CITY OF KLAMATH FALLS

PURCHASING CARD HANDBOOK

For

CARDHOLDERS

August 23, 2019
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WELCOME TO THE CITY OF KLAMATH FALLS PURCHASING CARD PROGRAM

We hope you find this handbook helpful in conducting business for the City of Klamath Falls. Please do not hesitate to ask questions about any aspect of the City of Klamath Falls Purchasing Card Program. We welcome any input and suggestions for improvement. This handbook will provide you with the basic steps for using the City of Klamath Falls Purchasing Card.

For further details on any topic call the Program Administrator. (See Key Contacts Below)

Key Contacts and who to call

Program Administrator: Amber McDougle, Accountant
Telephone Number: 541-883-5306, Ext. 306
Email: amcdougle@klamathfalls.city

Back-up Administrator: Jessica Lindsay, Finance Manager
Telephone Number: 541-883-5354, Ext. 354
Email: jlindsay@klamathfalls.city

Accounts Payable: Judy Neiswender or Joyce Parenti
Telephone Number: 541-883-5313, Ext 313 (Judy)
Telephone Number: 541-883-5308, Ext. 308 (Joyce)
ap@klamathfalls.city

US Bank
Customer Service: Telephone Number: 1-800-344-5696
To report a lost or stolen card: 1-800-344-5696
LOST OR STOLEN CARD

CARDHOLDERS:

TO
REPORT
A
LOST OR STOLEN
CARD

IMMEDIATELY CALL

1-800-344-5696

When reporting a lost or stolen card to US Bank, say this is a City of Klamath Falls “One Card”. Also, you must have your account number available when you call.

Note: Until the Card is phoned in as “Lost or Stolen”, the Department/Division assumes liability for all charges made on the card.
The City of Klamath Falls Procurement Card Program is a new way to purchase items, material and services. It is similar to a credit card but with limits and restrictions attributable to City business practices and policies. The Procurement Card can be used at any store that accepts Visa credit cards and is not on the excluded vendors list.

Each purchase card is issued specifically to an individual and is assigned an account number. All charges against the card are the liability of the City of Klamath Falls and the department/division. If a card is lost or stolen, the liability continues until it is reported to US Bank. For this reason, reporting lost or stolen cards is of major importance.

The goals of the program are:

1. Better customer relations and service. The vendor gets paid much faster and may respond with added discounts for the City.

2. Savings to the City in pricing, time and costs, while adding card rebate revenue.

3. Appropriate controls and reporting.
DIFFERENCES BETWEEN A PURCHASING CARD & A PERSONAL CREDIT CARD

This credit card is used like a personal credit card. However, as a Purchasing Card, there are differences that you should be aware of:

1. The Department is liable for all charges made on a card. This includes all charges made before a card is reported as lost or stolen to US Bank. Therefore, if the card is lost or stolen, it is imperative that the Cardholder immediately calls US Bank at 1-800-344-5696. The Cardholder must also complete the “Lost, Compromised, or Stolen Purchase Card Notification Form” (see Master Forms) and provide copies to his/her Supervisor and the Program Administrator.

2. There is no personal liability on the card unless the Cardholder violates the terms of card use specified in the Cardholder Agreement.

3. US Bank bills the transactions charged to the Purchasing Card directly to the City even though the name of the Cardholder is on the card. The merchant is paid by Visa within 48 hours of when the merchant gives/transmits the transaction.

4. Your Purchasing Card should be treated with even more care than you give to your personal credit cards. Remember, it is City property and you are responsible for its security. NEVER use the card to make a personal purchase.

5. Guard your Purchasing Card account number closely! Do not post it at your desk or write it any place that is easily accessible by others.

6. The only person entitled to use the Purchasing Card is the Cardholder whose name appears on the face of the card. DO NOT lend your card to another person for use.
PURCHASING CARD CONTROLS

Each card issued will have certain controls/restrictions placed on them. These are unique features that distinguish the City credit card from other credit cards. The types of controls consist of:

1. Card Limits:

   - Each card will have a maximum amount that can be spent per transaction. The maximum will be $5,000 or the person's purchase authority if less than $5,000.
   - Each card will have a maximum that can be spent per month. Directors will have a $15,000 maximum and all other employees will have a $5,000 maximum.
   - If a higher maximum is needed for a purchase, the One-Time Purchase Form can be completed and approved by the City Manager.

2. Exclusions by Merchant Category Code (MCC):

   Specific vendors are excluded from use on all of the Procurement Cards. Any attempt to use these vendors will cause the card to be declined. The excluded vendors include:

   - Bars and Liquor stores
   - Movie theatres and other types of entertainment vendors
   - Wire transfer/money order
   - Furriers/fur shops
   - Pawn shops
   - Antique shops/antique reproductions
   - Jewelry stores
   - Dating/escort services
   - Massage parlors
   - Betting/track/casino/lotto
   - Departments will have input on further restrictions.

3. Restrictions:

   - Personal use
   - Travel items paid per diem
     - Meals
     - Gas
   - Vendors that charge a foreign transaction fee
PARTICIPANTS AND RESPONSIBILITIES

Cardholder is responsible for:

- Cardholders are responsible for their purchasing cards.
- Cardholders must maintain their cards in a secure location. Employees should know where their card is at all times to prevent misuse.
- Cardholders are responsible for reporting immediately any fraudulent use or misapplication of the card to City of Klamath Falls’ Program Administrator, so appropriate investigation can occur.
- Disputed charges of procurement cards must be reported to the department/division supervisor so appropriate steps can be taken when necessary.
- Cardholders are responsible for the delivery arrangements and receipt of the merchandise they’ve ordered.
- In the case of returns, cardholders are responsible for coordinating returns to the supplier.
- Cardholders and Supervisors are responsible for immediately notifying the Program Administrator if there is an employment status change of any kind.
- IMMEDIATELY reporting a lost or stolen card to US Bank and the Program Administrator.
- Making authorized purchases for their department based upon the limits set within the department.
- Making purchases in compliance with the City’s purchasing rules and the information contained within this handbook.
- Ensuring merchant documentation is received for every transaction.
- Coding merchant documentation with account number, signature/initial, and VISA.
- Sending coded merchant documentation to Accounts Payable via email (ap@klamathfalls.city) or inter-office mail.

Cardholder’s Supervisor is responsible for:

- Setting purchasing card limits for employees within the pre-set limits.
- Reviewing, approving and signing off on Cardholder monthly statements, assuring that all purchases are made in accordance with department and City policies.
- Notifying Program Administrator of the need to cancel a Procurement Card.
- Notifying Program Administrator of any suspected violations.
- Notifying Program Administrator and submitting appropriate documents/support for any disputed charges.
HOW THE PROCESS WORKS

Step 1 – Make a purchase.

Most purchases will be made in person at a local store, similar to using your personal credit card. However, you may also make purchases over the telephone, by fax, Internet, or mail by completing an order form, such as subscriptions and conference registrations. With any purchase, verify that means of transmitting company information is secure. It is highly recommended that the Cardholder keep a log of purchases made.

- Make sure the vendor you choose is one allowed under the Procurement Card rules.
- Identify yourself as a City of Klamath Falls employee.
- Inform the vendor that you are making a tax-exempt purchase.
- It is recommended that you do not purchase from vendors we currently have charge accounts.

Step 2 – Receive the goods.

After the goods are picked up or delivered and received, it is important to retain the receipt. Every purchase must be documented with a receipt that will be in the form of sales receipt, packing slip, and order form or registration application. All receipts must contain the following information (if not provided by the merchant, the Cardholder must handwrite the missing information).

The Cardholder is responsible for working with the vendor to correct any problems, exchanges or credits. **Do not accept a cash credit.**

- Merchant name
- Date purchase was made
- A description of each item purchased including quantity
- Total cost

If a receipt is lost, the above information will need to be written/typed out by the Cardholder in place of the receipt.

Step 3 – Submitting the Receipts

Receipts should be coded with the following information:

- Cardholder signature/initial (if purchasing for another department they should sign as well)
- GL Account numbers
- Project number (if applicable)
- VISA and last four digits of the purchase card account number
Coded receipts should be turned into Accounts Payable frequently but not later than one day after the statement cutoff date which is the 6th. Receipts can be submitted via email at ap@klamathfalls.city or through inter-office mail.

If a receipt is lost, please complete the “Lost Receipt” form and turn it into Accounts Payable with a copy sent to the Program Administrator. It is very important to retain your receipts and turn them in. Non-compliance could lead to your card being revoked.

**Step 4 – Reconciliation process**

Accounts Payable will file coded receipts by cardholder name throughout the month. When statements are available online, Accounts Payable will print them out and compare the statement with receipts received.

If receipts are missing, the Accounts Payable person will contact the cardholder for the receipt which will need to be submitted to Accounts Payable as soon as possible.

If there is a charge that is not recognized or if there is an unresolved problem with a vendor/purchase, a “Statement of Questioned Item” form should be completed. The form can be found in the back of this handbook. The completed form with supporting documentation should be submitted to Accounts Payable and the Program Administrator.

The following are examples of items that should be reported if not resolved at the vendor level:

- Unauthorized or unrecognized charges
- Difference in the purchase amount you authorized, and the amount charged
- Duplicate charges
- Failure to receive a credit
- Failure to receive the goods or services
- Returned merchandise
- Defective merchandise

After the reconciliation is complete, Accounts Payable will send the monthly statement and receipts to the cardholder’s supervisor via email.

**Step 5 – Approval of purchases:**

The Cardholder’s supervisor shall review the statement and accompanying receipts to confirm that all purchases are reasonable and authorized for departmental business and that the transactions were not in violation of any City policies. The Cardholder’s supervisor shall approve the Cardholder’s statement and receipts by emailing Accounts Payable they approve or by printing and signing the statement and submitting it to Accounts Payable.
Step 6 – Payment and Filing:

Accounts Payable will scan the statement and receipts into Tyler Incode as they are entering the statements for payment. Hard copies of the statement and receipts will be filed by check run date in the Finance office.

RESERVATION AUTHORIZATIONS

Cardholders are allowed to make purchase card authorizations for other employees for hotel and other reservation or registration purposes. The cardholder should request an authorization form from the hotel or other business.

HOW TO HANDLE RETURNS AND EXCHANGES

Make the appropriate arrangements with the merchant before shipping an item for return. The merchant must credit a return and charge a new transaction. Exchanges of like items will not necessarily require a credit transaction, for example same item only different color. Merchants are not allowed to refund cash on a return. It is also against City policies to accept cash in a return or exchange transaction. All returns and exchanges shall be documented. This documentation should come from the vendor in the form of a credit slip and a new charge slip. This information may be needed in the case of a formal dispute.

WHAT TO DO IF A TRANSACTION IS DECLINED

Possible reasons for decline and what to do:

- Phone orders: The merchant has written down the card number and/or expiration date incorrectly. Check the numbers with the merchant.
- The transaction exceeds your per transaction or per month dollar limits. Check with the Program Administrator to determine your limits and how much you have spent on the card.
- The merchant’s MCC code is one of the City’s excluded codes. Ask the merchant for their Standard Industry Code. Merchants sign up with one code that sometimes does not reflect their actual business
- If the transmission line is down between the merchant and the bank, the transaction will decline. Ask the vendor to try later. Note: If the vendor makes 10 tries and is declined each time, the card will then decline at any vendor for the remainder of the day.
- Contact the Program Administrator for information on why a transaction was declined.
VIOLATIONS AND CONSEQUENCES

Certain transactions are prohibited per City policy. Violation of these policies will result in corrective action being taken. The consequences include, but are not limited to revoking the card, requiring additional training, disciplinary action as prescribed by the City of Klamath Falls Administrative Rules and Personnel Policies, and/or applicable collective bargaining Agreement. Depending on the nature of the violation, an employee could be prosecuted under applicable local, state or federal civil or criminal law.

1. Personal Purchase(s):
   Anything that is not purchased for use and ownership of the City of Klamath Falls.

2. Cash or Cash Type Transactions:
   Cash, cash in addition to purchase (for instance, at Safeway) cash in lieu of credit to account, traveler’s checks, money orders, gambling, ATM transaction, etc.

3. Split Purchases:
   Split purchases occur when single purchases costing more than the allowable transaction are broken out into two card transactions, to get around the single purchase limit restriction.

EMPLOYEE TERMINATION

When a Cardholder leaves the City, she/he must return the Procurement Card to the person responsible for collecting cards, keys, etc. for that department/division. The person responsible for the collection will turn the card into the Program Administrator. This must be done before a final check can be issued.

MERCHANT RELATIONS

Purchasing cards are a relatively new way for vendors to sell to government agencies. We all need to work with merchants to make a smooth transition to purchasing cards as an acceptable means of payment. If a merchant has questions about the City’s purchasing card program, refer them to the Program Administrator. Here’s how to address a few specific merchant needs:

1. Merchants may want an “account” set up before they allow use of the card:
   Contact the City’s Program Administrator for account set-up.

2. Merchant attempts to charge you a fee for using your Visa:
Though Visa allows convenience fees, there are many restrictions on how/when the merchant can charge this fee.

Contact the Program Administrator immediately and provide information on the vendor and the fee they are wanting to charge. The Program Administrator will verify whether the fee can be charged or will contact US Bank for guidance. If it is not a legitimate convenience fee the Program Administrator will contact US Bank who will pass on the information to Visa.

If a vendor’s convenience fee is allowed, you should make your purchases somewhere else unless there is not another option.

**ACTIVATING THE CARD**

- Cardholders **CANNOT** receive their card until they have read the “Purchasing Card Handbook”.
- Cardholders **MUST** sign the “Agreement to Accept the Terms of Use of a Purchasing Card” at the time the card is received.
- Cardholders must sign the card immediately upon receipt of it.
- Cardholders must call 1-800-344-5696 to activate their card prior to use.
FORMS

- PURCHASE CARD AGREEMENT
- LOST RECEIPT FORM
- PERSONAL USE FORM
- LOST, COMPROMISED OR STOLEN CARD NOTIFICATIONS FORM
- STATEMENT OF QUESTIONED ITEM FORM
- ONE-TIME PURCHASE FORM
PURCHASE CARD AGREEMENT

The City of Klamath Falls is pleased to present you with this Purchasing Card. It represents the City’s trust in you as a responsible agent to safeguard and protect our assets while conducting purchases with it.

I, ________________________________, hereby acknowledge receipt of a City of Klamath Falls Purchasing Card. As a Cardholder, I agree to comply with the terms and conditions of this Agreement including, but not limited to those specified in the “Purchasing Card Handbook” incorporated in this Agreement.

I acknowledge receipt of the “Purchasing Card Handbook”. I confirm that I have read and understand the terms and conditions of this Agreement, which are revocable by me or by the City of Klamath Falls. I understand that my Division/Department at the City of Klamath Falls is liable to US Bank for all of the charges made on this card.

I agree to use this card for City of Klamath Falls purchases necessary to complete job-related tasks and agree not to charge personal or other non-City purchases. I understand that the City of Klamath Falls will audit the use of this card and report any non-appropriate use.

I further understand that any use of this card that is not in strict compliance with this Agreement may result in disciplinary action, up to and including termination of employment. I authorize City of Klamath Falls to deduct from my paycheck any amount charged on the card for anything other than bona fide City purchases. The City will notify me and my supervisor via email of said deductions which will be fully applied to my next paycheck and, if necessary, to subsequent paychecks, until the amount is fully recovered. I agree to notify the City within seven days of this notice if I intend to appeal. This authorization is extended to deductions from my last paycheck if I am leaving the employment of the City of Klamath Falls.

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

Your credit limits are: $________ per transaction (Max $5,000 or purchase authority if less)

$________ per month (Max $5,000 or $15,000 Directors)

Division/Dept. Manager: ________________________________  Date ________________

Finance Manager: ________________________________  Date ________________

Employee Signature: ________________________________  Date ________________
Lost Receipt Form

IMPORTANT: This form is to be used only after all other attempts to obtain a copy of the original receipt have been exhausted. This form will not be accepted for hotels, airlines, and car rental receipts as duplicate receipts can be obtained. It is the employee’s responsibility to obtain receipts and lost receipts should occur infrequently. The continued practice of losing receipts can result in the loss of purchase card, travel, and purchasing privileges.

One form is required for each missing receipt. The Form must be signed, approved and submitted to Accounts Payable with a Travel Expense Report, Check Requisition, or Purchase Card Statement.

Cardholder name: ____________________________________________________________

Card number (last 4): ________________________________________________________

Vendor name: ______________________________________________________________

Date of purchase: __________________________

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<tr>
<th>Description</th>
<th>GL Code</th>
<th>Quantity</th>
<th>Per Item Cost</th>
<th>Extended Cost</th>
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Total Cost $ ____________

Steps taken to obtain duplicate copy and reason you were unable to do so:

By signing this form, I certify:

• No original receipt is available
• I attempted to obtain an itemized receipt from the merchant
• The item(s) above was purchased for the City of Klamath Falls purposes and not personal use
• The amount of the expense is accurate
• I will not seek reimbursement in any other manner for this transaction including income tax deductions

Cardholder Signature __________________________ Date Signed __________________

Supervisor Signature __________________________ Date Signed __________________
The personal use of a City of Klamath Falls purchase card may result in disciplinary action, up to and including termination of employment.

This Form must be signed, approved and submitted to Accounts Payable with a check made out to City of Klamath Falls for the total cost listed below.

Cardholder name: ____________________________________________
Card number (last 4): _________________________________________
Vendor name: ________________________________________________
Date of purchase: ____________________________________________

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<th>Description</th>
<th>GL Code</th>
<th>Quantity</th>
<th>Per Item Cost</th>
<th>Extended Cost</th>
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</table>

Total Cost $ ____________

What occurred to cause the personal use:

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

Cardholder Signature ____________________________ Date Signed ____________

Supervisor Signature ____________________________ Date Signed ____________
Lost, Compromised or Stolen Purchase Card Notification

PROCEDURE:
1. Immediately upon knowing your Purchase Card is lost, compromised, or stolen, you shall notify US Bank by phone at 1-(800)-344-5696, and record the date and time of the call and the name of the US Bank representative you spoke with.

Cardholder name: ____________________________________________
Department: _________________________ Supervisor: _________________________
Cardholder phone: _________________________
Date of this report: _________________________ Card number (last 4 digits): _______

☐ Card is believed lost.
☐ Card is believed compromised.
☐ Card is believed stolen.

Telephone notice to US Bank information:

US Bank Employee Name _________________________ Date ____________ Time ____________

Briefly describe circumstances of loss, compromised, or theft or card:

__________________________________________________________

Cardholder Signature _________________________ Date Signed ____________

2. Complete and distribute this form by the fastest possible means to the purchase card program administrator with a copy to the cardholder’s supervisor.
Statement of Questioned Item

Cardholder name: 

Card number (last 4 digits): 

Contact Phone: 

The transaction in question as shown on Statement of Account:

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Reference Number</th>
<th>Merchant</th>
<th>Amount</th>
<th>Statement Date</th>
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Please read carefully each of the following situations and check the One most appropriate in your dispute. If you have questions, please contact US Bank at 800-344-5696 or the purchase card Program Administrator.

- **Unauthorized Mail or Phone Order** – I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services.

- **Duplicate Processing** – date of the first transaction was ___________. The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.

- **Merchandise or Service Not Received** – My account has been charged for the above listed transaction, but I have not received the merchandise or service. I have contacted the merchant but the matter was not resolved. Provide a separate statement detailing the merchant contract, and the expected date to receive merchandise.

- **Merchandise Returned** – My account has been charged for the above listed transaction, but the merchandise has since been returned. Provide a copy of the postal mail receipt.

- **Credit Not Received** – I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. Provide a copy of the credit voucher.

- **Alternation of Amount** – The amount of this charge has been altered since the time of purchase. Provide a copy of the sales draft showing the amount.

- **Inadequate Description/Unrecognized Charge** – I do not recognize this charge. Please supply a copy of the sales draft for my review.

- **Copy Request** – I recognize this charge, but need a copy of the sales draft for my records.

- **Paid for by Another Means** – My card number was used to secure this purchase, however final payment was made by check, cash, another credit card or purchase order. Provide receipt, canceled check, copy of credit card statement, or applicable documentation to demonstrate that payment was made by other means.

- **Not as Described** – The Item(s) specified below do not conform to what was agreed upon with the merchant. (Cardholder must have attempted to return the merchandise and state so in the complaint.)

- **None of the Above** – Please describe the situation

Cardholder Signature ____________________________ Date Signed __________

Once the form has been completed, send to the Program Administrator in Finance.
One-Time Purchase Authorization

I, __________________________________, would like to request a one-time increase to my credit card limits for the purchase listed below:

Date to be purchased: ______________

Credit limit needed: ______________

Item to be purchased: __________________________________________________________________

Reason for the purchase: _______________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

Division/Dept. Manager: _________________________________  Date _______________

Finance Manager: _______________________________________  Date _______________

City Manager: __________________________________________   Date _______________

Please turn in to the Program Administrator once all signatures have been completed. This form needs to be received by the Program Administrator at least one business day prior to the purchase date.