

CITY OF SANDY OAKS, TEXAS

RESOLUTION NO. 2024 - 200

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANDY OAKS ADOPTING A PURCHASE CARD POLICY FOR ALL DEPARTMENTS, EMPLOYEES, OFFICERS, AND ELECTED/APPOINTED OFFICIALS USING CITY ISSUED PURCHASE CARDS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Sandy Oaks (“City”) recognizes that the day-to-day operations of City business at times requires immediate and small purchases of goods and/or services to effectively conduct City business through various departments; and

WHEREAS, the City Council recognizes that policies and procedures are needed to provide guidance and compliance requirements to all City departments, employees, officers, and elected/appointed officials (“Card User”) requesting and using a City credit or debit card (“Purchase Card”) for the purchasing of goods and/or services for the City; and

WHEREAS, establishing a clearly defined policy would provide the responsibilities, procedures, and guidelines that are uniform and can be consistently applied to all Card Users for the use of Purchase Cards; and

WHEREAS, such policy will ensure accountability and transparency for all purchases using a Purchase Card for all City-related business expenses;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SANDY OAKS, TEXAS:

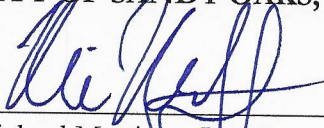
SECTION 1. PREAMBLES INCORPORATED. The City Council officially finds and declares that the facts and recitations set forth in the preamble to this Resolution are true and correct.

SECTION 2. POLICY ADOPTION. The City Council hereby adopts the Purchase Card Policy attached hereto as Exhibit “A” and incorporated herein, applicable to all City departments, employees, officers, and elected/appointed officials of the City of Sandy Oaks requesting the use of a City Purchase Card.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its passage.

PASSED AND APPROVED on this 27th day of June, 2024.

CITY OF SANDY OAKS, TEXAS



Michael Martinez, Jr., Mayor

ATTEST:


Delma Doyal, City Secretary

**CITY OF SANDY OAKS
PURCHASING CARD POLICY**

I. PURPOSE

The purpose of this Purchase Card Policy is to establish policies and procedures of the City of Sandy Oaks (“City”) for purchasing goods and/or services using a credit or debit card (“Purchase Card” or “Purchasing Card”). All Purchase Card purchases must be made in compliance with statutory requirements for public procurement and City policies and procedures.

II. SCOPE

This policy applies to all City departments, employees, officers, and appointed/elected officials who obtain or use a Purchase Card (individually, and collectively, “Card User”) to perform official City business. All Purchase Cards shall be governed by this policy and used in a manner that complies with State law and City policy regulating the procurement and purchasing of goods and services.

III. RESPONSIBILITIES

A. City Administrator. The City Administrator is the administrator of this Purchase Card Policy and performs the following duties as administrator of the policy:

1. Serve as the primary contact with the financial institutions for Purchase Cards.
2. Serve as the primary contact with the Card User using Purchase Cards.
3. Approve/process requests for the issuance or use of Purchasing Cards for Card Users in compliance with policy.
4. Establish guidelines for transactions and cumulative dollar limits for purchasing cards not to exceed the limits established by City Council and may adjust spending limits at his/her discretion to accommodate emergency purchases.
5. Review transactions for verification of purchases and to ensure proper use of City funds.
6. Act as final authority for usage and control of all Purchasing Cards and may deny a Card User’s use of a Purchase Card if a Card User has not adhered to the purchasing card policy and procedures.
7. Maintain Purchasing Cards in a safe and secure location.

B. City Secretary. The City Secretary serves as the general accountant for the City and performs the following duties under this policy:

1. Review monthly billing statements from the Purchasing Card financial institution and supporting documentation from departments ensuring timely payment of monthly indebtedness.
2. Issue a Purchase Card upon receipt of an application/request for a purchase card with signatures of the department’s director and City Administrator and

keep a record of the card issued, the date of issuance, Card User, authorized purchase amount, date of return, receipt submitted, and actual purchase amount.

3. Review or perform necessary accounting transactions to process all charges and ensure the reconciliation of accounts.

C. Department Directors. Department directors will make recommendations as to purchases for their department and may recommend an employee make a purchase on behalf of the department and performs the following functions related to this policy:

1. Monitor purchases made by Card Users.
2. Review Purchasing Card application/request and provide signature authorization for applications/requests for use if approved.
3. Review receipts.
4. Ensure or submit original receipt to the City Secretary and designate a system to maintain a copy of receipts.

D. Card Users

1. Submit a request, with authorization from the department director, and execute agreement for use of Purchasing Card prior to being issued and using a Purchasing Card.
2. Keep the Purchasing Card in his/her possession and not allow anyone else to use the Purchasing Card issued.
3. Assume responsibility for all purchases made with the Purchasing Card, adhering to this policy, ensuring that no unauthorized purchases are made while in his/her possession. Unauthorized purchases could be considered misappropriation of City funds.
4. Return Purchase Card to City Secretary upon completion of authorized purchase.
5. Confirm that the merchandise is received.
6. Inform vendor of tax exempt status and provide tax exempt certification to vendor. **If tax is included, the Card User will be responsible for reimbursing the tax amount to the City.**
7. **Submit original receipt to the City Secretary, with a copy to the department director (within three (3) business days of purchase). Card User will be held personally responsible for items purchased without the supporting documentation.**
8. Immediately report lost or stolen cards to the City Administrator.
9. Make every reasonable effort to resolve disputed purchases with the vendor.
10. Immediately report all unresolved disputed purchases to the department director for intervention.

IV. PROCEDURES

A. Card Issuance. To make a purchase with a Purchase Card, a Purchase Card application/request form (Attachment A) must be completed. Upon receipt of the

completed application/request for use of a Purchase Card, signed by the department director, the City Administrator will determine whether to approve or deny the request within a reasonable time based on the requested purchase and necessity of the requested purchase. If approved, the Card User may submit the application/request to the City Secretary for issuance of a Purchase Card and a copy of the City's tax exemption certificate.

B. Purchasing Limits. The department director will recommend a limit for the Card User requesting a Purchasing Cards if the total purchase amount cannot be fully determined. The maximum amount of a single item purchase of goods or services will not exceed the limit established below:

1. A purchase limit not to exceed \$2,000.00 to a single vender in one calendar day.

C. Purchases Allowed with the Purchasing Card. Purchasing Cards may be used to purchase any good and/or service for immediate use not prohibited by law, this policy, or other policies approved by City Council. The total purchase with a Purchasing Card shall not exceed the limits established by the policy. All other purchasing policies remain in effect and Purchasing Cards should not be used to circumvent them.

D. Purchases Prohibited with the Purchasing Card. Purchase Cards may not be used for the following types of purchases:

1. Personal expenditures
2. Cash advances, refunds, gift cards/certificates
3. Celebratory food and/or supply purchases, such as birthday, welcome and holiday meals. Exception:
 - Meals approved by the City Administrator;
 - Guest functions
4. Recurring staff meeting snacks, meals (*i.e.* breakfast tacos, doughnuts).
5. Transaction amounts greater than the Purchase Card spending limit, unless prior approval from the City Administrator or City Council is received
6. Single vendor purchases of \$250.00 or more, unless prior approval from the City Administrator or City Council is received.
7. Purchases for items exceeding the permitted items authorized by the application/request.
8. Sales tax, except in cases where State law does not exempt local governments. If tax is included, the Card User will be responsible for reimbursing the tax amount to the City.
9. Purchases that exceed the City's policy for purchases of equipment of any type.
10. Weapons, Firearms, Ammunition
11. Animals
12. Consulting services
13. Inventoried assets or controllable inventory, this includes technology purchases such as tablets, computers, phones and software. These purchases

should be coordinated with the City Administrator and follow the purchase order process.

14. Prescription drugs or over the counter medications/drugs
15. Purchases involving equipment trade-in
16. Entertainment of any kind, including the purchase of alcohol or patronage of drinking establishments unless by law enforcement personnel for covert operations
17. Purchases of items/services under contract, unless purchasing from the contracted vendor or an emergency exception is granted
18. Separate, sequential, and component purchases or transactions made with the intent to circumvent State law or City policy including:
 - Multiple, sequential purchases of less than \$250.00 from a single vendor for similar purchases adding up to more than \$2,000.00.
19. Purchases that are split to stay within authorized spending limits.
20. Other purchases specifically excluded in other City policies or by law

Card Users should include all requested uses when submitting an application/request for use of a Purchase Card to ensure the proper expenditure of funds.

- E. Security. When a Card User is issued a Purchase Card, he/she is responsible for the security of the card and any transactions made against the Purchase Card. The card should be treated with the same level of care as the Card User would use with his/her own personal charge cards, not limited to the following recommendations, the Card User should:
1. Carry the Purchase Card or keep in a secure location at all times while in the Card User's possession.
 2. Know where the card is at all times.
 3. Not share the Purchase Card with anyone.
 4. Secure the Purchase Card number. Do not write the card number on outgoing email or faxed orders. Instruct the supplier to call for the credit card information and do not keep credit card numbers on file with suppliers.
 5. Make sure security is in place before making any Internet orders.
 6. Guard the Card User's personal information and not provide any non-essential information on-line, by email or by phone.
- F. Supporting Documentation for Card Purchases. All transactions must be supported by itemized receipts or credit slips. In instances where the receipt is lost, the Card User must obtain a copy at their own expense from the vendor. For purchases made over the phone, by email, or on the Internet, the Card User should obtain a faxed copy or e-mail confirmation of the order as the receipt.
- G. Declined Transactions. If a vendor receives a "Decline" response from the financial institution issuing the Purchase Card to the City after attempting to make a purchase, the Card User should contact the City Administrator to determine the cause for decline

and provide the Purchase Card account number, the vendor where the decline occurred, the total transaction amount of the decline, and the date of decline.

- H. Using the Card. A need to purchase a good and/or service through a Purchase Card is established when it is not readily available through a City contract. In making a purchase, the Card User must abide by the following rules:
1. The Card User must ensure that the item or service purchased is not restricted under section IV.D.
 2. In purchasing a good or service, the Card User must ensure that sales tax is not included in the purchase price before issuing payment with the Purchasing Card.
 3. It is the Card User's responsibility to ensure receipt of goods and services and to follow up with vendors to resolve any problems with delivery, discrepancies, and/or damaged goods.
 4. The Card User shall retain documentation of all purchases for record keeping purposes and to maintain an audit trail. The documentation shall include original receipts sales recipes, packing slips and any other information related to the credit card transactions. Orders by phone or via the internet, must be followed or accompanied with an itemized sales receipt.
 5. Upon completion of the authorized purchase, the Card User shall return the original receipt, tax exemption certificate, and Purchase Card to the City Secretary and provide a copy to the department director.
- I. Purchasing Return. The Card User is responsible for obtaining a credit receipt from the vendor when merchandise is purchased with a Purchase Card and is later returned to a vendor for any reason. The credit receipt must be kept with the sales receipt and the Purchase Card User must follow the same procedure for submitting the sales receipt.
- J. Sales Tax. As a tax-exempt government agency, the City does not pay sales tax. There are exceptions in cases where State law does not exempt local governments from sales tax. The Card User will be provided a copy of the City's tax exemption certificate to a vendor when making a purchase. Cardholders are then responsible for ensuring that the vendor does not include sales tax in the transaction. If tax is included, the Card User will be responsible for correcting the charge or reimbursing the tax amount to the City.
- K. Lost or Stolen Purchasing Cards. **When it is determined that a Purchasing Card has been lost or stolen while in the Card User's possession, the Card User must immediately notify the City Administrator of the loss by phone. If the Card User cannot locate the City Administrator, the Card User should call the toll free number of the Purchasing Card's financial institution and notify them of the loss or theft.** The City is liable for all charges until the card is reported lost or stolen. **Thus, the Card User may be responsible for all charges made against the Purchasing Card from the time it is lost or stolen until the time the financial institution is notified, if the Purchase Card User fails to immediately notify the**

financial institution upon discovering the loss or fails to discover the loss within a reasonable amount of time.

- L. Unauthorized Use of the Purchasing Card. Any purchases that the department director or City Administrator deems prohibited by State law, this policy, or other City policy will be returned to the Card User for justification and/or explanation. If any prohibited charges appear the following may occur:
1. The department director or City Administrator will investigate all circumstances surrounding alleged misuse of the Purchasing Card and in cases where there is evidence of a procedure or policy violation, refer that information to the appropriate authority for investigations, disciplinary action, and/or possible prosecution.
 2. There is potential liability associated with the use of a Purchase Card. A Card User making an inappropriate or unauthorized purchase will be required to reimburse the City for the purchase. Reimbursements for inappropriate or unauthorized purchases may be deducted from the employee's paycheck.
 3. Any employee, officer, or appointed/elected official having knowledge of violations to this procedure or any other procedure or policy governing the use of the Purchasing Card must immediately report such activity to the City Administrator.
- M. Disputed Items. Disputes, if possible, should be resolved promptly between the Card User and the vendor. Disputes must be raised immediately, as failure to do so will result in an authorized purchase that the City is responsible for paying even though the charge is incorrect. If the dispute cannot be resolved within 10 days, the Card User should notify the City Administrator. A charge should not be disputed on the current statement if it was returned for credit after the billing cycle is closed. The credit should be reported on the next statement with a notation being made on the current statement that there is a disputed charge and expected credit.

By this policy, the City Council of the City of Sandy Oaks authorizes the use of City provided Purchasing Cards. The purpose of the Purchasing Cards is to provide the City with an efficient and controllable method of making small dollar, high volume commodity and service purchases. This card policy is not intended to replace, but rather supplement existing purchasing and other City policies.