

RESOLUTION 2015-Y

**A RESOLUTION OF THE TOWN OF EATONVILLE, WASHINGTON, AMENDING
THE PURCHASING CARD POLICY AND REMOVING THE POLICY FROM
SECTION 9.12 TITLED PURCHASING CARDS FROM THE PERSONNEL POLICY
MANUAL**

WHEREAS, the Town of Eatonville added section 9.12 titled Purchasing Cards to the Personnel Policy Manual on January 25, 2010; and

WHEREAS, amendments to the policy were approved on April 22, 2013 to meet the purchasing needs of the Town and to enhance accountability and security; and

WHEREAS, Purchasing Cards are now issued to Department Heads only, reducing the need for all employees to sign and abide by the cardholder agreement; and

WHEREAS, removal of the Purchasing Card Policy from the Personnel Policy Manual and becoming a standalone policy best serves the needs of the Town; and

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

WHEREAS, the Finance Committee has considered and supports the changes; now, therefore;

**THE TOWN COUNCIL OF THE TOWN OF EATONVILLE, WASHINGTON, HEREBY
RESOLVES AS FOLLOWS:**

THAT: Section 9.12 of the Town of Eatonville Personnel Policy Manual titled Purchasing Cards is hereby removed and becomes a standalone policy titled Town of Eatonville Purchasing Card Policy and amendments to the Purchasing Card Policy are hereby approved in the form attached hereto as Exhibit A.

PASSED by the Town Council of Town of Eatonville and attested by the Town Clerk in authentication of such passage this 28th day of September 2015.

Mike Schaub, Mayor

ATTEST:

Kathy Linnemeyer, Town Clerk

Town of Eatonville

Purchasing Card Policy

PURPOSE

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

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.

DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to all Town departments and divisions.

REFERENCES

Resolution 2009-AA –See Attached

Resolution 2005-Y –See Attached

POLICY

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.

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 Mayor or his/her designee, before payment is authorized.

1. Employee Eligibility

- a. Purchasing Cards will be issued to Department Heads or as designated by the Mayor only.
- b. The employee whose name appears on the card is the only individual who may use the card.

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

2. Purchasing Card Use - General

- a. The maximum transaction amount, the maximum monthly card limit, and the Town's aggregate monthly limit will be established by the Mayor or the Mayor Pro Tem.
- b. 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.
- c. The cardholder will be responsible to report a lost or stolen card by phoning the contracting bank and advising the Finance Department. Only the Mayor and/or his or her designee may authorize a replacement card.

3. The following conditions must be met when using the Purchasing Card

- a. Each single purchase may be comprised of multiple items, but the total must not exceed the maximum established transaction limit.
- b. 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.
- c. The least expensive item that meets the needs of the department should be sought.
- d. 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 his/her designee is required for all purchases before a card can be signed out to the card holder.
- e. 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. Card Restrictions

- a. The following list covers purchases for which the Purchasing Cards are specifically **prohibited**:
 - Cash advances or cash refunds;
 - Personal use of any kind or any non-Town purpose;
 - Capital expenditures;
 - ~~Office furniture (unless approved by Mayor or his/her designee);~~
 - ~~Travel, or meals~~ Meals while traveling
 - Fuel for Town vehicles (unless approved by the Mayor or his/her designee)
 - ~~Computer hardware, software, or peripherals (unless approved by the Mayor or his/her designee)~~
 - Firearms or

- Airlines
- Auto-Rentals
- Casinos, Gaming
- Dating Services
- Drinking Places
- Furriers
- Liquor stores
- Massage Parlors

5. Misuse of the Purchasing Card

- a. If for any reason disallowed charges are made, the Town shall 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:
- Disciplinary action, up to and including discharge.

6. Card Cancellation

- a. A Purchasing Card may be canceled for any of the following reasons:
- The card is lost or stolen;
 - The employee retires, resigns, or is otherwise terminated from Town employment;
 - The Mayor and/or his or her designee approve cancellation for cardholder misuse or abuse of card privileges.

RESPONSIBILITIES

1. The department head is responsible for ensuring compliance of this policy within his/her department.
2. The Finance Department, in cooperation with the Mayor, is responsible for administering this policy.
3. All cards will be kept in the safe at Town Hall and must be signed out at the written request of the cardholder/Department head to 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.

APPROVED BY:

 Daniel G. Lloyd Gregory A. Jacoby, Town Attorney
 Mayor

 Raymond Harper Mike Schaub,

 Kathy Linnemeyer, Town Clerk