CITY OF TUCSON
PROCUREMENT CARD

PROGRAM INFORMATION

pCard Program Administrator: Marti Alegria, CPCP
(520) 837-4107

J.P. Morgan:
Customer Services (800) 270-7760

Revised: January 26, 2012

Procurement Card Program Information

Contents

Section I pCard Use & Restricted Items

A. Use of the pCard
B. pCard Misuse Policy
C. Characteristics of the pCard
D. Suggested Uses
E. Mandatory Uses
F. Restrictions

Section II Roles & Responsibilities

A. Merchants
B. J.P. Morgan Bank
C. Finance/ Accounts Payable
D. Procurement
E. pCard Administrator
F. Department Director
G. pCard Department Liaison
H. Cardholder
I. Reconciler
J. Approver

Section III Join the pCard Program

A. Criteria for Departmental Participation
B. Getting Started

Section IV Card Management

A. Individual Cardholder Application & Management
B. No Delegation or Assignment
C. Advantage 3 Account Numbers
D. Spending Limits
E. pCard Security
F. Activating the Card
G. Card Renewal
H. Canceling a Card

Section V Placing an Order

A. Transaction Flow
B. Placing Phone Orders
C. Sales Tax Information & Itemized Invoices
D. Customer Numbers
E. Delivery Instructions
F. Your Billing Address
G. Billing Address Information
H. Damaged Goods/Disputed Charges
I. Help for Vendor Problems When Placing a Phone Order

Section VI How to Make Changes

A. Liaison
B. Reconciler and Approver
C. Cardholder

Welcome to the City of Tucson's Procurement Card Program!

The Procurement Department is pleased to provide you a convenient and safe payment mechanism to make purchases, pay invoices and monitor your expenditures. The Procurement Card (pCard) will reduce the number of petty cash vouchers, DA-23s and Partial Receiving Reports that the City processes by allowing designated staff to make purchases with a City credit card.

I. Procurement Card Use and Restricted Items

A. Use of the pCard

The Procurement Card (hereinafter referred to as "pCard") may be used wherever Visa is accepted, following City policy and procedures. This convenient procurement tool may be used directly at a storefront or for orders via the phone, fax or internet.

The pCard is to be used for City of Tucson business only, not for personal use and cannot be used for purchases which require approvals from IT, Budget, Procurement or any other designated authority without their consent.

B. pCard Misuse Policy

The following guidelines have been established for reporting misuse specifically through the pCard program.

- Suspected misuse of City assets through the pCard Program should immediately be reported to pCard Administration or Procurement Director.
- The Procurement designate who receives the notification will in turn contact the employee's Department Director, as well as the credit card bank, J.P. Morgan, to initiate a claim in the Visa / MasterCard Liability Waiver Program.
- The Department Director will determine the appropriate course of action, which may include an investigation by Internal Audit, and/or the Tucson Police Department.
- Fraudulent or intentional misuse of the card will result in cancellation of the individual card, potential termination and/or possible criminal charges. These guidelines are established for reporting City Employee Misuse of a City Procurement Card, and do not apply to non-employee fraud, such as lost/stolen cards. Non-employee fraud should continue to be reported to the pCard Administrator who will report the activity to the credit card bank, J.P. Morgan.

C. Characteristics of the pCard

There are two types of pCards, an Individual Card and a Department Card.

Individual Card:
The City of Tucson Individual pCard is a J.P. Morgan Visa card issued to an individual employee. Individual pCards are nontransferable and non-assignable and remain the property of the City of Tucson and J.P. Morgan.

Department Card:
The City of Tucson Department pCard is a J.P. Morgan Visa credit card issued to a City department. The City Department name appears on the card for reference. Department pCards are transferable and assignable and remain the property of the City of Tucson and J.P. Morgan.

Each pCard is assigned default accounting information. The Advantage 3 account number and object code may be changed at any time during the current billing cycle. Activity and Program codes are optional.

D. Suggested Uses

Suggested uses include:

- DA-23 purchases (in accordance with A.D. 3.02-2)
- Non-contracted items up to $5,000.00
- Contracted Purchases:
  - Point of Sale (payment at time of order/no invoice will be generated) – No dollar limit on blanket purchase orders when a direct release (DR) is not required in Opis. If unsure that a DR is required, contact your assigned Contract Officer.
  - Payment of Invoices (on specific or blanket purchase orders) – No dollar limit.
- Travel (a Travel Order is required in accordance with A.D. 3.03-1) – When per diem is elected, the pCard <u>cannot</u> be used for per diem expenses.

NOTE: Regardless of the dollar amount, all purchases must be made in accordance with all applicable City and Department rules and regulations. In addition, transactions must reference business purpose and a travel order or purchase order number, must be entered in the designated PaymentNet field, as applicable. Notify Accounts Payable when an invoice payment has been made by pCard.

E. Mandatory Uses

Mandatory uses include:

- Petty Cash purchases (when Visa is accepted)
- Purchases Under $5,000.00 (for purchases not tied to an established contract, unless said contract allows pCard)
- Office Depot/Office Supplies
- Professional Memberships and Subscriptions (when Visa is accepted)
- FedEx and UPS
- Tucson City Golf Food & Beverage Service
- Hewlett Packard contract for computers, servers, printers, peripherals and services
- Printing Services
- Qwest Land Line Services
- Legal Advertising
- Remanufactured Toner (Laser Options P.O.)
- Others forthcoming!

F. Restrictions

City Mandated Policy Restrictions that apply to the pCard include:

- <u>Federally funded purchases</u>
  NOTE: customers may use the pCard for federal or state grant funded purchases when the funding or granting agency does not impose specific source selection requirements which may be violated by using the card. For example, FTA funded purchases which exceed $5,000 must comply with FTA contracting regulations and may not be suitable for card use (exceptions may exist if payment is made to a vendor that was selected through an appropriate process). In either case, if you are unsure whether or not the purchase is suitable for payment with the pCard, please contact the funding or granting agency prior to making the purchase. Fund or grant recipients are responsible for ensuring proper compliance.
- <u>Computer software and/or hardware</u> purchases not pre-approved by the City of Tucson Information Technology Department
- <u>Two-way radios</u> not pre-approved by the Communications Division of the General Services Department
- <u>Inventory/warehousing purchases</u> with the exception of emergencies arising after normal business hours.
- <u>Non-contracted items in excess of $5,000.00</u>
- <u>Cash advances/Wire transfers/Money Orders</u> without approval from the City of Tucson Department of Procurement Director.
- <u>Purchases from</u> <u>non-contracted vendors f</u>or items which are <u>available under contract</u>
- <u>Firearms or ammunition</u> without approval from the City of Tucson Department of Procurement Director.
- <u>Medical Services</u>: Any expenses related to emergency room or urgent care visits and hospitalizations.

- Employee Meal and Food Purchases : Food purchased for employee social or recreational functions – where no business is conducted nor business objectives are present including but not limited to departmental tea, coffee, bottled water and ice. When in doubt, refer to Department of Finance Memo dated Oct. 3, 2007.
- Purchases which require a signed contract. Any purchase that includes a contract to be signed must first be reviewed by the Procurement Department. Please contact the responsible Contract Officer prior to making the purchase.
- Relocation and/or Moving Expenses: Must first be reviewed by the Procurement Department. Please contact the responsible Contract Officer prior to making relocation/moving arrangements.

II. Roles and Responsibilities

A. Merchants

- Ship orders, including itemized invoices
- Process Visa charges at the time of shipment.
- Rectify any discrepancies in orders.

B. J.P. Morgan Bank

- Receive Visa charges.
- Assist Cardholders with difficult vendor problems.
- Issue pCards.
- Cancel pCards immediately upon request of the City's Program Administrator.
- Notifies City's Program Administrator of any suspected fraudulent use of a card.

C. Finance Department/Accounts Payable

- Interface pCard data to Advantage 3
- Issue 1099-Misc forms
- Calculate and pay Use Tax
- Issue payment to J.P. Morgan

D. Procurement

- Analyze Cardholder merchant use patterns; identify new contracting opportunities and negotiate lower price contracts based on utilization data
- Negotiate discounted Procurement contracts with other vendors

E. pCard Program Administrator

- Receive card applications from departments; enter them into J.P. Morgan PaymentNet
- Receive cards from J.P. Morgan; store them securely until Cardholders are trained
- Maintain pCard Manual
- Schedule and conduct training for each department/division for Cardholders and reconcilers/approvers
- Issue cards to Cardholders or Department Liaisons for distribution to Cardholders
- Review transactions
- Review Cardholder activity
- Analyze activity with vendors, including by small business, minority or women owned
- Report on Unreconciled transactions
- Report on Disputed transactions
- Report on Cards about to expire
- Track termination or transfer of Cardholders
- Cancel cards
- Make changes to Cardholder accounts

- Issue renewed cards to existing Cardholders.
- Pre-authorize card or transaction exceptions

F. Department Director

- Authorizes initial request for cards
- Designates Department pCard Liaison
- Determines disciplinary action for pCard misuses

G. Department pCard Liaison

- Act as contact with the City's pCard Administrator
- Develop and enforce internal department policies and procedures
- Monitor department card activity
- Makes change requests with pCard Administrator by email (e.g., limit changes, name changes)
- Maintain copies of Cardholder applications, agreements and card numbers.
- Forward applications and agreements to the City's pCard Administrator
- Serve as department contact for lost or stolen cards
- Assist with disputed charges that cannot be resolved by the Cardholder
- Provides internal training
- Updates Cardholders on vendor participation
- Handles any questions related to the pCard Program
- Advises the Department Director of problematic Cardholders
- May store infrequently used pCards
- Collects pCards from employees who terminate employment with the department and updates pCard Administrator as separations occur
- Maintains archived pCard documents for a period of not less than five years from the transaction date

H. Cardholder

- Safeguards pCard
- Reports lost or stolen cards immediately
- Complies with all polices relating to the use of the card
- Submits documentation such as receipts, packing slips, etc. to the account reconciler on a daily basis
- Resolves any discrepancies directly with the vendor

I. Reconciler

- Can reconcile own transactions
- Receives documentation such as receipts, packing slips, etc. from Cardholders and maintains in a pending file until the transaction has been completed and reconciled
- Reconciles account statements and reports any discrepancies by 3:00 p.m. on the 4th working day of the month (Note: for a department card, an individual will be responsible for the card and reconciling all associated transactions)
- Assures that correct accounts/object codes are used on transactions.
- Reviews and resolves discrepancies

J. Approver

- Reviews transactions processed by the Reconciler and affirms that pCard policies and procedures were followed and a receipt has been submitted by 3:00 p.m. on the 4th working day of the month
- Does not approve own transactions
- Affirms that correct accounts/object codes have been used

- Prepares various reports for Cardholders, division administrators, etc.

III. Join the pCard Program

A. Criteria for Departmental Participation

In order to participate in the City of Tucson pCard program, each department/division must be able to give "yes" answers to the following questions:

1. Will your division be able to insure that rules and regulations governing the use and protection of the pCard will be followed? These concerns stem from the fact that the pCard is not a personal credit card, thus is not protected from fraudulent use in case of loss or theft or misappropriation of the account number unless J.P. Morgan is notified by the end of the month following the month in which fraudulent charges occurred.

2. Will your Department Director or equivalent Administrator empower one of your employees to act as a pCard Liaison for purposes of reporting pCard policy violations or any other misuse of the card? This employee will need top level authorization and on-going support.

3. Will the Department Director take immediate, appropriate action upon learning of card misuse? Cards can be suspended temporarily, individual and monthly purchase limits can be lowered, or cards can be canceled, based on the degree of misuse. Notify the Program Administrator immediately.

4. Do you have staff that can provide prompt, reliable reconciliation and approval of pCard transactions? Both primary and backup Reconcilers and Approvers should be identified within your department/division. NOTE: The Reconciler and Approver assigned to each card must be different individuals.

5. Will your department be able to establish a system for handling and archiving purchase documentation, including order forms, receipts, invoices, packing lists, etc. **Note: The department is solely responsible for maintaining detailed documentation for audit purposes.**

6. Do the Reconciler and Approver have the computer hardware necessary to run the J.P. Morgan PaymentNet Web Site required for this program? Each Reconciler and Approver will need a computer for this purpose.

In order to run PaymentNet effectively, we recommend the following:
- An Internet browser that supports SSL (Secure Sockets Layers). We recommend Internet Explorer 4.01 SP2 or greater, as well as Netscape 4.7 or greater.
- Screen resolution of 800 x 600 or greater is recommended.
- Access to the Internet.

B. Getting Started

When your division meets the criteria described above, here are the steps for getting started.

Step 1 Submit a Departmental Participation Form (available on the intranet). This includes determining whom the Liaison between your Cardholders and the pCard Program Administrator will be. The Department Director or equivalent administrator must sign and authorize their department to join the pCard Program. New Departmental Participation Forms should be mailed to the pCard Program Administrator.

Step 2 Assign Reconciler and Approver roles (including backups) to department employees. NOTE: The Reconciler and Approver assigned to each card must be different individuals.

Step 3 A. Identify department members that are to be Cardholders and submit applications. Complete an Individual pCard Application (available on the intranet) for each employee. Print and complete the form and have it signed by the Cardholder, liaison and/or Department Director. New applications should be mailed to the pCard Program Administrator.

B. If requesting a Department Card, identify the responsible person who will administer the card. Complete a Department pCard Application in the name of the department, division or project. The card, once issued, should be held in the business office. Print and complete the form and have it signed by the responsible person, liaison and Department Director. New applications should be mailed to the pCard Program Administrator.

Step 4 Set up a system for handling and archiving purchase documentation, including order forms, receipts, invoices, packing lists, etc. **Remember: The department is solely responsible for maintaining detailed documentation for audit purposes. For all expenditures, supporting documentation must be retained for a period of five (5) years from the transaction date. If questionable, i.e., grants; contact the City Records Manager at 791-4213.**

Step 5 Identify potential Cardholders by applying the following criteria:

- An employee of the City of Tucson.
- Responsible and reliable in following the policies concerning the use and protection of the card.
- The majority of potential purchases made are suitable for pCard use.
- Will be responsible and reliable in timely submission of order information, invoices, es, etc.

Consider the possibility of requesting a pCard for a centrally located employee to place orders for those who might need to make these kinds of purchases only infrequently.

Step 6 The City of Tucson and the departments are responsible for determining credit card transaction limits for each Cardholder. The City recommends setting the maximum limit for single transactions at $5,000, unless purchasing off an established contract or unless authorized by the pCard Administrator. Any department may set a lower limit for individual transactions for any Cardholder or department card. Cardholders within a department may have various limits, determined by the department's purchasing needs. Departments must also set a dollar limit per cycle (month) for each Cardholder or departmental card. It is recommended that the lowest limits practical be set to minimize risk. Departments may set limits on each Cardholder's or Department card's number of transactions per day and number of transactions per cycle. Should a Cardholder or department wish to increase or decrease any of these limits after they have been set, they should confer with their supervisor and the Department pCard Liaison. The Liaison will send an email to the Program Administrator to make approved changes. Limit changes may be made at any time and as often as required.

Step 7 After the completed applications are received by the pCard Program Administrator, the cards will be ordered and training will be coordinated for Cardholders, Reconcilers/Reviewers and Approvers prior to the distribution of cards.

IV. Card Management

A. Individual Cardholder Application and Management

The Cardholder must complete and sign the Individual pCard Application and the Cardholder Agreement Form (all forms are available on the intranet). Th application establishes the default accounting number for each Cardholder, the Cardholder's purchase limit and identifies the Reconciler and Approver for each card. By signing the Cardholder Agreement, the Cardholder agrees to comply with the following terms and conditions:

- Guidelines in the City of Tucson's Procurement Policies and Procedures
- Notify the proper authorities if the card is lost or stolen

B. No Delegation or Assignment

Individual pCards may not be delegated or assigned to others. All pCards are the property of The City of Tucson and J.P. Morgan.

C. Assignment of Advantage 3 Account Numbers

During the pCard application process, each pCard is assigned a default account number. Transactions that are not reconciled and approved by the department by 3:00 p.m. on the fourth working day of the month will automatically be charged to the default Advantage 3 account number. If reconciled before 3:00 p.m. on the fourth working day, the account code may be changed to any account within the department or split to divide expenses between two or more account numbers. Object codes may also be changed.

If any part of the account string is unavailable in PaymentNet, send an email with specific information needed to: paymentnet_acctg_Setup. The City of Tucson Finance Department is responsible for uploading new account string information into PaymentNet on a weekly basis.

It is the Department's responsibility to ensure that transactions are reconciled in a timely manner with the correct account number. If a transaction is not reconciled before 3:00 p.m. on the fourth working day, it shall be the Department's responsibility to process a Journal Voucher Entry to make corrections to account numbers.

D. Spending Limits

The Procurement Department and the customer department determine the pCard spending limits.

The department recommends a per transaction limit for each card based on foreseeable purchases. They also set a monthly dollar limit, a daily transaction limit and a monthly transaction limit (the City of Tucson's cycle ends on the last working day of each month).

It is recommended that the lowest limit practical be set to minimize risk. Should a Cardholder wish to increase or decrease any of these limits after they have been set, they should confer with their supervisor and the Department pCard Liaison. The Liaison will send an email to the Program Administrator to effect approved changes.

Transactions greater than the established amount are blocked on the pCard and will be denied at the point of sale.
Payment for purchases shall not be split in order to stay within the single purchase limit. Splitting purchases constitutes misuse of the pCard and may result in disciplinary action and the termination of card privileges.

E. pCard Security

Cards must be diligently safeguarded. Each Cardholder must know where his/her card is at all times.
In case of loss or theft of the card or misappropriation of the card account number, fraudulent charges are forgiven by the bank ONLY if they are notified by the end of the month following the month in which the fraudulent charges occur (this is called the notification period). The Cardholder must call 1-800-270-7760.

1-800-270-7760, is available 24 hours a day every day

EVERY CARDHOLDER MUST KEEP THIS PHONE NUMBER
SOMEWHERE SEPARATE FROM THE CARD, FOR EASY ACCESS IN CASE OF LOSS OR THEFT.

If the bank is not contacted within the notification period, fraudulent charges could become the liability of the Cardholder's department, or if denied by the department, the liability of the Cardholder.

Through prompt reconciliation, reconcilers may be the first to become aware of fraudulent charges, and should see that the bank is notified immediately.

Cardholders: "SAFEGUARD YOUR PCARD!!!!!!!"

It is strongly suggested that, if a Cardholder finds card use to be extremely infrequent, they turn in their card for cancellation or storage in a secure central location within the department, in order to prevent loss of the card.

F. Activating the Card

The Cardholder should call the 1-800 number on the sticker of the pCard to activate the card. This automated line will prompt the Cardholder for the credit card number (on the face of the card), social security number (use an Employee Identification Number or EID number, *not* a Social Security Number) and mother's maiden name (the name entered on the designated field of the card application, if left blank, use the name BLANK).

G. Card Renewal

Cards will be automatically renewed before their expiration date. Replacement cards will be sent directly to the PCard Program Administrator. The pCard Administrator will then forward the card(s) to the Department Liaison. Liaisons must email the pCard Program Administrator to confirm receipt.

H. Canceling A Card

Upon termination of employment or transfer to another department, the Cardholder must return his or her pCard to the Department Liaison. The Liaison must then email the pCard m Administrator requesting cancellation of the card**.** The Liaison should cut up the card and carefully dispose of the pieces. The pCard Administrator may require that a Cardholder turn in the pCard in case of misuse and/or fraud. Also, Department Directors may require Cardholders to turn in cards for cancellation based on criteria they determine for their own departments.

V. Placing an Order

A. Transaction Flow

1. Cardholder places order.
2. Cardholder maintains transaction documentation for reconciliation.
3. Reconciler immediately reconciles transaction information to the receipt. Transactions are then ready for the Approver.
4. Reconcilers and Approvers edit account numbers, object codes, etc. and approve transactions for upload to Advantage 3. Transactions will then be uploaded to Advantage 3 after 3:00 p.m. on the 4th working day of the month for the previous billing cycle.
5. Transactions are uploaded to Advantage 3 after 3:00 p.m. on the 4th working day of the month whether reconciler or approver has acted upon them or not. Failure to complete the reconciliation or approval process may result in the revocation of the pCard and may require the department to submit a journal entry to transfer funds.
6. All transactions must be reconciled and approved in PaymentNet by 3:00 p.m. on the fourth working day of the month for the previous billing cycle.
7. Department Approvers or Reconcilers review monthly bank statements and retain all backup documentation for audit purposes.

B. Placing Phone Orders

The pCard may be used to place orders over the phone. Cardholders must provide the vendors with the following information: the pCard number and expiration date, quantity and description of goods to be ordered and detailed instructions on delivery. In addition, the Cardholder must request that an itemized invoice complete with sales tax information be sent with the shipment.

C. Sales Tax Information and Itemized Invoices

The Cardholder is responsible for requesting from the vendor an itemized receipt, invoice, bill or other related document that includes itemized tax. If the tax information is not itemized and if the vendor has an Arizona State sales tax license, the order MAY BE CHARGED TAX.

All documentation including but not limited to receipts, packing slips and invoices must be maintained by the department for a period of five years. With the documentation for each purchase, the Cardholder must include information about the

Advantage 3 account(s) to be charged. Please refer to pCard polices and procedures from your own department for specific instructions.

D. Customer Numbers

What are customer numbers? Some merchants will ask you for yours. They are the merchant's method for associating a billing and shipping address in their records. The first time any particular merchant asks you for your customer number, **tell them they must set up a new one**, complete with your billing and delivery address. Please tell them not to use any other customer number that they have in their file for the City of Tucson. Make a note of the customer number the vendor assigns to you; providing that number when you order from them again will speed the ordering process.

E. Delivery Instructions

Cardholders must provide the vendor with detailed instructions for delivery. All goods must be shipped directly to the department **not** to Central Receiving. Please note that different addresses are used if the goods are shipped via US mail or a commercial carrier. A Post Office Box number must be used for shipping through US mail. Departments must use a street address for shipments sent by a commercial carrier. Cardholders must ask the vendor which shipping method will be used. Examples follow.

U.S. Mail:	Joe Zona Any Department Destination Building, Room 601 P.O. Box 272XX City of Tucson Tucson, Arizona 85726-00xx
Commercial Carrier (UPS, Federal Express):	Joe Zona Any Department Destination Building 77, Room 601 140 East M Street City of Tucson Tucson, AZ 85726

F. YOUR Billing Address

When you place an order over the phone or on the internet, you must give your own billing address to the vendor. Emphasize to them that they are to send the invoice to YOUR billing address, not to the City's Accounts Payable office. When in doubt, your billing address is not a post office box number; it is your physical/street address.

G. Billing Address Information

Some vendors may ask for your billing address. For pCard transactions, it is the address on your pCard application (street address, not a post office box). This address appears on the cardboard folder around new cards.

After obtaining your billing address, the vendor may call the bank and verify the information as an additional check that you are a bona fide Cardholder. Warning: If the vendor gets one character in the address wrong, the bank may decline the sale. They will not assist the vendor in correcting the error; their position is that they protect your information and do not share it.

H. Damaged Goods/Disputed Charges

The Cardholder should immediately attempt to resolve any discrepancy directly with the vendor.

A discrepancy can result from failure to receive goods, fraud, altered charges, defective merchandise, incorrect quantity or incorrect merchandise, duplicate charges, credits not processed or discounts not received.

If the Cardholder is unable to reach an acceptable solution or agreement with the vendor, he or she should notify the Department pCard Liaison.

The charge can be disputed online through PaymentNet by the Reconciler or Approver. The Cardholder may also call J.P. Morgan Customer Service at 1-800-270-7760. If the bank is not notified within 30 days after the last day of the billing cycle during which the charge appears, fraudulent charges could become the liability of the Cardholder's Department or if denied by the Department, the liability of the Cardholder.

I. Help For Vendor Problems when Placing Phone Orders

If a vendor has difficulty in handling a pCard (e.g., says it's not valid, says it's expired) and the Cardholder is unable to resolve the problem, **HELP** is available from **J.P. Morgan Customer Service at 1-800-270-7760**.

Customer Service is authorized to talk only with Cardholders and with the pCard Administrator, but the CITY’S liaison may be included on a conference call or speakerphone after the Cardholder has provided his/her identifying information to the bank.

VI. How to Make Changes

A. Liaison

1. Fill out a new Departmental Participation Form.
2. Change the title of the form to "CHANGE LIAISON".
3. Have the new Department Liaison and the Department Director sign
4. Send the form to the pCard Program Administrator.

B. Reconciler and/or Approver

Complete a Reconciler and/or Approver Agreement form indicating the change by the liaison. Forward the completed form to the pCard Program Administrator.

C. Cardholder

The Liaison shall send an email to the pCard Program Administrator indicating any changes to:

- Cardholder's last name.
- Cardholder's address.
- Dollar and/or transaction limits.
- Reconciler and/or Approver (must also send a completed agreement form, as applicable).

Procurement Card

Reconciliation / Approval Review Checklist

All Reconciling & Approving MUST occur by 3:00 p.m. on the fourth business day of each month for the previous billing cycle.

RECONCILIATION <u>WITHOUT</u> SPLIT FUNDING:

_____ STEP 1-REVIEW RECEIPT: Review receipt for validity.

_____STEP 2-LOGIN: Log into PaymentNet.

_____STEP 3-MATCH RECEIPT: Match transaction to receipt; write transaction ID number on receipt or order log, check the no receipt box if a receipt/purchase documentation was not provided (NOTE: receipts must be retained, failure to do so may result in the revocation of the pCard).

_____STEP 4 - DETAIL RECORD SCREEN: Click on the Employee Last Name to get to the Detail Record Screen.

_____STEP 5- ACCOUNTING CODES: Allocate the expense to the appropriate account string (Fund, Dept, Unit and Object are required fields – Activity/Program Codes are available). If you have authorization to charge an account string other than for your own department, ensure that you have written authorization to do so and as a courtesy, provide a copy of the posted transaction to the other department/division as they will not see the transaction posted in PaymentNet. If you do not see the necessary account codes – email PaymentNet_Acctg_Setup@tucsonaz.gov to request an upload of the established account code(s) into PaymentNet.

_____STEP 6- PO# OR TO# FIELD: Enter the Purchase Order # if purchase was made off an established PO – regardless of the dollar amount. If the payment is travel related, a TO# must be entered.

_____STEP 7- ENTER SALES TAX: If purchase was made with a merchant in Arizona, travel related or a professional service click SVC/Tax Exempt and ignore the Enter Sales Tax field. Otherwise, enter the amount of Sales Tax paid as indicated on the receipt in the Enter Sales Tax field. If uncertain, contact Finance 791-4681 or refer to the Use Tax Training Handout, available on the intranet.

_____STEP 8- NOTES: Enter the business purpose in the Notes field. Note: if local food was purchased, enter the purpose and ensure that a roster of the meeting/event attendees is readily accessible in the event of an audit. If travel related, enter the name of the person(s) traveling, and the purpose of their travel. Do not abbreviate unless the abbreviation is universally understood. Always enter the Invoice number when paying an invoice originally received by Accounts Payable.

_____STEP 9-RECONCILE /APPROVAL REVIEW: If you are the Reconciler/Reviewer, check the Reconciled box. If you are the Approver, check the Approver box. Never click both boxes – these duties must be kept separate. In the event the assigned reconciler or approver is out on extended leave, a proxy can be set up for another person to fulfill the obligation of that reconciler or approver.

_____STEP 10-RECEIPT RETENTION: Retain all original documentation (receipts, packing slips, etc.) for 3 years. If grant related, contact City Records, 791-4213. Receipts must be readily accessible in the event of an audit.

RECONCILIATION <u>WITH</u> SPLIT FUNDING:

_____ STEP 1-REVIEW RECEIPT: Review receipt for validity

_____ STEP 2-LOGIN: Log into PaymentNet

_____ STEP 3-MATCH RECEIPT: Match transaction to receipt; write transaction ID number on receipt or order log, check the no receipt box if a receipt/purchase documentation was not provided (NOTE: receipts must be retained, failure to do so may result in the revocation of the pCard).

_____ STEP 4- DETAIL RECORD SCREEN: Click on the Employee Last Name to get to the Detail Record Screen.

_____ STEP 5- SPLIT: Click Split at the top of the screen

_____ STEP 6- NUMBER OF SPLITS: At the bottom of the screen, select the number of splits

_____ STEP 7- ACCOUNTING CODES: Click Edit Row, confirm that the account number and sales tax are correct, if not select or type in correct information and click Save Row- repeat for each row of split. Fund, Department, Unit and Object are required. Activity & Program codes are available. If you do not see the necessary account codes – email PaymentNet_Acctg_Setup@tucsonaz.gov to request an upload of the established account code(s) into PaymentNet. If you have authorization to charge an account string other than for your own department, ensure that you have written authorization to do so and as a courtesy, provide a copy of the posted transaction to the other department/division as they will not see the transaction posted in PaymentNet. When all rows have been completed, ensure that "save split" is clicked after saving all rows. See Step 8 prior to saving split.

_____ STEP 8-CODE SALES TAX: If the item was sales tax exempt enter any alpha character in the Sales Tax field of the appropriate row. NOTE: if part of a transaction is taxable and part is not taxable (e.g. commodity purchase is taxable but shipping of the purchase is not), be sure to split the transaction and include tax only on the taxable portion

_____STEP 9- NOTES: Enter the business purpose in the Notes field. Note: if local food was purchased, enter the purpose and ensure that a roster of the meeting/event attendees is readily accessible in the event of an audit. If travel related, enter the name of the person(s) traveling, and the purpose of their travel. Do not abbreviate unless the abbreviation is universally understood. Always enter the Invoice number when paying an invoice originally received by Accounts Payable.

_____ STEP 10-RECONCILE/APPROVAL REVIEW: If you are the Reconciler/Reviewer, check the Reconciled box. If you are the Approver, check the Approver box. Never click both boxes – these duties must be kept separate. In the event the assigned reconciler or approver is out on extended leave, a proxy can be set up for another person to fulfill the obligation of that reconciler or approver.

_____ STEP 11-RECEIPT RETENTION: Retain all original documentation (receipts, packing slips, etc.) for 3 years. If grant related, contact City Records, 791-4213. Receipts must be readily accessible in the event of an audit.