



**Luke A. Bronin**  
**Mayor**

**POLICY NO:** 016

**DATE:** January 21, 2020  
**DISTRIBUTION:** Affected Personnel  
**SUBJECT:** P-Card Policy

## **I. PURPOSE**

The Purchasing Card (p-card) program is a procurement tool that increases efficiency in the purchasing process, reduces administrative costs and improves financial and managerial control. It streamlines and simplifies the purchasing and accounts payable functions by eliminating waste and low value activities, reducing transaction costs, and improving vendor relations. The p-card is a tool that facilitates the timely acquisition of materials, automates data transactions for accounting purposes, supports travel services and offers flexible controls to help ensure proper usage.

The p-card reduces the time and paperwork associated with purchase orders under the specified p-card transaction limits, invoices and checks. The p-card also offers an alternative to a variety of processes including petty cash, check requests, low dollar purchase orders, and travel reimbursement. The p-card program is not intended to avoid or bypass appropriate procurement procedures and controls, but rather, to complement the existing processes available.

## **II. RESPONSIBILITY**

The Mayor is the issuing authority for this policy. The Finance Department is responsible for ensuring departmental compliance with this policy. It shall be the responsibility of all City personnel to comply with these provisions.

## **III. POLICY**

### **A. P-card Use:**

1. The P-card is to be used for official City of Hartford purchases only wherever VISA is accepted by the employee it is issued to. In addition, the P-card is to be used in conjunction with City purchasing policies and current City contracts.
2. The City's Pension Administration Unit is exempt from City purchasing policies as noted in the Charter of the City of Hartford, Connecticut and Municipal Code of the City of Hartford, Connecticut. However, the Pension Administration Unit is subject to all other areas of the Finance Department's pre-audit process. All Pension Administration related p-card charges must be charged to the Pension Fund in Munis. Each p-card charge must have budget availability in order to be approved as a valid expense by the Finance Department.
3. As part of the General Fund, the Custody of Funds function of the Office of the City Treasurer is subject to all City purchasing policies.
4. The cardholder must make reasonable effort to find the best price for all items purchased. The cardholder must manage p-card use in conjunction with their department budget and available funds as no department can exceed their budgeted appropriation.
5. The P-card user also must make every attempt to use a City of Hartford vendor before branching out nationwide. Please contact your department's Procurement liaison for a list of acceptable vendors.
6. The P-card user must make every effort to not pay taxes as the City of Hartford is a tax exempt municipality. The P-card user should provide the tax-exempt number imprinted on the card under the

cardholder name to the vendor or obtain a tax exempt certificate from the Procurement Department prior to purchase. If taxes are paid, the employee must justify the expense to their Department Head and make all efforts to seek reimbursement of these charges.

7. All City P-cards will have specific commodity restrictions based on the Merchant Category Codes (MCC) approved for each department including but not limited to:
  - a. Cash & cash advances
  - b. Alcohol
  - c. International Travel (Pre-approval required)
  - d. Gasoline (Except out of state car rentals & HPS)
  - e. Limousine
  - f. Florists (Except HPS)
  - g. Apple/I-Tunes
8. Addition or deletion of an MCC must be approved by the Department Head and the Finance Director or his/her designee and will require a 24-hour processing time by the bank.
9. The Department of Health and Human Services must assign one cardholder to manage all charges related to the emergency relocation program.

#### **B. Credit Limits**

The City Finance Department determines the credit limits for each p-card. If any of these limits are reached, further transactions in that billing cycle will be denied. The credit limit is the total amount of credit for each cardholder per each p-card cycle. The single transaction purchase limit reflects the amount that can be charged per transaction. Under no circumstances should a transaction be split in order to bypass the single transaction dollar limit.

The City uses the P-Card for emergency relocation for fire victims in the City of Hartford. There are 3 different credit lines which are used based on the level of activity for relocation. For any issues regarding emergency relocation or if there is an anticipated increase in levels of activity, the Finance Department may adjust the credit limit levels accordingly.

#### **C. Documentation**

By state law, the City of Hartford is required to keep supporting documentation for all disbursements. Cardholders are responsible for maintaining adequate transaction documentation for their P-cards. Documentation must support the business purpose of all transactions made with the P-card. Acceptable documentation should be itemized and must include pricing information. All supporting documentation must be scanned and attached to the cardholder's statement in the City's financial software.

#### **D. Missing Documentation**

If supporting documentation is lost, misplaced or determined to be unacceptable; the cardholder shall complete a "Lack of Documentation Waiver Statement" (Exhibit A). In cases of conflict between the Finance Department and the cardholder regarding the acceptability of documentation, the Director of Finance has final determination whether the documentation is unacceptable.

When three "Lack of Documentation Waiver Statements" within a fiscal year have been submitted by the cardholder, the cardholder will be recommended to the Director of Finance for deactivation. If the Director of Finance agrees with the recommendation, the cardholder's card will be suspended and the cardholder will not be permitted to use their P-card for a minimum of three months or longer as determined by the Director of Finance.

#### **E. Travel**

A travel option is available to departments currently participating in the P-card Program. This option is available to frequent travelers within the City. This p-card policy works in conjunction with the travel policy #015. The P-card, modified with this travel option, allows for payment of transportation, cost of hotel lodging, and out-of-state car rental and gasoline for out-of-state car rentals. Any in-state traveling

done in a City vehicle must use the City's gasoline found at the DPW yard. Employees traveling in their personal vehicles who use the mileage reimbursement rate set by the IRS may not use the P-card for gasoline; it is built into the mileage reimbursement. Please refer to the City's Travel Policy for further details.

#### **F. Processing Deadlines**

The Bank of America P-card has bi-monthly cycles that end on the 1st and 15th of every month. The Finance Department downloads all P-card transactions into Munis each cycle into a default org and object. The Department has 5 business days from the day the activity is uploaded into Munis to properly code the transactions into a budgeted line item, attach supporting documentation, and release the statement for approval. If the department is level 10 workflow approval, the approval must be done within the 5 business days as well.

Any department not coding the transactions in a timely manner will be subject to disciplinary actions such as suspension or deactivation of their P-card until the transactions are properly coded. The Finance Department reserves the right to terminate p-card rights for employees who repeatedly miss processing deadlines.

#### **G. Disputing Transactions**

Cardholders shall notify Procurement that a transaction is under dispute. Please note the transaction, dollar amount, and reason why it is being disputed. If possible, please provide a copy of the payment documentation.

#### **H. Fraudulent Activity**

Cardholders shall report any suspected fraud (e.g., unauthorized transactions) to Bank of America immediately and then notify Procurement.

#### **I. P-card Audits**

To ensure the continued success of the Purchasing Card Program and to meet City audit requirements, all p-card statements are pre-audited and approved by Finance. Random audits will be performed by the Accounting and Control Office to ensure adherence to the program's policies and procedures. The Purchasing Card program and related activity will also be periodically audited by the Internal Audit Department.

#### **J. Emergency P-Card – E Card**

The City of Hartford implemented an emergency p-card plan that is part of the current p-card program called the e-card. The purpose of the e-card is to have a purchasing mechanism that is activated in the event of an emergency, inclement weather, or activation of the City's warming centers. The Mayor determines the need for the e-card program. The e-card program automatically triggers for emergency purchases for the aforementioned reasons, in the event of a State of Emergency, or if the City's Emergency Operations Center is activated by the Mayor.

##### **A. Emergency Cardholders:**

Not all departments have a need for an emergency purchasing card. Each City E-Card cardholder has been pre-determined by the Mayor's Office. Emergency cardholders will have transaction limits raised and be responsible for placing orders, maintaining receipts and following the normal P-card procedures. Transaction limits are established using pre-determined emergency profiles unless there are extenuating circumstances. The Finance Department will be responsible for maintaining the list of authorized city individuals designated as emergency cardholders.

The Chief Operating Officer, the Mayor, or the Director of Finance and his/her designees will serve as the Citywide Purchasing Card Administrator and liaison with the bank of record to maintain the current listing of authorized City positions and to ensure that the emergency limits have been activated and deactivated.

B. Emergency Credit Limits

The Director of Finance has established specific limits for the use of the Purchasing Card during a City of Emergency and will conduct post audits on the use of the cards.

The Purchasing Card emergency credit limits will not be activated until the Mayor declares the emergency and contact via internet or telephone is made to Bank of America.

**IV. COMPLIANCE**

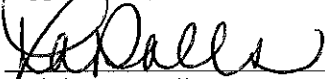
The City expects use of the p-card will be in accordance with the policies and procedures that have been reviewed and provided. To avoid disciplinary action, obey all the policies discussed in this manual as well as policies, guidelines, or instructions circulated by the Finance Department regarding the P-card program.

The City retains the right to discipline cardholders for violations of P-card policy. Violations of the guidelines described in this manual are considered violations of the P-card policy.

Consequences of violating policies included in this manual and applicable procurement ordinance in general include:

1. Expenditures and obligations may be voided unless approved by the Director of Finance.
2. Employees who make or authorize purchases which violate policies or ordinances will be personally liable to the City for the full amount paid.
3. A Public Official or employee of the City who knowingly incurs any obligation or authorizes any expenditure in violation of policies included in this manual, and procurement ordinances in general, will be subject to disciplinary action up to and including termination of City employment. Examples of disciplinary action include suspension or revocation of your card privileges, mandatory re-training, or probationary status. The City also retains the right to revoke or cancel the card at any time for any reason.

Approved by:



Leigh Ann Ralls  
Director of Finance

1-23-20

Date



Luke A. Bronin  
Mayor

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