

PROCUREMENT CARD POLICY (City of Indio Procurement Card Guidelines)

Policy No. B-5

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4. Not a Right, City Manager to Issue. No employee has a right to an Indio procurement card, possession of a procurement card is a privilege granted by an exercise of discretion. The City Manager alone shall have the authority to issue a procurement card to an Indio employee.
5. Authorized Employees Only. Only employees serving in the capacities or working in the positions listed in **ATTACHMENT A** may receive an Indio-issued procurement card.
6. \$5,000.00 Limit. No Indio employee shall use a procurement card to pay costs and expenses in an amount exceeding \$5,000.00 per month without written permission to do so from the City Manager.
7. City Business Only. Employees shall only use an Indio-issued procurement card in order to accomplish tasks and fulfill responsibilities related to City business. "City business" means activity exclusively limited to the course and scope of an employee's official duties on behalf of Indio. Activity that fails to specifically advance a specific Indio purpose to some degree is not City business.
8. No Personal Purpose. No Indio employee shall use an Indio procurement card for any personal purpose. "Personal purpose" means any activity, a primary purpose of which is personal enjoyment, private gain or advantage, or any employee endeavor not related to City business. The use of an Indio procurement card for a personal purpose shall not be excused because of an employee's intent or action to reimburse Indio after such use. Furthermore, except as otherwise required by law, Indio shall deem personal purpose to include even the incidental and minimal use of an Indio procurement card.
9. Suspected Abuse. Every Indio employee is encouraged to report to his/her direct supervisor any reasonable belief that another employee has engaged in conduct representing a violation of this policy. In the event that an employee reasonably believes that the City Manager has violated this policy, that employee is encouraged to report the conduct in question to the Police Chief.
10. Purchase Orders Preferred. Indio prefers the use of a requisition and purchase order to the use of a procurement card. In each case when the use of a purchase order, considered and approved per standard Indio policies and procedures, does not limit Indio's ability to do business efficiently, *i.e.*, in a time, place and manner consistent with maximum benefit to the community, a purchase order shall be used. Procurement card use is allowed only to enhance Indio's efficiency. The only two (2) exceptions to this preference for purchase orders shall apply to: **(a)** employee travel on City business and expenses associated therewith, and **(b)** meals and other activities related to City business meetings between Indio management personnel *and* outside parties. In the case of these exceptions, procurement card use is allowed as an alternative to a purchase order in light of the direct and absolute transparency provided *via* procurement card use with respect to activity that must encourage public confidence in Indio.

11. Procurement Card Transaction Log. Each employee issued an Indio procurement card shall complete, and submit a "Procurement Card Transaction Log" at the time of month when he/she receives and submits his/her procurement card statement for payment by Indio. Each employee using an Indio procurement card shall make a log entry for each transaction within 24 hours of occurrence. Each "description of purpose" on such a log shall list include a clear and succinct statement of the official purpose of the City business transaction in question. The form of that log will be consistent with **ATTACHMENT B** to this policy, or as otherwise determined by the City Manager.
12. Internal City Business Meetings only with City Manager Approval. The only circumstance under which Indio procurement card use shall be permissible for internal City business meetings is with the written approval of the City Manager on the "Procurement Card Transaction Log" reflecting the charge(s) in question.
13. Prohibited Procurement Card Transactions. No Indio procurement card shall be used to purchase, make payment for, or otherwise acquire: **(a)** professional services, **(b)** general services, including payment for parts or materials used to perform services, as long as supplying the parts or materials in question was incidental to providing the service, **(c)** alcohol, **(d)** a cash advance, **(e)** meals between one or more employees in the normal course of business, unless in relation to travel on City business and in compliance with Indio's AB1234, **(f)** any item for use in pursuit of a personal purpose, **(g)** computer equipment and software, communications equipment, radios, telephones or cell phones (not applicable to procurement card use by IT personnel), **(h)** any payment due per a lease, **(i)** rental space or equipment, **(j)** gasoline for an employee's personal vehicle, **(k)** any item not directly related to City business, **(l)** any item the use of which is prohibited by the Indio's Personnel Rules, **(m)** any item prohibited by an Indio department's restrictions.
14. Administration, Additional Requirements. In accord with Section 31.51 of Chapter 31 of Title III of the Code of Indio, the City Manager or his/her designee shall administer this policy in the City. The City Manager shall administer this policy with recognition that implementation may vary by Indio department. The City Manager's administrative authority and responsibility shall include but not be limited to three areas. First, the selection of an individual bank to issue all Indio procurement cards. Second, the establishment and modification of standardized forms and procedures for each Indio department to insure that: **(a)** each department head (or other management employee designated by the City Manager) receives, reviews and approves or disapproves the monthly procurement card bill for any employee working in his/her department and the corresponding Procurement Card Transaction Log, **(b)** Indio procurement cards may be used per this policy in telephone, mail, or internet purchases, **(c)** each employee bears and accepts responsibility and is fully accountable for the use, and negligent loss or damaging of an Indio procurement card, and **(d)** each employee surrenders his/her Indio procurement card upon the conclusion of his/her employment by Indio. Third and finally, delegation of authority to each department head (or other individual designated by the City Manager) to implement such additional restrictions upon procurement card use within his/her Indio department as may prove warranted, whether as a general matter or in relation to a specific employee.

15. Administration, Coordination by Finance Director, Mandated Restrictions. The City Manager hereby designates the Finance Director to administer this policy, in cooperation and coordination with Indio's department heads and other management employees designated by the City Manager, as follows:

- Procurement Cards are issued to an employee upon written approval by the employee's department head (or another management employee designated by the City Manager) and the City Manager through the use of a procurement card Request Form.
- Each employee holding the procurement card must sign a Cardholder Agreement and attend a Cardholder training session with the Finance Director.
- Once a transaction takes place, the employee must keep the printed receipt with all applicable detail.
- Every procurement card purchase made by an employee who is an Indio procurement card holder must be recorded on procurement card Log and maintained by that employee.
- After an employee receives his/her monthly itemized procurement card statement from the bank, the employee must review and reconcile it with his/her transaction log and receipts.
- Each employee must sign and forward his/her itemized statement from the bank, transaction log and receipts to his/her department head (or another management employee designated by the City Manager) within five (5) days of receiving the itemized statement.
- Each department head (or other management employee designated by the City Manager) must verify documentation received his/her procurement card holding employees, and insure that it is properly reconciled.
- Each department head (or other management employee designated by the City Manager) must review all charges of his/her procurement card holding employees to insure that procurement card purchases are appropriate, said review to include reconciliation of itemized statements and procurement card transaction logs.
- After approval by a department head (or other management employee designated by the City Manager), all procurement card related documentation must be forwarded to the Finance Director or his/her designee within seven (7) to ten (10) days of the employee's initial receipt of the itemized bank statement.