensure proper ordering procedures and taxation requirements were followed and receipts were uploaded.

D. Approver Responsibilities

Procurement Card Program Approvers have specific responsibilities related to their participation in the P-Card Program. The Approver's responsibilities include:

1. Prepare the paperwork necessary to cancel a Cardholder's privileges due to termination or transfer. The Approver shall also cut cancelled cards in half and return them to the Procurement Card Program Administrators;
2. Promptly report any apparent or evident misuse of a P-Card and initiate appropriate disciplinary measures for violations.
3. Review and approve purchases in Bank of America Works; ensure that each transaction is justifiable and within the departments established limits.

E. Billing Official (Billing Coordinator) Responsibilities

Procurement Card Program Billing Officials have specific responsibilities related to their participation in the P-Card Program. The Billing Official's responsibilities include:

1. Verify documentation provided by Cardholder for accuracy and completeness.
2. Ensure that each item purchased includes accounting information and has been reviewed by the appropriate budget analyst;
3. Reconcile the invoice amount with the receipts and Cardholder Transaction Log and verify the appropriate forms are attached;
4. Sign off on all transactions within five days of the end of the billing cycle; and,
5. Maintain all records for procurement cards in a file for a period of no less than three years.

F. Prior to making a P-Card purchase, the Cardholder must ensure:

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1. That a PD-478 is filled out, approved by their Commanding Officer and then submitted to their assigned liaison analyst for final approval.
2. The item is not available from existing Department/division supply inventory;
3. The item is not readily available from Central Stores;
4. The item is not available through an existing City contract; and,
5. The use of the P-Card is the most economical purchase option.

G. Correct Procurement Method

A Cardholder is obligated to understand when it is permissible to use a P-Card and when another procurement method should be used.

1. All P-Card purchases must be within the transaction and monthly limits established by the Department and/or division.
2. P-Card purchases may not be split into multiple transactions in order to stay within the single purchase limit.

3. Cardholders must ensure that items intended for P-Card purchase have been budgeted or appropriate funding is available for unbudgeted expenditures.
4. Cardholders must determine if an item is subject to the competitive bid process prior to purchase. If bids are required, the Cardholder must follow the procedure outlined in the Procurement Card Program Policies and Procedures Handbook.
5. Cardholders must ensure the commodity is not on the prohibited list.

#### H. Over-the-Counter Purchases

To make an over-the-counter purchase, the Cardholder:

1. Obtains a sales receipt which includes the store name, location, and other relevant merchant information, transaction date, description of the items purchased, total sales amount, and P-Card account information;
2. Authorizes the purchase, if the amount and merchant category are approved;
3. Reviews the sales receipt before signing the P-Card sales draft; and,
4. Retains the receipt for statement reconciliation and properly documents the purchase in the Cardholder Transaction Log before submitting all paperwork to the appropriate Billing Official.

#### I. Telephone and Internet Purchases

To make a telephone or Internet purchase:

1. The Cardholder obtains price quotes to determine the most fiscally responsible choice and that the desired item is currently available from the vendor's stock. Backordered items may not be purchased with a P-Card;
2. After selecting the best purchase option, the Cardholder places the order by providing the P-Card account information and instructing the vendor to post the charge to the account on the date of shipment. The Cardholder also directs the vendor to include information for the recipient on the packing slip (e.g., purchaser information, delivery location, Cardholder contact information, and a written note containing the following information "Procurement Card Order – Do Not Process for Further Payment"). The Cardholder further instructs the vendor to require the delivery recipient's City ID number;

3. The Cardholder directs the vendor that all orders are to be sent in one shipment, as partial shipments are not allowed on P-Card purchases;
  4. Purchases from out-of-state vendors require that either California sales tax is assessed on the purchase or the Cardholder documents the transaction details on the Cardholder Transaction Log;
  5. Upon delivery of merchandise, the recipient signs the invoice, indicating the signature is for the Cardholder; and,
  6. The Cardholder documents all purchase information on the Cardholder Transaction Log.
- J. Procurement Cards may not be used to purchase any of the following prohibited items:
1. Alcohol, furniture, computer hardware/software
  2. Cash advances or gift cards;
  3. Travel, including airlines or automobile expenses (without prior approval from the Executive Assistant Police Chief)
  4. Restaurant services (without prior approval from the Police Chief and the City's Procurement Card Manager);
  5. Professional and non-professional services, including consultants, service or maintenance expenses, and construction work;
  6. Hazardous materials, as outlined in City A.R. 75.65;
  7. In-town reimbursable expenses, as outlined in City A.R. 95.40; and,
  8. Other items or services detailed in the Procurement Card Program Policies and Procedures Manual, or as prohibited by Department or division guidelines.

This Department procedure has been prepared in accordance with the City of San Diego Procurement Card Program Policies and Procedures Manual. All documents required for participation in the Procurement Card Program are located in the appendices of the Manual. Further information regarding the Procurement Card Program can be located on the City's Intranet website at [http://citynet/comptroller/pdf/pcard/pcard\\_manual.pdf](http://citynet/comptroller/pdf/pcard/pcard_manual.pdf).