




CITY OF MILPITAS

Revision	Date
Original	08-25-2017
1	06-15-2021

CITY ADMINISTRATIVE POLICY

Policy No: 4.1.3	PROCUREMENT CARD	Effective Date: 6/15/2021
Revision No: 1	Policy Administrator: Finance	Next Review Due: As needed
Related Policies and Procedures: SOP 6.3 Revised August 25, 2017	Approved by: Steve McHarris, City Manager 	Date Approved: 6/15/2021

1. PURPOSE

- 1.1. City procurement cards (also known as P-cards) are used and assigned for the purpose of providing a convenient and effective means of making small-dollar operational purchases as outlined in the City's Purchasing Code, as amended from time to time. Additionally, procurement cards are an invaluable tool in facilitating emergency or non-recurring purchases.

2. POLICY

- 2.1. Procurement cards shall be used in strict compliance with this Policy and the procedures outlined in the P-Card Manual available on Mint. City P-cards can only be used for official City business based on operational need. Personal use of a City-issued P-card is strictly prohibited. Improper, frequent, and/or flagrant violation of the authorized use of the City P-card such as splitting purchases to circumvent solicitation requirements and repeated loss of receipts and/or supporting documentation will result in the suspension or revocation of City procurement card privileges. Misuse of a P-card can lead to disciplinary action up to and including termination and use of any other remedies, both civil and penal, available to the City.
- 2.2. Procurement cards are available only to permanent City employees and are issued with the employee's name imprinted on the face of the card. Each individual who holds a P-card shall maintain their specific card under their control at all times. Allowing City P-cards to be used by other any other personnel is strictly prohibited.
- 2.3. A City-issued P-card shall not to be used:
 - 2.3.1. To circumvent any existing City of Milpitas purchasing policy, procedure, or practice;
 - 2.3.2. To split a purchase into smaller components to circumvent competitive bidding or other requirements;
 - 2.3.3. To supplant or replace the need for Purchase Orders (PO) for purchases exceeding a cardholder's transaction limit or for purchases of any amount that require a PO or are otherwise precluded from purchase using a P-card;
 - 2.3.4. For any type of software purchase or related licensing and support; or
 - 2.3.5. For onsite services that require vendors to meet City insurance and indemnification requirements that limit the City's liability risk.
 - 2.3.5.1 In limited instances, City P-Cards may be used for offsite or online services such as subscriptions or training, purchases such as professional memberships, or



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- facility emergencies during non-business hours which require immediate attention and cannot reasonably be delayed until the next business day.
- 2.4. Each Department Director is responsible for establishing an effective process of oversight and review within their department for both budgetary control, compliance with this policy, and timely approval of monthly statements. The mismanagement of assigned cards, non-compliance with this Policy and/or late or incomplete online submission of monthly statements will result in P-Cards being suspended or revoked by the Director of Finance and/or the City Manager.
- 2.5. Requests for P-Card shall be submitted to the Director of Finance by Department Director and are recommended for issuance by the Director of Finance to the City Manager. Consideration of issuing P-Cards and single and monthly transaction limits will be based on documented departments' operational needs.
- 2.6. P-Cards are issued in three tiers each with different single and monthly transaction limits. Tier 1 has \$3,000.00 single and \$5,000.00 monthly transaction limits. Tier 2 has \$5,000.00 single and \$10,000.00 monthly transaction limits. Tier 3 has \$10,000.00 single and \$20,000.00 monthly transaction limits, although the monthly transaction limit may be increased to \$30,000.00, \$40,000.00 or \$50,000.00 as necessary. The standard issue per department is two Tier 3 cards, although the Department Director may request additional Tier 3 cards on a case by case basis. Two "Emergency" cards shall be maintained by the Finance Department with \$50,000 single and monthly transaction limits. Transaction limits can vary based upon documented departments' operational needs and can be higher than typically granted. All cards carry a 916 restricted vendor template for further protection.
- 2.7. All cardholder's monthly statements shall be reviewed and approved by the Department Director. Department Director monthly statements shall be reviewed and approved by the respective CSA leaders from the City Manager's Office.
- 2.7.1. Transaction and overall limits for issued P-Cards may be increased for individual Cardholders on a case by case basis with the approval of the City Manager and Director of Finance, or for emergency situations for the immediate preservation of life or property.
- 2.8. Receipts must be uploaded to the bank's online approval portal in support of any and all p-card purchases submitted for payment as part of the monthly billing process. Receipts shall include the "Itemized Receipt" showing detail of goods or services purchased. This is essential to support a potential audit by the City's independent auditor.
- 2.8.1. If a receipt is misplaced, it is the responsibility of the cardholder to obtain in a timely manner a duplicate receipt from the vendor.
- 2.8.2. A Missing Invoice/Receipt Form (attached) will be accepted if no other documentation means are available, but it shall not be used regularly by a Cardholder and repeated use could result in revocation or suspension of the P-Card.
- 2.8.3. The use of internet sites that do not provide itemized payment confirmation/receipts is not allowed.
- 2.8.4. The corresponding general ledger account code must be provided on each transaction.



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- 2.9. Food and beverages purchases shall comply with the Administrative Policy titled “Healthy Food and Beverages Purchasing Policy.” For food and beverage purchases made with a P-Card, a Procurement Card Event Detail report (attached) shall be uploaded to the bank’s portal showing nature of event, luncheon, dinner, meeting, etc. and attendees. Customary gratuities are allowable for deliveries.
- 2.10. Statements must be paid in full each month, and always require the documented approval of the Department Director and supporting receipts. Late penalties will be charged to the operating budget of the violating department.
 - 2.10.1. Procurement card statements of the City Manager require the documented approval of the Assistant City Manager, Deputy City Manager or Director of Finance.
- 2.11. Cardholders, whose P-Card is lost or stolen, shall immediately report the missing card to Bank as noted on the back of the P-Card and inform their Department Director and Purchasing Agent. If a P-card is lost or stolen during non-working hours, the Cardholder shall notify the Purchasing Agent on the next working day.
 - 2.11.1. The Finance Department will request a replacement card, if authorized by the Department Director.

3. DEFINITIONS

- 3.1. A Procurement Card (P-Card) is a City issued Credit Card.
- 3.2. CSA: City Service Area

4. PROCEDURE

- 4.1. Detailed procedures regarding this Policy can be found in the P-Card Manual, available on MINT.
- 4.2. Receipts have to be uploaded including forms as required, charge codes identified, and statements approved no later than ten (10) business days after statement closing. Online submissions to Finance for payment must be timely to avoid payment penalties and are due to Finance (online portal) no later than ten (10) working days following statement delivery.

Exhibits:

Procurement Card Request Form

Procurement Card Missing Invoice/Receipt Form

Procurement Card Event Detail Form

CITY OF MILPITAS PROCUREMENT CARD REQUEST FORM

Full Legal Name: _____ **Date:** _____

First: _____ **Middle (if none, enter N/A):** _____ **Last:** _____

(The information above will only be used for security purposes by issuing bank, it will not appear on your card.)

Department and Division (if any): _____

Title: _____ **Phone Extension:** _____ **Email:** _____

Designated Employee Name, as you want it to appear on the card: _____

All P-Cards are issued with a 916 template. Each department may select up to two (2) cardholders from Tier 3. The standard Tier 3 card is \$10,000.00 single transaction and \$20,000.00 monthly transaction. Departments may select the higher tier as needed. Please select your desired tier.

Tier 1 <input type="checkbox"/>	Tier 2 <input type="checkbox"/>	Tier 3 <input type="checkbox"/>
<div>\$3,000 Single</div> <div>\$5,000 Monthly</div> <div style="margin-top: 20px;">Requirements: Permanent City Employee</div>	<div>\$5,000 Single</div> <div>\$10,000 Monthly</div> <div style="margin-top: 20px;">Requirements: Permanent City Employee</div>	<div>\$10,000 Single</div> <div style="margin-top: 10px;"><input type="checkbox"/> \$20,000 Monthly</div> <div style="margin-top: 10px;"><input type="checkbox"/> \$30,000 Monthly</div> <div style="margin-top: 10px;"><input type="checkbox"/> \$_____ Monthly</div> <div style="margin-top: 20px;">Requirements: Permanent City Employee AND Department Director or Deputy/Assistant Director (or equivalent)</div>

Justification for Procurement Card Request and requested transaction limits:

By submitting this request, both the designated employee and Department Director agree that they have read the City's procurement card policy (SOP No. 6-3) available on the City's Intranet and understand their respective responsibilities in usage and management of the assigned card. **By signing below, the employee attests they are a permanent resident of the US.**

Employee Signature	Employee Name	Date
Department Director Signature	Department Director Name	Date
Finance Director Signature	Finance Director Name	Date
City Manager Signature	City Manager Name	Date

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P-card Missing Invoice/Receipt Form

This form is to be completed when a transaction record has been lost, or not issued (in the case of phone orders, for example). The form must be filled out in its entirety and uploaded to the online bank system at the transaction line item prior to department approval of the statement.

Department	
P-Card Number	
Purchase Date	
Statement Ref. No.	
Merchant Name	
Amount	
Account Number	
Description of Charge	

I certify that the above information is true and correct and that this transaction was made for official City business.

Signature

Date

Department Director Signature

Date

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Event Details related to
Food and Beverage Purchases

This form is to be completed by the cardholder whenever a Procurement Card Statement is submitted for approval that contains food and beverage purchases for a City sponsored event, meeting, luncheon, dinner, etc.

The form must be filled out in its entirety and uploaded with the appropriate receipts to the online bank system at the transaction line item prior to department approval of the statement.

Cardholder Name: _____ Department: _____

Last 4 Digits of P-Card: _____ Event Date: _____ Total Event Cost: _____

Purpose/Description of Event, Meeting, Luncheon, Dinner, Etc.:

Attendees List

Name	Agency	Title	Department

****Attach additional sheets if necessary. If attendee names are not known due to nature of event, please provide a general description of attendees.***