North Central Regional Transit District (NCRTD)

Resolution 2015-25

A Resolution Updating the December 9, 2011 Adopted Procurement Card Policy

WHEREAS, the Board of Directors is the statutory governing body in and for the NCRTD and finds it in the best interest of the constituents of the NCRTD to establish polices to ensure the financial stability of the District; and

WHEREAS, the current Procurement Card Policy was adopted on December 9, 2011; and

WHEREAS, the Finance Committee at their August 28, 2015 meeting reviewed draft changes to the District’s Procurement Card Policy and have recommended consideration of those changes to the Board of Directors; and

WHEREAS, the Board, after thorough consideration and upon recommendation of the Finance Committee and staff, find that it is prudent to amend the District’s Procurement Card Policy attached hereto.

NOW THEREFORE BE IT RESOLVED, BY THE NCRTD BOARD THAT THE ATTACHED PROCUREMENT CARD POLICY SHALL BE AND ARE HEREBY ADOPTED, AND ARE APPROVED AND ADOPTED THIS 4TH DAY OF SEPTEMBER 2015.

NOW THEREFORE LET IT BE FURTHER RESOLVED, THAT THE NCRTD BOARD DOES HEREBY DIRECT MANAGEMENT TO IMPLEMENT AND DEVELOP PROCEDURES TO INSURE APPROPRIATE ACCOUNTING AND MAXIMUM ACCOUNTABILITY IN ACCORDANCE WITH ALL LAWS AND REGULATION THAT PERTAIN TO THE PROCUREMENT CARD POLICY.

Approved as to form:

Daniel Barrone, Chair

Peter Dwyer, Counsel
NORTH CENTRAL REGIONAL TRANSIT DISTRICT

SUBJECT: Procurement Card Policy and Procedure

NUMBER: FINANCE - 03

EFFECTIVE DATE: December 9, 2015 by Resolution #15-XX

AMENDS/SUPERSEDES: NADecember 9, 2011

APPROVED:

ANTHONY J. MORTILLARO,
EXECUTIVE DIRECTOR

1. Objective:

The North Central Regional Transit District’s (District) Procurement Card Program (also known as the PCard) is established to simplify the District’s small purchase procedures by providing a more efficient and cost-effective method for procuring-purchasing for items of tangible personal property (not services). The Procurement card shall not be construed to be either a “charge card” or a “credit card” as those terms are commonly used but rather is designed to replace the issuance of purchase order checks of up to $1,500 and reduce the number of payment vouchers. The procurement card should not be used at vendors that have standing purchase orders but should be used for one-time purchases generally under $1,000. Authorization for purchase of tangible assets over $200 will still need “informal” Executive Director approval by email prior to purchase and should include the District’s purchasing agent on approval seeking emails as confirmation of such approval. Lack of timely response from the Executive Director is not justification of approval.

2. Coverage:

This policy and procedure applies to all staff of the North Central Regional Transit District.

3. Definitions:

Procurement Card – Card used to procure goods onlygoods and services of small and infrequent nature by authorized individuals representing department of the District. When paying for services with the card, user should be cognizant that services over $600 in a year with a single vendor require the District to report to IRS, so users should limit these types of activities on the card. Travel is optimal usage of the card, due to inability to plan purchases and infrequency of repeat business by the District. The card should be used to pay for lodging and rental cars and to purchase airline tickets for
District employees traveling on official District business only. Nothing in this policy should be construed as to absolving any requirements of the District’s travel policy or allowing per diem covered expenses to be covered as purchase card items.

a.

b. Travel Procurement Card—Card used to reserve lodging and rental cars and to purchase airline tickets for District employees traveling on official District business only.

4. References:


b. State of New Mexico Per-Diem Rule Travel and Business Expenses adopted by the Board at the November 4, 2011 meeting and subsequent “Clarifications to the Travel Policy” issued May 5, 2014 by the Executive Director.

c. Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, as amended

d. State Personnel Office Rule 1-NMAC-7.11.10.2

5. Policy:

a. The Procurement Card shall be used in conformity with State of New Mexico Procurement Card Policy and Procedure and the State Procurement Code NCRTD Procurement Regulations. “Best Value” selection criteria must be used when making a purchase with the Procurement Card.

b. Procurement Cards will be issued only to District employees who are authorized by their supervisors and Executive Director to use the Procurement Card—Travel Procurement Card.

c. Executive Director and/or Financial Manager Director will set monthly spending limits for each cardholder based on need.

d. Executive Director and/or Financial Director Manager will select a Procurement Card Administrator for the District.

e. Authorized cardholders must sign a cardholder’s agreement and attend training on the use of the Procurement Card before they are issued a card.

f. The Procurement Card is to be used for legitimate District business purposes only. The Procurement Card may not be used for travel, registration fees, and other restricted categories of goods and services. Refer to Section 6.

g. The Procurement Card is to be treated with the same level of care as one’s own personal credit cards. Cardholders should exercise care for the secure custody of the Procurement Card.

h. Only the person whose name appears on the Procurement Card is permitted to use the card.

i. The District will pay all authorized charges against the card, in full, at the end of each month.
The District’s Procurement Card Administrator(s) are responsible for verifying budget and authorizing purchase. Departmental Budget must not be overspent.

The entire balance must be paid by the due date on the monthly billing statement regardless of credits or disputes with vendor and Bank of America.

Original receipts must be kept for payment purposes by the Procurement Cardholder.

An affidavit for lost purchase receipts/credit memo form must be turned-in and signed by the Executive Director and/or Finance Director. Continued loss of receipts may result in suspension of the Procurement Card.

Lost or stolen cards must be reported to the District Procurement Card Administrator immediately and to Bank of America within 24 hours.

Procurement Card may be used for emergency procurements to make eligible purchases under a declared emergency if both the procedures in the Procurement Code Regulations, State of NM policies and procedures and those policies have been followed per NCRTD Purchasing Regulations Article III Section 14.

Misuse of the Procurement Card may subject cardholders to disciplinary action and could result in immediate dismissal, pursuant to Personnel Policy 4.303 E (12 thru 4) and other sections as applicable.

The Cardholder is liable for charges incurred using the Procurement Card if the charge is determined to be in violation of District policy and/or state statutes, the State of New Mexico Procurement Code and these policies and procedures or if the charge is for an ineligible purchase. Cardholder’s privileges are a management prerogative that may be cancelled, restricted or revoked at any time without cause by District Management. The cardholder will comply with all District policies, state policies and procedures, state contracts and price agreements and all other applicable financial and accounting laws, rules, policies, procedures including DFA Rule 95-1 Regulations Governing the Per Diem and Mileage Act Section 10-8-1 through 10-8-8, NMSA 1978

6. Travel Procurement Card Policy

a. The Procurement Card assigned for travel shall be used by the Travel Coordinator to reserve lodging and rental cars, and purchase airline tickets for District employees traveling on official District business only.

b. The cardholder must comply with all other procedures set forth in this policy and procedure.

c. Use of the Procurement Card for travel is restricted to the following:
   i. To secure and guarantee room reservations (not for payment)
   ii. To secure and guarantee car rental reservation (not for payment)
   iii. To purchase airline tickets with may include fare, applicable taxes and reissuing fees only.
   iv. The Procurement Card for travel shall be used for the above purposes only. Conference or Seminar registration fees are not a valid use of the travel procurement card.
7.6. Procedure:

A. Cardholder Shall

1) Obtain supervisor's approval to make a purchase (purchase requisition) attached to this must be bids, price agreement, memo on emergency or sole source purchase. There must be documentation attached for back-up on the purchase.

2) Contact the Procurement Card Administrator to check budget availability prior to making a purchase.

3) Obtain Tax-exempt certificate from District Procurement Card Administrator Finances prior to making a purchase (District is exempt from paying taxes on goods, but is required to pay all Transit Occupancy Taxes when traveling, and Gross Receipt Taxes for services).

4) Purchase needed items from a participating vendor (vendors who accept Visa credit cards) with the procurement card. Obtain a purchase receipt from the vendor. If purchase is made through Web site or telephone, record confirmation number and any documentation reflecting the amount of the purchase. If applicable print screen from Web site to provide confirmation number and total cost of order.

5) Send purchase request, gather original receipt and backup documentation to the Department monthly statement. On the 5th day of every month (or following business day) forward the monthly statement with all receipts or affidavits to the PCard Administrator as soon as possible.

6) Obtain credit memos (not cash) for items that are returned. If a credit memo is obtained it must be forwarded to PCard Administrator immediately as well with your monthly departmental statement.

7) Prepare an affidavit for lost purchase receipt/credit memo form and acquire Executive Director and/or Finance Directors signature for lost receipt(s).

8) Report to the District Procurement Card Administrator any disputed purchases.

9) Upon termination of employment with the District the cardholder will turn in Procurement Card, purchase receipts, credit memos and affidavit for lost purchase receipt/credit memo to District Procurement Card Administrator.

B. Procurement Card Administrator Shall

1) Distribute procurement cards received from the Financial Manager to cardholders.

2) Check budget availability before approving procurement card purchases. Budget must not be overspent. Issue tax exempt certificates upon request.

3) Maintain Procurement Card Purchases Approval Log.

2) Retrieve electronic reports on Cardholder expenditures from Bank of America EAGLE (web-based software) and distribute them to Procurement Card Administrators as requested.

4) Reconcile the department statements to cardholder's purchase transactions to the administrator's Procurement Card Purchases Approval Log to confirm that purchases were authorized. Districts statement to insure all transactions have been accounted for payment each month.
5) Submit the approved Procurement Card Payment Authorization Forms and supporting billing statements, purchase receipts, credit memos and affidavit for lost purchase receipt/credit memos to the Finance Department's A/P Section person for timely payment to Bank of America. Must be sent to Finance Manager weekly.

6) Report unauthorized purchases and procurement code violations to the employee's supervisor, Financial Director/Manager and Executive Director.

7) Work with the Financial Director/Manager, Bank of America and vendor to resolve disputed purchases.

8) Report lost or stolen Procurement Cards to the Financial Director/Manager.

9) Recover the Procurement Card from the Cardholder within 24 hours of employee's last day of employment.

C. Travel Coordinator Shall
1) Have on file a completed Travel Request Form approved by Executive Director.
2) Request copies of any agendas or itineraries from the staff travelling.

D. C. District Procurement Card Administrator (Financial Manager)
Recover the Procurement Card from the Cardholder within 24 hours of employee's last day of employment:

1) Distribute procurement cards received to cardholders. Recover the Procurement Card from the Cardholder within 24 hours of employee's last day of employment.

2) Act as the District's liaison between Bank of America and District procurement card administrators.

3) Develop, implement and maintain the District's Procurement Card Policies and Procedures.

4) Train Cardholders, supervisor and Procurement Card Administrators.

5) Order Procurement cards from Bank of America.

6) Distribute to procurement card administrator's blank procurement card agreements, procurement cards, procurement card payment authorization forms, and procurement card approval logs.

7) Maintain files of all approved procurement card agreements

8) Retrieve electronic reports on Cardholder expenditures from Bank of America EAGLES (web-based software) and distribute them to Procurement Card Administrators as requested.

9) Establish and notify Procurement Card Administrators of changes in monthly cut off dates for the timely payment of purchases.

10) Conduct periodic compliance reviews. Areas of compliance that will be tested include compliance with Procurement Card Policies and Procedures, District Purchasing Regulations, State Procurement Code, sales and use tax charges.

11) Monitor and report to management the level of card use and its impact

12) Document any misuse of Procurement Card and work together with the Cardholders Supervisor, and Executive Director, and Finance Director to:

   a. Seek full restitution from the Cardholder plus interest at the rate of 18% per annum from the date of the transaction.
b. Follow District disciplinary procedures, up to and including termination.
e. Inform Bank of America, in writing within 24 hours.
d. Remove the card from Cardholder's possession when directed by management.
1. **Objective:**

The North Central Regional Transit District's (District) Procurement Card Program (also known as the PCard) is established to simplify the District's small purchase procedures by providing a more efficient and cost-effective method for paying for items. The procurement card is designed to replace the issuance of checks and reduce the number of payment vouchers. The procurement card should not be used at vendors that have standing purchase orders but should be used for one-time purchases generally under $1,000. Authorization for purchase of tangible assets over $200 will still need "informal" Executive Director approval by email **prior to purchase** and should include the District’s purchasing agent on approval seeking emails as confirmation of such approval. Lack of timely response from the Executive Director is not justification of approval.

2. **Coverage:**

This policy and procedure applies to all staff of the North Central Regional Transit District.

3. **Definitions:**

Procurement Card – Card used to procure goods and services of small and infrequent nature by authorized individuals representing department of the District. When paying for services with the card, user should be cognizant that services over $600 in a year with a single vendor require the District to report to IRS, so users should limit these types of activities on the card. Travel is optimal usage of the card, due to inability to plan purchases and infrequency of repeat business by the District. The card should be used to pay for lodging and rental cars and to purchase airline tickets for District employees traveling on official District business only. Nothing in this policy should
be construed as to absolving any requirements of the District's travel policy or allowing per diem covered expenses to be covered as purchase card items.

4. References:

a. NCRTD Procurement Regulations, Amended and Adopted by Resolution 2014-23 on December 5, 2014.
Travel and Business Expenses adopted by the Board at the November 4, 2011 meeting and subsequent “Clarifications to the Travel Policy” issued May 5, 2014 by the Executive Director.

5. Policy:

a. The Procurement Card shall be used in conformity with NCRTD Procurement Regulations.
b. Procurement Cards will be issued only to District employees who are authorized by their supervisors and Executive Director to use the Procurement Card.
c. Executive Director and/or Finance Director will set monthly spending limits for each cardholder based on need.
d. Executive Director and/or Finance Director will select a Procurement Card Administrator for the District.
e. Authorized cardholders must sign a cardholder’s agreement.
f. The Procurement Card is to be used for legitimate District business purposes only.

g. The Procurement Card is to be treated with the same level of care as one’s own personal credit cards. Cardholders should exercise care for the secure custody of the Procurement Card.
h. The District will pay all authorized charges against the card, in full, at the end of each month.
i. The departments are responsible for verifying budget prior authorizing purchase. **Departmental budget must not be overspent.**
j. The entire balance must be paid by the due date on the monthly billing statement regardless of credits or disputes with vendor and Bank of America.
k. **Original receipts must be kept** for payment purposes by the Procurement Cardholder.
l. An affidavit for lost purchase receipts/credit memo form must be turned-in and signed by the Executive Director and/or Finance Director. Continued loss of receipts may result in suspension of the Procurement Card.
m. Lost or stolen cards must be reported to the District Procurement Card Administrator immediately and to Bank of America within 24 hours.
n. Procurement Card may be used for **emergency procurements** to make eligible purchases per NCRTD Purchasing Regulations Article III Section 14.
o. Misuse of the Procurement Card may subject cardholders to disciplinary action and could result in immediate dismissal, pursuant to Personnel Policy 4.30 E (1 thru 4) and other sections as applicable.
p. The Cardholder is liable for charges incurred using the Procurement Card if the charge is determined to be in violation of District policy and/or state statutes and
these policies and procedures or if the charge is for an ineligible purchase. Cardholder’s privileges are a management prerogative that may be cancelled, restricted or revoked at any time without cause by District Management. The cardholder will comply with all District policies, state policies and procedures, state contracts and price agreements and all other applicable financial and accounting laws, rules, policies, procedures including DFA Rule 95-1 Regulations Governing the Per Diem and Mileage Act Section 10-8-1 through 10-8-8, NMSA 1978

6. Procedure:

A. Cardholder Shall

1) Check budget availability prior to making a purchase.
2) Obtain Tax-exempt certificate from Finance prior to making a purchase (District is exempt from paying taxes on goods, but is required to pay all Transit Occupancy Taxes when traveling, and Gross Receipt Taxes for services).
3) Purchase needed items from a participating vendor (vendors who accept Visa credit cards) with the procurement card. Obtain a purchase receipt from the vendor. If purchase is made through Web site or telephone, record confirmation number and any documentation reflecting the amount of the purchase. If applicable print screen from Web site to provide confirmation number and total cost of order.
4) Gather original receipt as backup documentation to for the Department monthly statement. On the 5th day of every month (or following business day) forward the monthly statement with all receipts or affidavits to the PCard Administrator.
5) Obtain credit memos (not cash) for items that are returned. If a credit memo is obtained it must be forwarded to PCard Administrator with your monthly departmental statement.
6) Prepare an affidavit for lost purchase receipt/credit memo and acquire Executive Director and/or Finance Directors signature for lost receipt(s).
7) Report to the District Procurement Card Administrator any disputed purchases.
8) Upon termination of employment with the District the cardholder will turn-in Procurement Card, purchase receipts, credit memos and affidavit for lost purchase receipt/credit memo to District Procurement Card Administrator.

B. Procurement Card Administrator Shall

1) Retrieve electronic reports on Cardholder expenditures from Bank of America and distribute them to Procurement Card holders as requested.
2) Reconcile the department statements to Districts statement to insure all transactions have been accounted for payment each month.
3) Submit the approved supporting billing statements, purchase receipts, credit memos and affidavit for lost purchase receipt/credit memos to the Finance Departments A/P person for timely payment to Bank of America.
4) Report unauthorized purchases and procurement code violations to the employee’s supervisor, Finance Director and Executive Director.
5) Work with the Finance Director, Bank of America and vendor to resolve disputed purchases.
6) Report lost or stolen Procurement Cards to the Finance Director.

C. District Procurement Card Administrator

1) Distribute procurement cards received to cardholders. Recover the Procurement Card from the Cardholder within 24 hours of employee’s last day of employment.
2) Act as the District’s liaison between Bank of America and procurement card administrator.
3) Develop, implement and maintain the District’s Procurement Card Policies and Procedures.
4) Order Procurement cards from Bank of America.
5) Maintain files of all approved procurement card agreements
6) Establish and notify Procurement Card Administrator of changes in monthly cut off dates for the timely payment of purchases.
7) Report lost or stolen cards to Bank of America immediately.
8) Conduct periodic compliance reviews. Areas of compliance that will be tested include compliance with Procurement Card Policies and Procedures, District Purchasing Regulations; sales and use tax charges.
9) Monitor and report to management the level of card use and its impact
10) Document any misuse of Procurement Card and work together with the Cardholders Supervisor, Executive Director, and Finance Director to:
   a. Seek full restitution from the Cardholder.
   b. Inform Bank of America, in writing within 24 hours.
   Remove the card from Cardholder’s possession when directed by management.