

PROCEDURE

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION (CCOC)

Title: Credit Card Authorization, Use & Reimbursement

I. PURPOSE:

Provide an efficient method of purchasing and paying for goods and services not exceeding \$700 per purchase. Ensure purchasing card purchases are made in accordance with the Corporation policies and procedures. Provide a convenient method for making small purchases, consolidating payments, and capturing spending information.

Allow for the use of the Corporation's tax exempt status when purchasing office supplies and services (including, but not limited to travel and meeting expenses) necessary to conduct Corporation business. Provide for disciplinary action if the purchasing cards are misused.

II. SCOPE:

The Corporation Purchasing Card Program (hereinafter "CPCP") simplifies the procurement/disbursement process by allowing the cardholder to place orders directly with the vendor. When a purchase authorization is requested by the supplier at the point-of-sale, the CPCP validates the transaction against preset purchasing card limits established by the Executive Council. All transactions are approved or declined based on the established purchasing card authorization criteria. The authorization criteria may be adjusted periodically as needed and may include, but is not limited to, the following:

- The number of transactions allowed per day (5)
- The number of transactions allowed per month (50)
- Single purchase limit (not to exceed \$700)
- Monthly spending limit (not to exceed \$10,000)

III. DEFINITIONS & REFERENCES:

The Florida Clerks of Court Operations Corporation Purchasing Card Program (CPCP) is designed to improve efficiency when making purchases from any vendor that accepts the credit card. This program will allow the cardholder to directly purchase approved goods and services. Each purchasing card is issued to a named individual and The Florida Clerks of Court Operations Corporation (hereinafter, "Corporation") is clearly shown on the card as the governmental buyer of goods and services. The Executive Director of the Corporation will be responsible for the overall management of this program.

IV. POLICY:

A. RESPONSIBILITIES

All cardholders will have a thorough understanding of the Credit Card Policy before being issued a purchasing card. All cardholders will sign the Cardholder Agreement and Acknowledgement of Receipt confirming that they have read, understand, and agree to follow the CPCP.

Participating in the CPCP is a privilege offered by the Corporation. Inappropriate use may result in the termination of cardholder privileges. It is expected that the thorough understanding of the CPCP Procedures and Policies will assist in making this program a success. The following is a summary of the responsibilities of the individuals involved in the CPCP system:

Cardholder

- Hold and secure purchasing card allowing no one else to use the purchasing card.
- Order materials and services
- Collect and save sales receipts
- Match receipts with monthly card statement
- Review monthly statements for validity of all transactions
- Sign monthly statements authorizing charges
- Review monthly charges with Executive Director
- Identify and rectify disputed charges

Executive Director

- Coordinate program policy issues
- Participate in ongoing program reviews and recommend process improvements
- Coordinate issuance and cancellations of cards with issuing bank
- Provide initial and ongoing training to all cardholders

- Coordinate and maintain internal controls
- Review monthly statement with cardholder
- Sign the monthly statement authorizing charges
- Handle disputed charges and oversee resolution of disputed charges
- Approve payment of all monthly charges from consolidated statement
- Audit all disbursements to assure compliance with the policies and procedures
- Act as liaison with Executive Council Treasurer

Executive Assistant

- Maintain policy and cardholder written guidelines/policy
- Process accounting data into Financial System
- File and store statements, receipts, etc.
- Aid in resolving supplier disputes
- Forward monthly statement and receipts to Executive Director and Executive Council Treasurer for review
- Other responsibilities as assigned by Executive Director

B. LIMITATIONS ON USE OF PURCHASING CARD

The purchasing card may be used only by the employee whose name is embossed on the card. No other person is authorized to use the card. The purchasing card is to be used for Corporation authorized purchases only. The purchasing card IS NOT to be used for any personal use and any such use will require immediate reimbursement.

The Executive Director approving the assignment of a purchasing card will set two limits for each cardholder, a single purchase limit and a 30-day limit. The maximum limits shall be \$700 for a single purchase and \$10,000 during the 30-day billing cycle. Changes to spending limits may be approved by the Executive Council Treasurer or Executive Council. Charges for purchases shall not be split to stay within the single purchase limit. The following types of items SHALL NOT be purchased with purchasing card:

- Gasoline, fuel, or oil,
- Goods and services over \$700 in value unless preapproved by the CCOC Treasurer or Council,
- Cash advances,
- Charges for telephone services,
- Charges for food,
- Any goods or services specifically restricted by the Corporation,
- Any costs associated with sponsorship of events or ‘working’ meals (food, decorations, etc).

V. PROCEDURES:

Cardholders using the Purchasing Card shall:

- Ensure that the goods or services to be purchased are for a Corporation purpose.
- Determine that the intended purchase is within cardholder's purchasing card limit.
- Present identification at the time of purchase.
- Record all purchasing card transactions on the appropriate monthly Purchasing Card Purchase Report. This record will facilitate the cardholder's and his / her supervisor's review of the monthly statement provided by the issuing bank. It will also aid in the resolution of disputes.
- Inform the merchant that the purchase is tax-exempt. He/she will review the receipt before leaving the store and; if taxes were included, request a credit.

A. TELEPHONE / MAIL / INTERNET ORDERS

Cardholders using the Purchasing Card shall:

- Inform the merchant that the purchase is tax-exempt. If taxes are charged, cardholder shall contact the merchant and request that a credit be processed for the amount of the tax charged.
- Ensure that the vendor understands that the charges are not to be billed until the item(s) has been shipped. Florida law prohibits payment to a vendor prior to receipt of goods or services except in specific circumstances.
- Ensure prompt delivery of items ordered by telephone, by mail, or over the Internet providing the vendor with the appropriate delivery information and requesting cardholder's name and "Ship to" address be clearly marked on the outside of the package.
- Inform the vendor that any shipping or delivery fees must be either included in the unit price – FOB: Destination, or listed as a separate item on the transaction.

B. MERCHANDISE RETURNS

Cardholder is responsible for managing any returns/exchanges and ensuring that proper credit is received for returned merchandise and shall:

- Contact the vendor and obtain instructions for return.
- Review cardholder's next purchasing card statement to ensure that his / her account is properly credited for the return.

C. DOCUMENTATION, RECONCILIATION & PAYMENT PROCEDURES:

Documentation – Any time a purchase is made using the purchasing card, the cardholder shall obtain an itemized vendor's sales receipt which will become the supporting documentation.

Missing Documentation – If, for some reason, the cardholder does not have documentation of a transaction to include with the statement, he/she must attach an explanation with a reconciliation statement that includes a description of the item, date of purchase, vendor's name and why there is no supporting documentation.

Receipts – The itemized vendor's sales receipt for purchases must be supplied. When purchases are conducted by telephone, request the vendor to forward the receipt to you. These receipts are to be provided to the Executive Assistant to be included with the monthly statement in the order they appear on the statement (if the receipt is small, tape it to a letter-sized piece of paper). If receipts are lost or lack detail, attach a note indicating the item(s) purchased, see paragraph 2 above.

Statements – Each cardholder monthly shall receive and review a copy of his/her purchasing card billing statement listing all purchases processed within the current billing cycle. The cardholder shall note any errors on the bill. The receipts will be attached (NOT STAPLED) to the statement (if the receipt is small, tape it to a letter-sized piece of paper). The cardholder shall sign the statement certifying items purchased and forward it to the Executive Director and the CCOC Treasurer. By signing the statement, the cardholder is certifying that all charges are appropriate, authorized, and supported by attached receipts.

Cardholder Absence – It is the responsibility of the cardholder to provide the Executive Director with the all documentation in advance should travel or extended leave be scheduled at the time the statement is due and he/she will not be able to complete the statement review. The Executive Director or his designee will complete the statement, make a copy for the absent employee, and attach the statement to the Disbursement Form forwarding the form, statement, and documentation to the Executive Council Treasurer. The original cardholder statement will be signed by the cardholder at the time he/she returns.

If a cardholder has no purchase activity for a particular billing cycle, a statement will not be generated for the cardholder (unless adjustments for previously billed transactions are processed during that cycle).

D. APPROVAL

Based on their knowledge of the cardholder's responsibilities, the Executive Director shall review each purchase to determine if the purchase was for a Corporation purpose and in accordance with these procedures. If, for any reason the Executive Director questions a purchase(s), it is the Executive Director's responsibility to resolve the issue with the cardholder. If the Executive Director cannot be satisfied that the purchase was necessary and for a Corporation purpose, the cardholder must provide a credit voucher proving item(s) have been returned for credit. Unauthorized use of the purchasing card may result in termination of card and privileges, and the cardholder may be subject to disciplinary action up to and including termination of employment.

E. DISPUTES / UNAUTHORIZED CHARGES

If an unsubstantiated charge appears on a monthly statement, the cardholder must first attempt to verify the charge with records of purchase. If the cardholder does not agree with the charge posted on the statement, the cardholder must complete the "Cardholder Statement of Disputed Item" and submit it to the Executive Director, or his designee, for submission to the issuing bank. A copy of the Cardholder Dispute Form will be submitted to the issuing bank. The issuing bank will research the disputed charge and make the necessary adjustments.

If items purchased with the purchasing card are found defective or the subsequent repair or services faulty, the cardholder has the responsibility to return item(s) to the vendor for replacement or to receive a credit on the purchase. **CASH REFUNDS ARE NOT PERMITTED.** If the vendor refuses to replace or correct the faulty item, the purchase of this item will be considered to be in DISPUTE.

A disputed item must be noted on the cardholder's statement. In addition, a "Cardholder Statement of Disputed Item" form must be completed by the cardholder – with appropriate documentation attached – within 30 days from the date of purchase. This form will be forwarded with the statement to the Executive Director, or his designee, who will request the issuing bank take action on the disputed item. The cardholder shall be notified of the bank's decision on the disputed item. It is essential that the time frames and documentation requirements established by the issuing bank be followed to protect the cardholder's rights in a dispute.

F. REQUEST FOR INITIAL & ADDITIONAL OR CHANGES TO PURCHASING CARD

All requests for new cardholders or changes to current cardholders shall be submitted on the "Request for Purchasing Card" form. This form shall be signed by the Executive Director and submitted to the CCOC Treasurer. The Executive Director or his designee shall contact the bank to effect the changes.

When purchasing cards are received from the bank, the cardholder will be required to review the Purchasing Card Policies and Procedures and execute the Cardholder Agreement before issuance of the card. All cards issued shall be personally signed by the cardholder. The cardholder's name, the Corporation name (Florida Clerks of Court Operations Corporation), and the expiration date will be embossed on the face of the card.

G. LOST OR STOLEN PURCHASING CARDS

If a purchasing card is lost or stolen, it is the responsibility of the cardholder to immediately notify the issuing bank and the Executive Director. The telephone number of the issuing bank will be provided when the purchasing card is issued to the cardholder. Telephone notifications will be confirmed in writing using the attached form entitled "Notification of Lost or Stolen Purchasing Card". Failure to promptly notify the issuing vendor of the theft, loss, or misplacement of the purchasing card may result in the cardholder being liable for any fraudulent use of the card and loss of privileges for the cardholder. Also disciplinary action as appropriate may be taken against the cardholder.

H. TERMINATION OR TRANSFER

Cardholders whose employment is terminated must turn in their purchasing card on or before separation. Such cardholder shall complete the "Termination of Purchasing Card" form turning the form and his/her purchasing card in to the Executive Director.

Upon receipt of the card, the Executive Director shall take timely action to deactivate the card and destroy it. A cardholder who uses a purchasing card after separation shall be subject to legal action.

The Executive Director must be aware of circumstances, which may require the termination of a cardholder's rights beyond those circumstances specifically cited in these policies. The Executive Director should consider termination of a cardholder's purchasing if the:

- Employee has been identified for termination.
- Employee is scheduled to take an extended leave from Corporation employment.
- Employee is charged with a felony offense or a misdemeanor involving fraud.
- Employee is or will be hospitalized for an extended period of time.
- Employee will be absent from his / her employment for an extended period of time, or for any other reason.

Purchasing cards canceled for any reason shall be deactivated and destroyed by the Executive Director or his designee.

I. AUDITS

This program is subject to periodic audits by both the Corporation's annual financial audits and/or the Florida Office of the Auditor General during their reviews.