

Kane County Financial Policies	Procurement Card Policy
	Amended by the County Board:

Procurement Card Policy

Departmental Credit Cards Issued by the County

1. Purpose of Procurement Card Policy
 - a) The County recognizes procurement cards are an essential tool for facilitating the purchase of certain goods and services, especially those that may only be procured online, or those required during travel or emergencies.
 - b) The County also recognizes procurement cards are beneficial for promoting competitive selection by expanding the range of vendors from which quotes may be solicited to include vendors that only accept credit card payments.
 - c) At the same time the County recognizes procurement cards may increase the possibility of unauthorized purchases or payments. Therefore it is the intent of the County to minimize this risk by limiting the number of procurement cards issued to each office and department or group of departments to the fewest number as is practical and by setting individual and monthly transaction limits for each card to the lowest levels that reasonably accommodate the procurement needs.
 - d) Appropriate internal controls must be established to assure responsible operations.
 - e) Written procedures shall be developed governing all operation issues.

2. Responsibility for Procurement Card Program
 - a) The overall County procurement card program (commonly known as the “credit card program”) shall fall under the purview of the Finance Committee.
 - b) The administration of the procurement card program shall be the responsibility of the Executive Director of Finance as executed through the Director of Purchasing and Purchasing Department staff.
 - c) The Director of Purchasing shall be designated the “system administrator” of the procurement card program for purposes of program maintenance and serving as the interface between the procurement card provider and the procurement cardholders.
 - d) The Assistant Director of Purchasing shall serve as the backup “system administrator”.
 - e) The Kane County Auditor shall serve as a “system administrator” to assist in the resolution of disputed charges
 - f) Elected officials and department heads shall be accountable for procurement card usage in their areas of responsibility.
 - g) Each office or department having procurement cards shall appoint a procurement card administrator responsible for the administrative function associated with the

procurement cards; the procurement card administrator may not be the same person as the department head or elected official.

- h) Each procurement cardholder is accountable for the use of the procurement card issued in his or her name.

3. Determination of Number and Limits of Procurement Cards

- a) Each County department head, with the advice and consent of his/her standing committee, and each elected official shall determine:
 - i. the number of procurement cards needed by their office or department, and
 - ii. the single and monthly transaction limits to be set for each card.
- b) Each elected official and County department head shall determine the employees within their office or department to whom the procurement cards should be issued.
- c) Such determinations should be made with the understanding that the County has no obligation to issue procurement cards in any particular office or County department for use by any particular individual.
- d) It is the intent of the County that the number of procurement cards issued and the transaction limits established for each cardholder be reviewed annually by the standing committee to which the cardholder's office or department reports, and by the Finance Committee.
- e) The number of procurement cards issued and the transaction limits established for each County department shall be approved annually by the standing committee to which the department reports and by the Finance Committee.
- f) The number of cards issued or the aggregate monthly transaction limit may not be increased above the number and limits approved for each County Department without the approval by the standing committee.

4. Temporary Changes to County Department's Procurement Card Transaction Limits

- a) The single transaction limit of a County Department's cardholder may be temporarily increased as high as the monthly transaction limit for that cardholder upon written authorization by the Department Head responsible for the cardholder.
- b) A standing committee may choose to pre-authorize temporary increases of a single or monthly transaction limit for any County department as deemed appropriate for the anticipated need.
- c) When an emergency situation requires the single transaction limit of a County Department's card to be increased to a higher monthly transaction limit than previously approved by the standing committee and the increase needs to be approved before the next meeting of the standing committee, the single and monthly transaction limits may be increased to the level required by the emergency if in addition to the authorization of the Department Head responsible for the procurement card, approval is also obtained from one of the following individuals, listed in order of preference: standing committee chair, standing committee vice chair, Finance Committee Chair, County Board Chair or County Board Vice Chair.

Once the emergency has passed, the single and monthly transaction limits must be reset to limits approved by the standing committee.

5. Temporary Changes to Elected Official's Office Procurement Card Transaction Limits
 - a) The single transaction limit of an Elected Official's Office cardholder may be temporarily increased upon written authorization by the Elected Official responsible for the cardholder.
 - b) Restrictions Regarding Issuance of Procurement Cards
 - c) County procurement cards may only be issued to County employees and elected officials.
 - d) County procurement cards may only be issued to staff upon written authorization by their department head or elected official to whom they report in accordance with the transaction limits established by their standing committee or the elected official, respectively.
 - e) A procurement card may only be issued to a department head upon approval by their standing committee.
 - f) An approved procurement card may not be issued until the prospective cardholder signs the County's Procurement Card Agreement.
6. Restrictions Regarding Use of Procurement Cards
 - a) Procurement cards may only be used for allowable Kane County purchases.
 - b) All procurement card purchases must be in compliance with state and county procurement laws and regulations.
 - c) Procurement cards may not be used to pay invoices that have already been submitted to the County Auditor's Office for payment. Such use would circumvent the internal controls in place to authorize payment of invoices.
 - d) Procurement cards may not be used to purchase services from employees. Such use would circumvent the process for collecting and capturing the required information for W2 reporting purposes.
 - e) With the exception of an emergency procurement or micro purchase as defined in the Procurement Ordinance, procurement cards may not be used to purchase items that can be purchased at a lower cost through other reasonable means, such as with a purchase order. Use of procurement cards in such cases may result in County payment of the lower amount.
 - f) Procurement cards may not be used for certain purchases such as cash advances, personal charges, alcoholic beverages and tobacco products.
 - g) Improper charges to a procurement card must be repaid to the County within the current statement cycle. If this is not done, repayment to the County will be by payroll deduction in accordance with the requirements of state and federal wage laws.
 - h) Improper use of County procurement cards may result in disciplinary action, up to and including termination.
7. Internal Controls Regarding Procurement Card Program

- a) The Kane County Auditor shall be responsible for auditing the internal controls covering the procurement card program. Internal controls within this context are the policies and procedures put in place by management to safeguard County assets, stop fraudulent behavior, promote accountability and increase efficiency.
 - b) Each procurement card administrator shall receive the procurement card billing statements and collect the procurement card receipts and expense documentation for all procurement cards issued to the office or department which they serve.
 - c) The procurement card administrator for a County department shall ensure that the County and/or business purpose of each County department expense is clearly indicated on the documentation for each expense, that a department's food purchases include the number of participants and their relationships (e.g., "self", "two staff", "one guest", and that a department's conference expense documentation includes the training itinerary and date range.
 - d) The procurement card statement must be approved (signed) by both the procurement card administrator and the elected official or department head (or their designees) as confirmation that the expenses are allowable expenses.
 - e) The procurement card administrator shall submit the approved procurement card billing statement along with all supporting receipts and expense documentation to the County Auditor's Office.
 - f) A report of procurement card transactions shall be included in the financial report package provided by the Finance Department for each standing committee monthly meeting for the offices and departments reporting to each standing committee.
8. System Administration of Procurement Card Program
- a) The Director of Purchasing as the procurement card system administrator shall be responsible for the day-to-day administration of the procurement card program, including the issuance and cancellation of cards and the maintenance of transaction limits within the procurement card system.
 - b) County procurement cards for active employees may only be issued, suspended, cancelled or have their limits changed with prior authorization by the department head, with the advice and consent of the Department's standing committee, or by the elected official responsible for the current or prospective card holder.
 - c) County procurement cards for inactive employees must be cancelled by the Director of Purchasing upon confirmation of termination of employment from the Department of Human Resources or upon notification of the elected official or department head.
 - d) The Director of Purchasing shall review procurement card statements at least weekly, follow up on any suspicious activity with the cardholder and/or the procurement card merchant, and notify the Auditor's Office if any fraudulent activity was detected.
 - e) The Director of Purchasing must provide a list of all cardholders and associated limits to the Auditor's Office.
 - f) Whenever there is an addition or deletion of a cardholder or change in transaction limit, the Director of Purchasing must notify the Auditor's Office in writing.