



CITY OF KLAMATH FALLS

PURCHASING CARD HANDBOOK

for

CARDHOLDERS

February 5, 2024

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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: Dani Gullatt, Accountant
Telephone Number: 541-883-5306, Ext. 306
Email: dgullatt@klamathfalls.city

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

Accounts Payable: Amber Spiker
Telephone Number: 541-883-5308, Ext. 308 (Amber)
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.

INTRODUCTION

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 persons 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
- Gift Cards
- 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 Cardholder will need to fill out a Lost Receipt Form with the information listed above.

Step 3 – 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

The Cardholder will hold the receipts until the monthly statement is received.

Step 4 – Reconciliation process

Accounts Payable will email the statement to the Cardholder on the 7th of the month or the first business day after.

The Cardholder will match their receipts to the statement. If all receipts match, the Cardholder will email the statement and receipts to the Cardholder's supervisor for approval and Accounts Payable for documentation.

If a receipt is lost, please complete the "*Lost Receipt*" form and turn it in with the statement. It is very important to retain your receipts and turn them in. Non-compliance could lead to your card being revoked.

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.

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

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.

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 kept or destroyed by the Cardholder.

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 a violation of 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, additional training requirements, 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 Fred Meyer), cash in lieu of credit to account, traveler's checks, money orders, gambling, ATM transaction, etc. are all prohibited.

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.

FAMILY AND MEDICAL LEAVE (FMLA) OR EXTENDED LEAVE

Before a Cardholder goes on planned leave, the Cardholder must provide copies of receipts to their supervisor and Accounts Payable. This will ensure transactions that happened prior to leave of absence are paid in a timely manner.

Cardholders going on extended leave of absence may have a temporary hold placed on their card. The hold will not cancel the card. It simply will not allow any charges to occur during the time the Cardholder is on leave. This protects the City from the occurrence of fraudulent activity during Cardholder's leave of absence. Supervisors will coordinate with the Program Manager to place the hold on the card and reactive the card upon the Cardholder's return.

MERCHANT RELATIONS

Purchasing cards are a relatively new way for vendors to sell to government agencies. Work with merchants to 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. If a vendor's charges a convenience fee, attempt to find another vendor that does not charge a fee unless there is not another option, or the product is the best value including the convenience fee.

Contact the Program Administrator immediately with vendor information on and the fee they are wanting to charge. The Program Administrator will verify whether the fee is an allowable charge and/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*.

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



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: _____

Description	GL Code	Quantity	Per Item Cost	Extended Cost
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
			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



Personal Use Form

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: _____

Description	GL Code	Quantity	Per Item Cost	Extended Cost
_____	101-1091	_____	_____	_____
_____	101-1091	_____	_____	_____
_____	101-1091	_____	_____	_____
_____	101-1091	_____	_____	_____
			Total Cost	\$ _____

What occurred to cause the personal use:

Cardholder Signature

Date Signed

Supervisor Signature

Date Signed



Statement of Questioned Item

Cardholder name: _____

Card number (last 4 digits): _____ Contact Phone: _____

The transaction in question as shown on Statement of Account:

Transaction Date	Reference Number	Merchant	Amount	Statement Date

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 No 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 merchandize 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.