

City of St. Helens  
**RESOLUTION NO. 1784**

A RESOLUTION ADOPTING A CITY OF ST. HELENS  
PURCHASE CARD PROGRAM POLICY

**WHEREAS**, the City of St. Helens offers two methods for acquiring supplies, equipment, materials and services: physical checks and credit cards; and

**WHEREAS**, in many cases, the use of credit cards is more efficient and takes less staff time to process invoices and physical checks; and

**WHEREAS**, the purpose of the Purchase Card Program is to set forth procedures on the use of City credit cards and establish expectations for employees using such cards to follow; and

**WHEREAS**, the City Council finds it in the best interest of the City and its employees to adopt a Purchase Card Program Policy.

**NOW, THEREFORE, the City of St. Helens resolves as follows:**

**Section 1.** The Purchase Card Program Policy, attached as Exhibit A and incorporated herein by reference, is hereby adopted.

**Approved and adopted** by the City Council on June 7, 2017, by the following vote:

Ayes: Locke, Carlson, Conn, Scholl

Nays: None

  
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Rick Scholl, Mayor

ATTEST:

  
\_\_\_\_\_  
Kathy Payne, City Recorder

<b>CITY OF ST. HELENS</b>	
PURCHASE CARD PROGRAM	POLICY NUMBER:
EFFECTIVE DATE:	APPROVAL:

## I. POLICY

The City of St. Helens offers two different ways to acquire supplies, equipment, materials and services: Accounts Payable (physical checks) and Purchase Cards (credit cards). The questions below will help you determine if you can use a Purchase Card (City credit card) instead of Accounts Payable (AP).

## II. PURPOSE

The purpose of the Purchase Card Program is to set forth procedures on the use of City credit cards and establish expectations for employees using such cards to follow.

## III. PROCEDURES

### Which one do I use?

1. Can you purchase the item with a credit card?

Yes – You might be able to use a Purchase Card from your department.

No – Use the Accounts Payable and Check Request process.

2. Does the vendor accept credit cards WITHOUT charging any additional fees?

Yes – If there are no additional fees, please use a credit card.

No – If there ARE additional fees, please use the Check Request process.

3. Verify with your supervisor that it is OK to use a card with your purchase.

> When the purchase is made, please make sure reconciler has a copy of the printed receipt to keep for reconciling at the end of the month.

> Purchases over \$5,000 should not be made with a credit card and should go through the Oregon State and City of St. Helens procurement process.

Selected managers in the City have a Purchase Card for their department/division. Certain departments/divisions have multiple cards specifically for positions. If your department would like to have an additional Purchase Card, an emailed request will need to be sent from the Department Head to the Finance Director.

The card looks and acts just like a normal credit card. When issued, you will be required to create a 4-digit pin for some authorization uses. Cards do not have access for withdrawals or cash back, but you may be required to enter your 4-digit pin when a purchase is made at certain locations.

The Purchase Card will not eliminate the AP Process. Many expenses you would normally pay through AP, you now have the ability to make on your own. Your Purchase Card can be used for reoccurring purchases/charges to your department if you choose. Use the questions above to ensure you can use a Purchase Card.

## **MONTHLY RECONCILIATION**

Each department/division with a Purchase Card is responsible for reconciling and classifying each expense to its appropriate General Ledger (GL) code during the monthly reconciliation process. Each person involved in the reconciliation process will be given a username/password to log into Wells Fargo.

To log in, go to [www.wellsfargo.com](http://www.wellsfargo.com). Click on the “Commercial” section. Click on Log In and you will be taken to the CEO Portal where your username and password is used to login. Contact the Finance Division if you have trouble logging in or have any issues with the Wells Fargo online system.

At the beginning of each month, EVERY card is required to be reconciled. A designated reconciler for each card will receive an email three (3) business days into the month from Wells Fargo as a reminder. You will receive another reminder seven (7) business days into the month if you have not reconciled your purchase card.

**If you have NOT reconciled your card by the 10<sup>th</sup> day of the new month, your card will be temporarily de-activated until the reconciliation process is complete and the Finance Division has re-activated your card for use again.**

### **Card Users and Reconcilers**

To reconcile your purchases each month:

1. Enter the GL codes for each purchase listed. This area is “free-form” so you can type the GL number. If you do not know your GL numbers, please use the current budget to identify specific GL numbers.
2. Scan into PDF all of your receipts/invoices/etc. that pertain to the specific statement/month you are reconciling. Please try to create ONE PDF file for every month. Email this PDF document to the Accounting Assistant when you have submitted your reconciliation online. This information is used for the final approval of your reconciliation. *Do NOT use the upload feature on the Wells Fargo website.*
3. Once reconciled, the Accounting Assistant and/or Finance Director will review your purchases and PDF file to confirm that everything is correct and will mark it for final approval.

### **RECORDS RETENTION**

The City Recorder’s Office, Finance Division, and Department Heads maintain the following records, in accordance with OAR 166-200 City Retention Schedule, which are available upon written request:

Contact City Recorder’s Office for:

- Contract records, including maintenance and service agreements

Contact Finance Division for:

- Vendor files
- Purchasing records, which include information on each transaction processed

Contact Department Heads for:

- Formal bids
- Specifications of materials and construction
- Price records

## **EMERGENCY PROCEDURES**

Emergency procedures are defined as those purchases requiring immediate action as the result of unforeseen circumstances. Such purchases should be held to an absolute minimum, as they are not conducive to proper purchasing methods.

All requests for emergency purchases must be accompanied by complete justification from the requesting department. If the City Administrator is satisfied with the justification, immediate action will be taken to complete the purchase.

Emergency purchases are handled differently depending on the cost of the purchase. The City Administrator and Finance Director have the authority to execute emergency purchases of less than \$5,000 in the most expeditious manner (e.g. telephone quotes, with a written quote to follow).

Emergency purchases \$5,000 and over require approval of the City Administrator. In most situations, competitive quotes will be sought; however, the City Administrator has the ability to waive the requirement for competitive solicitation.

## **COOPERATIVE PURCHASING**

**THROUGH THE STATE:** Cooperative purchasing by the City through the State of Oregon contracts is encouraged where cost savings may be obtained without sacrificing quality, delivery, etc.

**WITH OTHER GOVERNMENTAL UNITS:** Certain commodities may be purchased at a better price by increasing quantities through a cooperative bid with other governmental agencies. When it is in the best interest of the City to enter in cooperative purchases, this is advised.

## **DEPARTMENTAL PURCHASING**

Authority for all City purchases rests solely with the City Administrator. However, purchasing may be handled at the using department level at the discretion of the City Administrator. Department buyers may receive quotes and recommend vendor selections, and may put together bid packages. However, the ultimate authority in consummating such purchases still rests with the City Administrator and, to the extent delegated by the City Administrator, with the Finance Director. Since the City Administrator has the authority to determine the level of buying to be performed at the departmental level, certain factors are utilized in making that decision. The primary factors relate to the inherent advantages of centralized purchasing. These are:

1. Quantity discounts are obtained by consolidating the various departmental requirements.
2. Duplication of effort is lessened.
3. Transportation charges may be reduced with centralized, consolidated purchasing.
4. Purchasing expertise is concentrated to the City Administrator, allowing purchases to be made through a centralized process effectively and efficiently.
5. Using departments are free to spend their time where their expertise lies, when they are not involved in the purchasing function.
6. Management control is facilitated with centralized purchasing. This control includes evaluating vendor performance, long and short term material needs, etc.
7. With centralized purchasing, fewer orders are processed, fewer documents go through accounts payable, less employee time is spent with vendors, and fewer records are created and filed. All of these make for a more efficient operation.

The above factors are the type of item the City Administrator will consider in any request by a department to allow any increased buying at the departmental level.

### **RECEIPT OF MATERIALS**

The City does not have a central receiving office. For this reason, all departments are responsible for receiving the materials purchased for them. This responsibility includes the following tasks:

1. Verifying that the goods received agree with what is shown on the packing slip. Check quantity, description, size, etc.
2. Verifying that the goods received agree with the intended purchase.
3. Reject damaged shipments or shipments of incorrect material.

Problems in the above-mentioned areas which cannot be resolved by the intended department should be brought to the attention of the Finance Director. Department personnel authorized to sign for receipt of purchases will certify that the item or items have been received and accepted, and should have access to any delivery slips or any other information concerning the goods received.

### **ETHICS/CONFLICTS OF INTEREST**

A potential conflict of interest exists anytime a City employee has an interest in any other entity that transacts business with the City. An interest includes ownership, employment, participation, or an opportunity to derive personal gain. An entity includes individuals, companies, partnerships, corporations, organizations, and other governmental agencies.

Daily transactions include the provision of goods and services, the procurement of goods and services, and regulation and enforcement functions that may extend far beyond its political boundaries. A City employee's involvement in any activity that is, has a high potential of becoming, or appears to be a conflict of interest must be prohibited. Consequently, clear guidelines must be set forth to assist employees in avoiding situations that can be defined as a conflict of interest.

Situations which might present a conflict of interest regarding purchases should be brought to the attention of the City Administrator.

#### **Minimum Standards**

1. Involvement by a City employee in conflict of interest situations is prohibited.
2. Cash or negotiable instruments of any kind may not be accepted by a City employee for personal use.
3. City employees may not accept complimentary benefits of any kind from any person, firm, or other entity with whom that employee is currently dealing in an official City business capacity. "Currently dealing" as referenced in this section means a transaction of business in which a City employee has the authority and capability of using judgmental or administrative discretion in conducting official business with any person, firm, or other entity as opposed to a routine business interaction which is primarily procedural in nature and conducted in accordance with the rules, work load, and service requirements of the employee's department.
4. Past complimentary benefits accepted by a City employee from a person, firm, or other entity with which that employee is newly dealing in an official City business capacity will be disclosed to that employee's supervisor. If the supervisor determines that the employee must continue in an official capacity having accepted past complimentary benefits, action will be taken to insure the objectivity of the actions of the employee and the protection of the employee's and the City's reputation and integrity.

From the standpoint of purchasing, a conflict of interest situation can only exist when the City employee concerned is involved in the purchasing process, as with a department head, department buyer, or the City Administrator. Furthermore, acceptance of complimentary benefits creates a conflict of interest only when the benefit has material value and is offered specifically to the individual employee or employees, rather than to a large group to which the employee belongs. Accordingly, acceptance of an advertising pen or pencil creates no conflict of interest, whereas acceptance of the free use of a vacation condominium does, and attending a potential vendor's hospitality suite at a convention creates no conflict of interest, whereas acceptance of a free lunch while conducting business with a vendor does.

The guidelines may seem excessively restrictive. However, it is just as important to avoid the appearance of a conflict of interest as to avoid an actual conflict. A good general rule is, if you're uncertain whether a particular action could be viewed as establishing a conflict of interest, don't do it.

No City employee can make personal purchase items using "City Prices." Such purchases are discouraged unless the discount is offered to all City employees as the result of being a large consumer group.