

## Town of Lauderdale-By-The-Sea Administrative Policy

<b>Title: Purchasing Card (P-Card) Procedures</b>	<b>Origination Date: January 28, 2025</b> Resolution 2025-06
Originating Department: Finance Department /Administration	<b>Effective Date: January 28, 2025</b>

**I. Purpose:**

This policy outlines the requirements for the Town’s Purchasing Card (P-Card) Program (the “Program”) and establishes procedures to accomplish the following objectives:

- To ensure purchasing card purchases are in accordance with the Town’s policies and procedures.
- To provide an efficient method of purchasing and paying for goods and services from specified vendors within specified commodity groups, within a predetermined amount per item purchased, per total invoice purchase or per total per day, week or month per vendor.
- To reduce the use of blanket purchase orders, checks and petty cash, and the related processing and mailing costs.
- To reduce transaction processing time.
- To provide procedures and policies for disciplinary action if purchasing cards are misused.
- To ensure budget, commodity, and vendor control over purchases.
- To provide for purchases during a state of emergency (e.g., hurricane).

**II. Policy:**

These procedures apply to all Town credit card transactions, as well as all administrative and processing functions associated with the Program, including cardholder issuance, transaction reviews, reconciliation, reporting, and auditing. Compliance with these procedures will be monitored through regular audits and enforced according to the policies outlined herein.

**III. Overview**

The Program authorizes the employee/cardholder to purchase approved commodities and services directly from our vendors. Each purchasing card is issued in the name of an employee with the “Town of Lauderdale-By-The-Sea” as the government buyer of goods and services, and the Town sales tax exemption number. The Finance Department will monitor the performance of the Program.

The P-Card may only be used for official Town business by the employee whose name is on the card and must be surrendered by the employee upon separation of employment for any reason or upon demand by the Town.

#### **IV. Eligibility**

The Town issued P-Card is a credit card used to enable full-time and permanent part-time employees to make purchases up to the Purchasing Limits set forth in XII of this policy in an efficient, timely, and cost-effective manner. Public Works Supervisors, Department Directors, the Town Manager and Town Commission approval authority are listed under Section XIII. of this policy, as approved by the Town Commission.

#### **V. Participant Responsibilities**

a. **Finance Department** – The Finance Department is responsible of the overall administration and oversight of the Program, including but not limited to:

1. Establishing Program policy and procedural guidance for Town participants.
2. Serving as the primary contact between the Town and the Bank.
3. Providing training for Program participants.
4. Cooperating with audit and investigative authorities with respect to identifying and mitigating suspected, alleged, or confirmed instances of waste, fraud or abuse related to the P-Card Program.
5. Providing P-Card Expenditure Reports to Department Directors.
6. Conducting transaction reviews of randomly selected transactions to identify and investigate potential P-Card violations and issue appropriate sanctions.
7. Providing to each Department a list of P-Cards issued to its employees, once per fiscal year, in October. It is the responsibility of the Department to maintain a list of Cardholders with their associated approvers and coordinators and conduct a physical inventory of P-Cards.
8. Conduct a suspicious vendor review each month and flag vendors to follow-up with P-Card Cardholders and Approvers.

b. **Bank** – The Bank is the Banking institution authorized under contractual agreement to provide P-Card services. The Bank is responsible for:

1. Fulfilling the requirements of the contractual agreement between the Town and the Bank
2. Resolving disputes between Cardholders and vendors
3. Coordinating and cooperating with the Finance Department and investigative authorities regarding inquiries concerning instances of waste, fraud or abuse.

c. **Department Directors** – Department Directors are responsible for designating P-Card Cardholders and Approvers. Directors are responsible for:

1. Ensuring the proper management and oversight of Agency P-Card activities.
2. Ensuring Cardholders and Approvers are in compliance with procurement rules and regulations, including the policies set forth in the P-Card Program Policies & Procedures Manual.
3. Ensuring cardholders receive and submit the required documentation on quotes when necessary.
4. Reviewing information or reports concerning the use of P-Cards within the Town.
5. Taking appropriate disciplinary action against employees found to have engaged in P-Card waste, fraud or abuse.
6. Enforcing compliance with established reconciliation process deadlines, including reviewing Cardholder's original or electronically based copies of the original receipts, and submitting necessary materials to the Finance Department.
7. Alert Finance Department to cancel an account when a Cardholder is leaving the department.
8. Ensuring all Cardholders and approvers receive emails from the Finance Department regarding policy updates, tips and other important information.
9. Ensuring all P-Card holders complete P-Card program training requirements.
10. Ensuring Cardholders print out a screen shot of the item ordered if the receipt from an online vendor does not provide sufficient details regarding the purchased item.

d. **Cardholders**

1. Making an informal assessment of the current business integrity of the vendors they intend to do business with. This includes Local, State and National name recognition, searching state business registration, Google search, calling the vendor and or obtaining a W-9 from the vendor.
2. Completing all training requirements and completing reconciliation responsibilities.
3. Alerting the Bank of a lost, stolen or compromised card by immediately calling 844-4TRUIST (844-487-8478). Thereafter, you must contact the Finance Department [financedepartment@lbts-fl.gov](mailto:financedepartment@lbts-fl.gov). and assigned Department Director.
4. Ensuring the price paid for goods and services is fair and reasonable.
5. Avoiding the unauthorized practices of splitting purchases.
6. Reviewing transactions and forwarding all required documentation to the Approver on or before the twentieth of each month.
7. Verifying funds exist to cover the expense prior to purchase.

8. Obtaining and submitting original, itemized receipts and any other pertinent or required backup documentation. Receipt(s) should include detailed information and justification for purchase i.e. prior approval email or memo or any other documentation related to the purchase. Documentation of vendor selection process such as quotes when required by the vendor selection methods detailed in the Town's Purchasing Manual.
  9. Inspecting all ordered products and goods as they arrive and services as they are completed or be advised in writing by the person inspecting the goods.
  10. Ensuring a clear description of goods/services and receipts provide sufficient details regarding the item purchased.
  11. Ensuring delivery address of goods/services purchased is a Town workplace address to allow proper receipt and inspection. Under no circumstances may an order be delivered to a personal residence or any non-County location unless otherwise approved by the Town Manager or designee.
  12. Ensuring all transactions are thoroughly reviewed, conform with the P-Card policy, are valid and appropriate.
  13. Identifying and resolving all disputed charges. The Cardholder must contact the vendor first to attempt to resolve any error or disputes. If resolution with the vendor is not achieved, the Finance Department and Bank must be notified.
  14. Keeping complete and accurate records of purchases, including maintaining physical or electronic copies of receipts.
  15. Obtaining quotes before making a purchase using the appropriate Vendor Section Method as set forth in the Town's Purchasing Manual.
- e. **Approvers** - The P-Card Approver is the individual designated by the Department Director, or designee, who is responsible for ensuring Cardholder compliance of the P-Card Program. The Approver shall be in a position classification which is at least on level higher in the organization than the Cardholder (s).
1. Must review, verify, and approve transactions. Transactions with suspicious activity/vendors should be reviewed more thoroughly and should be evidenced and have attached documentation.
  2. P-Card Cardholders with an Approver role shall not approve their own transactions.

**VI. Allowable Use of the Purchasing Card**

- a. The P-Card may be used only by the employee whose name is embossed on the card.
- b. The P-Card is to be used for Town purchases only.
- c. Approved Goods, Services and Travel.

- d. Certain expenses related to approved travel where the P-Card is authorized for use as a Travel Card and such charges are specifically approved for payment by P-Card on an approved Travel Authorization.
- e. Out of State Sales Tax.
- f. Convenient Fees, Itemized on the Invoice.
- g. Gratuities and tips are permitted but, should not exceed the recommended amount as stipulated in the Travel Authorization.

**VII. Prohibited Use of the Purchasing Card**

- a. **PERSONAL PURCHASES:** THERE IS A ZERO-TOLERANCE POLICY FOR PERSONAL PURCHASES WHEN USING THE P-CARD. PERSONAL USE OF THE P-CARD UNDER ANY CIRCUMSTANCES WILL RESULT IN THE REVOCATION OF P-CARD PRIVILEGES AND ALL ASSOCIATED P-CARD ROLES HELD BY THE CARDHOLDER.
- b. Debarred /Suspended Vendors – These vendors are not permitted to do business with Town.
- c. Gasoline, fuel or oil, unless with it related to Town travel and specifically approved for payment with a P-Card on an approved Travel Authorization.
- d. Lodging and meals, unless related to Town approved travel and specifically approved for payment with a P-Card on an approved Travel Authorization. Food and/or drinks except as approved by the Town Commission.
- e. Alcoholic beverages.
- f. Cash advances.
- g. Items that do not meet a Town business need or are not economically feasible.
- h. Gift Cards, except for authorized public distribution programs, including programs from the Human Resources Department.
- i. Exceeding the single, daily or monthly transaction limit without prior approval.
- j. Leaving the P-Card number on file with vendor.
  - i. Any request to complete a credit card authorization form should only include the last four digits of the credit card number. Contact the merchant via telephone to verbally give them the first 12 numbers, making sure to let them know the card number cannot be on file with them.
  - ii. Exceptions: Amazon Business Prime and Office Depot
- k. Failure to keep the P-Card number secured. Full 16 digit card number should never be visible on receipts. If visible on receipts, redact the first 12 card numbers, expiration date and verification code before attaching to documentation.
- l. Signing a vendor agreement or contract, unless the Department Director and/or Finance Department has provided prior approval to complete a purchase.
- m. Paying Florida sales tax. The Town is exempt from paying Florida sales tax
- n. Paying of fines (e.g., Sunpass violations, traffic tickets, parking violations., etc) Except those incurred by their department.

NOTE: employees are personally liable for any parking or moving violation citation while using Town vehicles.

- o. Backorders (purchases that are not delivered but are paid for) are prohibited.
- p. Not receiving over the counter items immediately upon purchase are prohibited.
- q. Purchasing items from unregistered or inactive Corporations and Companies. Cardholders and Approvers should check the status of a company to confirm they are registered and active in business <http://dos.fl/gov/sunbiz> website.
- r. Purchasing items from a vendor that is not in good standing with the State of Florida.
- s. Do not use the P-Card for Interdivisional Charges.

If a personal purchase is/was made, please note the following steps must be completed:

- 1. Immediately notify your P-Card Approver and/or Department Director.
- 2. Reimbursement to the Town either by check or cash should be sent to Town of Lauderdale-By-The-Sea Finance Department 4501 N. Ocean Drive Lauderdale-By-The-Sea- Florida 33308.
- 3. All reimbursement checks should be made out to the Town of Lauderdale-By-The-Sea. A memo should also be attached listing the account that was used to reconcile the original transaction.

The policies and procedures provided herein are minimum standards for departments. The Finance Director may establish additional controls as deemed necessary.

#### **VIII. Splitting of Purchases:**

- 1. Splitting of purchases to circumvent the single transaction limit is prohibited and will result in immediate revocation of the card.
- 2. A purchase may be made of multiple items, but the total charge cannot exceed established purchasing limits for the cardholder including shipping, handling and any other charges related to the transaction.
- 3. Transactions split by either the same or multiple employees making purchases to the same company (or different companies) on the same day over several days.

#### **IX. Online Transactions**

When processing online transactions via the vendors' internet websites using a Town P-card, the following policies shall be adhered to:

- a. All requirements, restrictions, terms and conditions relative to the utilization of P-Card are applicable to these transactions.
- b. Internet purchases made from a vendor's website utilizing a P-Card shall not exceed the P-Card limits per transaction.
- c. P-Card Cardholders must establish a separate account with the online vendor that is strictly for their Town business transaction and may not order using a personal account that is in any way associated with their personal use.

- d. P-Card Cardholders must manually enter their P-Card number for each transaction and may not at any time opt to leave the Town P-Card number on file with the online vendor for future transactions. Exception: Amazon Business Prime
- e. If the P-Card Cardholder has reason to believe that their P-Card number is on file, they must direct the vendor, in writing , to delete the number and notify P-Card Approver.
- f. P-Card Approvers must verify items ordered were received by the Town.

**X. Entertainment Expenses**

This section does not apply to entertainment expenses incurred by the department responsible for marketing/commerce functions.

- a. Entertainment expenses are expenditures for activities, meal or light refreshments incurred relating to events that are primarily social or recreational activities in support of the Town's mission and goals.
- b. Entertainment expenses require prior approval from the Department Director and the Finance Director or designee.

**XI. Travel**

The Town's Purchasing Manual allows for reasonable and necessary expenses associated with travel and transportation resulting from an employee or other authorized person's attendance at any meeting, seminar, conference or convention which has been properly approved. See Purchasing Manual for approved expenditures and limitations.

The P-Card may be utilized for payment of lodging and travel expenses for an amount not to exceed \$2,500.00 per transaction for lodging, and \$1,000.00 per transaction for other travel expenses, for employees attending functions outside of the tri-county area (Broward, Miami-Dade and Palm Beach Counties), subject to the following limitations:

- a. All requests for travel shall be pre-approved by the Town Manager in accordance with procedures outlined in the Town's Purchasing Manual " as amended from time to time.
- b. Lodging expense shall be limited to the cost of room, any local taxes not subject to the Town's tax-exempt status, as well as parking expenses and internet access for purposes of conducting Town business. Any other expenses related to lodging, such as foodservice or other incidentals shall be the sole responsibility of the employee, and not be charged on the P-card.
- c. Car rental requests shall be specifically pre-approved by the Department Director and the Town Manager.
- d. Cardholders may charge the P-Card only for their own Town-related travel expenses.

## **XII. PURCHASING CARD LIMITS**

- a. The Department Director will authorize credit limits for each Cardholder: a single purchase limit (SPL) and a monthly spending limit. The standard limits shall be up to \$1,250.00 for a single purchase and up to \$1,250.00 for a monthly spending limit. The maximum limit for P-card holders with pre-approved travel lodging expenses shall be \$2,500.00 per trip. Upon the determination and authorization of the Department Director, an individual Cardholder may be authorized for an increased single purchase and monthly purchase maximum to be determined by the requirements of the Department, provided the increase aligns with the approval thresholds outlined in Section XIII. The SPL shall not exceed a maximum of \$5,000.00.
- b. The SPL for Department Managers shall be up to \$3,500 and up to \$3,500 for a monthly spending limit. For purposes of this policy, the Town Clerk shall have the same limits as Department Managers and is authorized to make purchases on behalf of the Town Commission.
- c. Any request to permanently change the dollar limit or profile of a Cardholder must be entered by the Department Director and electronically forwarded to the Town Manager and Finance Director for final review and approval. Upon approval the appropriate changes will be made to Cardholder's profile with the Bank to accommodate the request. The Department Director or designee may request temporary increases to a Cardholder's transaction limit when special circumstances warrant that the use of a P- Card is the most expedient method of acquisition. Such requests must be justified and submitted in writing to the Town Manager and Finance Director for approval. Requests shall include the following information:
  - i. The name of the Cardholder.
  - ii. A justification of the special circumstances which necessitate the request.
  - iii. The estimated dollar amount for the required transaction.
  - iv. The date required for the expiration of the temporary profile. The Pro-card system will automatically return the Cardholder to their default profile on the date the temporary profile expires.
- d. Multiple items may be purchased from one vendor at one time, but the invoice cannot exceed the Cardholder's approved credit limit. Payment for purchases shall not be split to stay within the single purchase limit. "Splitting" a purchase that exceeds the Cardholder's assigned credit limit is strictly prohibited. Example: a Cardholder with a \$1,000.00 SPL is attempting to buy items from a single vendor that total \$1,050.00. The vendor "splits" the cost into two (2) transactions equaling \$525.00 each to try and avoid violating the Town's policy.

A copy of the written approval must be included along with the transaction receipt and other documentation provided to the Finance Department at the time that payment is being processed.

**XIII. PURCHASING APPROVAL AUTHORITY**

The approval authority established by the Town Commission to procure goods or services is based on the estimated cost of the goods and services as follows:

<b>APPROVAL</b>	<b>DOLLAR THRESHOLD</b>
Public Works Supervisor	Up to \$2,500
Department Director	Up to \$5,000
Finance Director or Deputy Town Manager	Up to \$12,000
Town Manager	Up to \$25,000
Town Commission	\$25,000.01 and above



28           **Section 2. Approval of Purchasing Card Policy.** The Purchasing Card Policy  
29 attached as Exhibit “1” is hereby approved. The Purchasing Card Policy shall be incorporated into  
30 the Town’s Purchasing Manual by reference and shall govern the administration of the Purchasing  
31 Card Program.

32           **Section 3. Authorization to Implement.** The appropriate Town officials are  
33 authorized to execute all necessary documents and to take any necessary action to effectuate the  
34 intent of this Resolution.

35           **Section 4. Effective Date.** This resolution shall become effective immediately upon  
36 its passage.

37           **PASSED AND ADOPTED** this 28th day of January, 2025.

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Mayor Edmund Malkoon

Attest:

  
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Katrina Adler, Town Clerk  
(CORPORATE SEAL)



APPROVED AS TO FORM:

  
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Susan L. Trevarthen, Town Attorney