

City of Middletown Purchasing Card Program Cardholder Manual

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Overview

The City of Middletown is proud to utilize the purchasing card (“p-card”). The City’s elected officials and participating department heads look forward to using this tool to make their jobs easier by simplifying the purchasing process for small-dollar items.

The City’s p-card is a MasterCard issued by Fifth Third Bank of Cincinnati, Ohio. It works just like a personal credit card: when you need job-related merchandise, you can buy it using your p-card. You may use your p-card at stores, by phone, by mail, by fax or over the internet. Any vendor who accepts MasterCard will accept your p-card.

Purchase Orders do not need to be created or used in conjunction with the p-card. The vendor receives payment immediately from Fifth Third Bank, and should never issue a separate billing invoice for your purchase, they must however send you a confirming invoice for the purchase you have authorized.

Please remember that you are the person responsible for all charges made on the card that bears your name. You are committing City of Middletown funds each time you use your p-card.

Although you are responsible for your card’s purchases be aware that the p-card is a corporate card issued to the City of Middletown. The p-card is property of the City of Middletown, and will have no impact on your personal credit.

Points-of-Contact

This manual is intended to serve as a comprehensive guide for cardholders. If you have a problem using your card, please consult this manual first. If the manual cannot answer your question—of if the manual is in any way unclear—you should contact the designated individual in your department. Please refer to “Your Card Information,” (Appendix C, page 13) for your contact person’s name and contact info.

If your contact person cannot answer your question, he/she will refer the matter to the City’s Purchasing Card Program Administrator. If you wish to contact the Program Administrator directly, you may use the following contact info:

Permanent Program Administrator
Donna L. Imme Purchasing Office, City Hall 245 DeKoven Drive Middletown, CT 06457
Phone: 860-344-3465 Fax: 860-344-3561
purchase@cityofmiddletown.com

It is your responsibility to report lost or stolen cards to Fifth Third Bank immediately. Please call **1-800-782-0279** as soon as you notice that your card is missing. Inform Fifth Third before you call your department contact to inform him/her that your card is missing.

Card Activity Limits

Each card is uniquely configured to meet the needs of the department and the cardholder.

A card can be configured to limit dollar amount and/or number of transactions on a daily, weekly, or billing-cycle basis. A card can also be configured to spend only at—or not to spend at—certain types of vendors. These are called Merchant Category Code (“MCC”) restrictions.

Refer to “Your Card Information,” (Appendix C, page 13) for your card’s unique limits.

Transactions are blocked at point-of-sale, which means you can’t make a purchase in violation of your limits. For instance, if your per-transaction limit is \$2,000, and you attempt to make a purchase of \$2001, your card will be declined by the bank.

Restrictions are unique to each card, based on the nature of the cardholder’s job and his/her need to make purchases. Every City employee has different purchasing responsibilities, and every p-card is therefore different.

If you need to make changes to your card restrictions, you may fill out a Cardholder Limit Change Request (Appendix B, page 12) and submit it to your department director. Do not contact Fifth Third Bank directly—the Program Administrator, who is the only person authorized to change card limits, must approve all changes.

Taking Care of Your P-Card

Treat the purchasing card just as you would a personal credit card—with care, respect, and confidentiality. Remember that your card is your responsibility: you are the only one who may use your p-card.

The card should be carried in your wallet. Do not leave it in your desk overnight or weekends. Do not display the account number in an obvious place. Give the card number or expiration date only to vendors. Do not loan the card to **anyone** for **any reason**.

When your card is about to expire, Fifth Third Bank will automatically mail the City a replacement card. You must submit your old card to the Program Administrator in the Purchasing Department, who will destroy it.

You must return the purchasing card to the Program Administrator immediately upon request. The card must also be turned in when you stop working for the City of Middletown—retirement, dismissal, resignation, etc.—or when you transfer to a new job description within the City of Middletown. If you are going to be on sick leave for an extended period of time, contact the designated individual in your department.

—IMPORTANT—

If your p-card is lost or stolen, it is your responsibility to notify

Fifth Third Bank at 1-800-782-0279 IMMEDIATELY.

Purchasing Guidelines

The p-card eliminates bureaucratic middlemen and gives purchasing control directly to you. While this contributes to efficiency, it also requires you to be familiar with some basic purchasing guidelines.

The following guidelines have been adapted specifically for the p-card, and should not be construed to govern non p-card purchases. If you have any questions about purchasing, please contact the Purchasing Office at 860-344-3465.

- 1) The p-card is only to be used for job-related purchases. Personal items must never be purchased using the p-card.
- 2) You are at your discretion to find the best price for any item less than your maximum dollars-per-transaction limit.
- 3) **Exception to guideline #2:** Items under State or City contract must be purchased in accordance with the relevant contract; at the contract vendor, at the contract price.

You may view current City contracts on the network at H:/purchasing/contract awards/contract listing.doc.

You may view current State contracts online at <http://www.das.state.ct.us/muopp.htm>.

- 4) You may **never** split purchases into multiple parts in order to circumvent limits on your p-card. If your maximum dollars-per-transaction limit is \$2,000, you may not purchase an item priced at \$2100 in two installments of \$1050. The Purchasing office reviews every purchase you make and will catch on if you do this.
- 5) The total value of your purchase must be paid up front. You may not use your p-card for a deposit that will obligate the City to subsequent payments for the same item.
- 6) You may never use your p-card for the following disapproved items:
 - Alcoholic beverages
 - Automotive gasoline (except when out-of-state)
 - Tobacco products
 - Financial services, including ATM/cash machine access
 - Adult products and services

How to Make Purchases Using Your P-Card

The purchasing card may be used to purchase approved merchandise at a place of business, by phone, by mail, by fax, or on the internet. Be sure to use proper discretion in releasing the card number and expiration date over the phone, mail, fax, or internet. Only release the card number to a source you trust.

Please refer to the following steps when making purchases:

1. **Identify need and p-card applicability.** Just as you would for any regular purchase, determine your need for merchandise. Before using the p-card, ensure that the purchase is appropriate to the card by consulting the “Proper Purchasing Guidelines” on page 6 of this manual.
2. **Determine contract applicability.** If the item you need is available on State or City contract, your order must be placed with the contracted vendor. If you are unsure whether or not your item is available on contract, call the Purchasing Office at 344-3465.
3. **Place your order.** Inform the vendor that you are an employee of the City of Middletown making a purchase with your purchasing card.

Please note that the City does not pay sales tax. Emphasize to the vendor that your purchase is tax-exempt. If the vendor requests it, the City’s tax-exempt number is printed on your card. **P-card transactions should never include sales tax.**

If ordering by phone, fax, or internet, inform the vendor that the address label or packing slip that accompanies the package must include your name and your department and/or division. This information can be utilized as purchase documentation. See step #4 below for more information on purchase documentation. Under no circumstances should your p-card number or expiry date appear on the address label.

Inform the vendor *not* to send a separate invoice to your department or to the Finance office. Submitting an invoice for a p-card transaction may result in a duplicate payment.

4. **Retain documentation.** Documentary proof of purchase must be retained for every transaction made on the card. These documents must support the business purpose of each transaction. Acceptable documents include itemized receipts, packing slips with itemized pricing information, and order/application forms. These receipts must include a description

of your whole purchase, broken down by line-item. Non-itemized or incomplete receipts are unacceptable.

If you are purchasing from a website or online source, be sure to print out the screen that includes a confirmation of your transaction.

If you receive a two-part receipt—one with card numbers and another describing your purchase—staple the two together, and treat them as one receipt.

5. **Turn in your purchase documentation.** Within one business day of making a purchase, you must submit your documentation (receipt, packing slip, or application form) to a designated staff member within your department. Please refer to “Your Card Information,” (Appendix C, page 13) to learn who you will submit your receipts to.

When you submit your receipts, inform the recipient of what items you bought, and what you used those items for. This will help the recipient allocate your purchases to the right expenditure accounts.

In the case of credits and returned items (see below), you must still turn in a receipt. Inform the recipient that the receipt you are submitting is for a returned item. Also inform the recipient of the date of the original purchase.

6. **Confirm receipt of your item.** Inspect the shipment when it is received or picked up. If an item needs to be returned, it is the cardholder’s responsibility to coordinate the return directly with the vendor. (“Credits and Returned Items,” next page.) If an item arrives damaged, or if you receive an item other than what you ordered, treat it as a return. If the vendor refuses to replace your item, treat it as a disputed transaction. (“Disputed Items,” next page)

If you need the original receipt for any stage of this process, you may receive it from the department coordinator.

Any vendor who currently accepts MasterCard can accept your p-card. You might, however, occasionally attempt to make a purchase only to find that the vendor does not accept MasterCard.

In that case, you may refer the vendor’s name and address to the Program Administrator, who will ask Fifth Third Bank to recruit the vendor to accept MasterCard.

Credits and Returned Items

You may return items that you have purchased with the p-card. To do this, contact the vendor from whom you made the initial purchase, and inform him that you want to return your item. You will probably need your original receipt to make the return. The vendor will issue your card a credit in the same amount as the original purchase. Be sure to obtain a receipt for the credit—you must submit it to your department coordinator just like any other purchase documentation.

Disputed Items

A disputed item occurs when the City is billed incorrectly for a transaction. Disputes can take many forms—duplicate billings, incorrect billings, unauthorized transactions, etc. The City's Program Administrator will handle disputes.

Your department contacts—as they record and reconcile your transactions—are responsible for detecting most billing disputes. Your responsibility is to submit all of your transaction receipts in a timely fashion. This will enable staff in your department detect billing discrepancies and other irregularities as soon as they arise.

You are also responsible for informing your contact persons when ordered merchandise fails to arrive, when an order is filled incorrectly, or when a vendor refuses to accept a return. If any of these happens, inform your contact in writing, and he/she will follow-up with a dispute.

Compliance

The City expects and believes that you will use your p-card properly. To avoid running into disciplinary trouble, obey all of the policies discussed in this manual, as well as policies, guidelines, or instructions circulated by the Program Administrator and by your department director.

The City retains the ability to discipline cardholders for violations of p-card policy. Violations of the guidelines described in this manual are generally considered violations of p-card policy. Unintentional violations of these guidelines will be treated as such.

Offenses may be punished by suspension or revocation of your card privileges, mandatory retraining, or probationary status. The City also retains the right to revoke or cancel the card at any time for any or no reason. Per the Mayor's memo dated 7/24/08, three violations will result in the removal of credit card privileges and the card will be closed.

In addition to being reviewed by your supervisor and department director, your card transactions will be audited by both City Hall staff and independent auditors.

If the guidelines in this manual are in any way problematic or unclear, please contact the Program Administrator for clarification. The City anticipates never having to discipline any cardholder in connection with p-card activity.

Appendix A

Your Responsibilities as a Cardholder

Your responsibilities as a cardholder include the obligations to:

- Use the p-card to purchase in accordance with policies articulated in this manual the Program Manual, and other materials circulated by the Program Administrator and your department director
- Retain sole responsibility for all purchases made with the p-card that displays your name
- Safeguard card security (card number and expiry date) at all times
- Keep itemized receipts or other itemized supporting documentation for each p-card transaction
- Submit supporting documentation for each transaction within one business day of making the transaction
- Ensure receipt of goods and follow up with vendors to resolve disputes and arrange for returns, credits, etc.
- Report lost or stolen cards to Fifth Third Bank immediately
- Participate in focus and discussion groups with the Program Administrator
- Repay improper charges made unintentionally

Cardholder Limit Change Request

To be completed by the cardholder		
Name:		
Department:		
Last 4 digits of card number:		
	Old Value(s)	New Value(s)
1. Dollars per Transaction		
2. Dollars per Day		
3. Dollars per Cycle		
4. Transactions per Day		
5. Transactions per Cycle		
6. Include MCCs	(please attach MCC table)	(please attach MCC table)
7. Exclude MCCs	(please attach MCC table)	(please attach MCC table)
Reason for Change:		
<p>We believe that this change request is appropriate to the cardholder’s job-related duties, and that changing the limits indicated above will enable the cardholder to make better use of the p-card in his/her duties.</p>		
Cardholder Signature and Date:		
Department Director Signature and Date:		
Program Administrator Signature and Date:		

Fifth Third Bank: Please see attached MCC table (if applicable). Do not process this form unless all approvals and signatures are present. Contact 860-344-3465.



City of Middletown

Purchasing Card Program

Your Card Information

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Cardholder Information (as provided on application)				
Name:				
Address: (for billing statements)				
Phone		Email		Fax
Card Information & Limits				
Last 4 digits of card number:				
Dollars-per-transaction limit:				
Dollars-per-day limit:				
Dollars-per-month limit:				
Transactions-per-day limit:				
Transactions-per-month limit:				
Contact Info for Your Department				
Immediately after making a purchase, submit your receipts to:				
Name				
Address				
Phone		Email		Fax
Refer questions about your p-card to:				
Name				
Address				
Phone		Email		Fax
Program Administrator Contact Info				
Name				
Address				
Phone		Email		Fax
Fifth Third Bank Contact Info				
Customer Service (address change, balance inquiry, authorization declines):				1-800-375-1747
Lost or Stolen Cards:		1-800-782-0279		
Card Activation:		1-800-535-6807		