

RESOLUTION 2013-Y

**A RESOLUTION OF THE EATONVILLE TOWN COUNCIL ADOPTING AN AMENDMENT,
RELATED TO THE STATE PURCHASING CARDS PROGRAM, TO THE PERSONNEL
POLICY MANUAL**

WHEREAS, the Town of Eatonville added section 9.12 titled Purchasing Cards to the Personnel Policy; and

WHEREAS, it has been determined that an amendment to the manual is needed to meet the current purchasing needs of the Town; and

WHEREAS, the changes to this policy have been reviewed by the Finance Committee;

NOW, THEREFORE, BE IT RESOLVED; by the Council of the Town of Eatonville as follows:

Section 1. The Town Council hereby adopts an amendment to Section 9.12 of the Town of Eatonville Personnel Policy Manual, attached hereto as Exhibit A and incorporated herein by this reference.

Passed by the Council of the Town of Eatonville at a regular meeting this 22nd day of April 2013.

Raymond Harper, Mayor

ATTEST:

Kathy Linnemeyer, Town Clerk

APPROVED AS TO FORM:

Daniel G. Lloyd, Town Attorney

PERSONNEL POLICY	AMENDMENT	SECTION 9.12
TITLE: PURCHASING CARDS		
EFFECTIVE DATE: JANUARY 25, 2010		

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1.0 GENERAL

1.1 The purpose of the Town's purchasing card program is to provide an efficient, convenient and cost effective method of procuring goods and services. The purchasing card supplements the normal methods of procurement established in the general Town Purchasing Policy

1.2 This document sets forth the Town's policy and procedure by which the Town will conduct the Purchasing Card Program. Any questions or comments should be directed to the Finance Department at 360-832-3361.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to all Town departments and divisions.

3.0 REFERENCES

Resolution 2009-AA –See Attached
Resolution 2005-Y –See Attached

4.0 POLICY

4.1 It is the policy of the Town of Eatonville to allow authorized employees to use Purchasing Cards for specific procurements. Purchasing Cards are designed to provide a convenient and efficient method of procuring low value goods and services. Town users will be able to make these small purchases simply and easily when a need arises. Purchasing Cards will reduce costs associated with processing requisitions, purchase orders and accounts payable, while creating good business relations with suppliers by speeding up payments to them. These efficiencies will allow all groups and individuals involved to be more effective and focused on the value added aspect of their jobs.

4.2 A number of unique controls have been developed for the Purchasing Card Program that does not exist in a traditional credit card environment. These controls ensure

that the card can be used only for specific purchases and within specific dollar limits. In addition, certification of all purchases is required by each cardholder, with verification performed by the department head or his/her designee, before payment is authorized.

4.3 Employee Eligibility.

4.3.1 Purchasing Cards will be issued to ~~authorized regular Town employees~~ Department Heads only. The department head is responsible for authorizing his/her employees to use a Purchasing Card. Temporary/seasonal employees are not eligible to participate in the program.

4.3.2 The employee whose name appears on the card is the only individual who may use the card.

4.3.3 An authorized employee will be required to make application and sign and abide by a cardholder agreement.

4.4 Purchasing Card Use - General.

4.4.1 The maximum transaction amount, the maximum monthly card limit, and the Town's aggregate monthly limit will be established by the Mayor or his/her designee.

~~4.4.2 A department head may establish lower limits for department employees.~~

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4.4.3 Use of the Purchasing Card does not relieve the cardholder from complying with Town and departmental policies and procedures. The Purchasing Card is not intended to replace effective procurement planning which can result in quantity discounts, reduced number of trips, and more efficient use of Town resources.

4.4.4 The cardholder will be responsible to report a lost or stolen card by phoning the contracting bank and advising ~~his/her department head and~~ the Finance Department. Only the Mayor and/or his or her designee may authorize a replacement card.

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4.5 The following conditions must be met when using the Purchasing Card:

4.5.1 Each single purchase may be comprised of multiple items, but the total must not exceed the maximum established transaction limit.

4.5.2 When a purchase exceeds the maximum established transaction limit, the normal procedure of using purchase orders must be followed. Purchases must not be split to circumvent the transaction limit.

4.5.3 The least expensive item that meets the needs of the department should be sought.

4.5.4 Cardholders must follow their department's administrative control of funds procedures to ensure that sufficient budgeted funds are available for the purchase and for future budgeting. A purchase order signed by the Mayor or

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his designee is required for all purchases before a card can be signed out to the card holder.

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4.5.5 The cardholder must obtain an itemized receipt from the vendor and submit the receipt along with their reconciled account statement to the Finance Department for payment.

4.6 Card Restrictions.

4.6.1 The following list covers purchases for which the Purchasing Cards are specifically **prohibited**:

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- Cash advances or cash refunds;
- Personal use of any kind or any non-Town purpose;
- ~~• Items purchased for departmental inventories;~~
- Capital expenditures;
- Office furniture (unless approved by Mayor or his designee);
- ~~• Telecommunications equipment, software or services (unless approved by Mayor);~~
- Travel, lodging, or meals while traveling;
- Fuel for Town vehicles (unless approved by Mayor or his designee);
- ~~• Computer hardware, software, or peripherals~~
- ~~• Work considered to be a public work;~~
- ~~• Goods or services on Town contracts~~
- Liquor or Tobacco products
- Explosives
- ~~• Firearms or Ammunition~~
- Airlines
- Auto Rentals
- Casinos, Gaming
- Dating Services
- Drinking Places
- Furriers
- Liquor stores
- Massage Parlors
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~~4.6.2 The following list covers merchant categories from which the entire Town account is restricted:~~

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- ~~• Airlines~~
- ~~• Auto Rentals~~
- ~~• Casinos, Gaming~~
- ~~• Dating Services~~
- ~~• Drinking Places~~
- ~~• Furriers~~
- ~~• Government Services~~
- ~~• Hotels~~
- ~~• Liquor Stores~~
- Massage Parlors

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~~4.6.3 A department head may specify further prohibitions or restrictions for department employees.~~

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4.7 Misuse of the Purchasing Card

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4.7.1 If for any reason disallowed charges are not repaid by the cardholder before the card billing is due and payable made, the Town shall retain a prior lien against and a right to withhold any and all funds payable to the employee up to an amount of the disallowed charges and interest at the same rate as charged by the purchasing card contractor. Consequences for misuse of the Purchasing Card can include:

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- ~~Permanent revocation of Purchasing Card privileges;~~
- ~~Assignment of wages for repayment of discrepancies;~~
- ~~Notification to the Mayor and the Town Administrator to investigate the matter further;~~
- Disciplinary action, up to and including discharge.

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4.8 Card Cancellation

4.8.1 A Purchasing Card may be canceled for any of the following reasons:

- The card is lost or stolen;
- ~~The employee transfers to another department;~~
- The employee retires, resigns, or is otherwise terminated from Town employment;
- ~~The authorizing department head requests cancellation for any reason;~~
- The Mayor and/or his or her designee approves cancellation by recommendation of any Department Head for cardholder misuse or abuse of card privileges.

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4.8.2 It is the responsibility of the department head to advise the Finance Department of the termination or transfer of any cardholder. The Finance Department will then cancel the cardholder's Purchasing Card.

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5.0 RESPONSIBILITIES

5.1 The department head is responsible for ensuring compliance of this policy within his/her department.

5.2 The Finance Department, in cooperation with the Mayor, is responsible for administering this policy.

5.3 All cards will be kept in the safe at Town Hall and must be signed out by the card holder. After the purchase is made the card will be signed back in by the cardholder

and initialed by the person accepting the return of the card. The sign in/out log will be kept at Town Hall in the Finance Department.

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APPROVED BY:

~~Carol Morris~~ Daniel G. Lloyd, Town Attorney

Raymond Harper, Mayor

~~Chrystal McGlone~~ Kathy Linnemeyer, Town Clerk

RCW 33.09.2855

Local governments -- Use of credit cards.

- (1) Local governments, including counties, cities, towns, special purpose districts, municipal and quasi-municipal corporations, and political subdivisions, are authorized to use credit cards for official government purchases and acquisitions.
- (2) A local government may contract for issuance of the credit cards.
- (3) The legislative body shall adopt a system for:
 - (a) The distribution of the credit cards;
 - (b) The authorization and control of the use of credit card funds;
 - (c) The credit limits available on the credit cards;
 - (d) Payment of the bills; and
 - (e) Any other rule necessary to implement or administer the system under this section.
- (4) As used in this section, "credit card" means a card or device issued under an arrangement pursuant to which the issuer gives to a card holder the privilege of obtaining credit from the issuer
- (5) Any credit card system adopted under this section is subject to examination by the state auditor's office pursuant to chapter 43.09 RCW.
- (6) Cash advances on credit cards are prohibited.

[1995 c 30 § 2. Formerly RCW 39.58.180.1

NOTES: Findings -- 1995 c 30:

- "The legislature finds that (1) the use of credit cards is a customary and economical business practice to improve cash management, reduce costs, and increase efficiency; and
- (2) local governments should consider and use credit cards when appropriate." [1995 c 30 § 1 .]

I, _____ have received and understand the amendment
Print Name

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Section 9.12 titled "purchasing cards" to the personnel policy manual. I understand by signing
this statement I am agreeing to adhere to this policy approved by Eatonville Town Council on
January 25, 2010 _____ and confirming receipt of my new US Bank purchasing card.

Employee Signature