

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

Albuquerque Bernalillo County Water Utility Authority

P-Card Program Policy and Procedures Manual



Water Utility
Authority

Financial/Business Services Division
Effective Date: July 1, 2023

I. Introduction

This reference guide will provide Cardholders and Delegates/Approvers/Program Administrators with the particulars of the program, including general guidelines, statement reconciliation, record keeping procedures, and customer service information. It is important to read the following information carefully, as any P-Card program users will be responsible for adhering to the company-established policy and procedures.

If you have any additional questions, please contact your designated Program Administrator.

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II. General Guidelines

Card Issuance:

The P-Card allows non-probationary Water Authority employees to purchase goods or services in an amount up to and including \$5,000.00 per transaction, or as designated by the Water Authority Executive Director, subject to the additional limits set by Division Managers for their Divisions. Transaction limits include the total cost of the good(s) or service(s), including, but not limited to, any associated shipping and handling costs, freight charges, or applicable taxes. The Executive Director shall have authority to waive limitations for card issuance to non-probationary employees.

Each P-Card issued will have its own specified dollar amount limits (i.e. per item, per transaction, per day, per month, etc.) and specified restrictions (i.e. categories of purchases not permitted). Each Division may tailor each P-Card to fit its unique or specific needs.

There may be a single transaction limit placed on each card, which means the P-Card will be declined if an attempt is made to purchase more than this set amount at one time. Cardholders must not split a purchase to avoid the single transaction limit. If you believe the single transaction limit will inhibit optimum usage of the P-Card, please discuss this with your Division Manager, who should contact your Program Administrator.

In addition to the single transaction limit, every Cardholder has a total monthly dollar limit assigned to his/her account. If you believe your monthly limit to be insufficient for your requirements, please discuss this with your Division Manager, who should contact your Program Administrator. The total monthly dollar limit is replenished once per month on the 1st day of the month.

All Cardholders must complete a Cardholder agreement and undergo training in order to use any P-Card. By signing the agreement, Cardholders have agreed to adhere to the guidelines established in this manual. Please refer to Appendix II for an example of the Cardholder agreement. Most importantly, the assigned Cardholder is the only person entitled to use the card, unless officially delegated by the Purchasing Office. The card is not for personal use. Once an individual has taken responsibility for a P-Card, the card cannot be transferred from the responsible employee to anyone else.

Upon receipt of the P-Card, the Cardholder must activate the account by calling the toll-free number printed on the card. For verification purposes, the Cardholder must provide their unique ID assigned by a Program Administrator.

Although the card may be issued in an individual's name, their personal credit history will not affect your ability to obtain a card, and transactions on the card will not affect that individual's personal credit. The Water Authority is responsible for payment of all purchases. However, payment to the bank by the Water Authority in no way releases the Cardholder from his/her responsibility to reimburse the Water Authority for charges and any related fees incurred for personal use or gain.

If a Division Manager requests a P Card for use for a specific purpose or to be issued in the name of a division, rather than issued to an individual, the following provisions will apply:

- The name of the division or purpose of the card must be specified on the card itself.
- The Division Manager must identify a card "custodian" to administer transactions.

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- The card custodian must ensure that divisional card usage adheres to the requirements outlined in this policy, including but not limited to collection of receipts documenting transactions and reconciling monthly statements.
- The card custodian must maintain a record of card activity, monitor card location, and establish “checkout” procedures for tracking transfer of the card to other “divisional card users.”
- All divisional card users must be trained by the Purchasing Office and sign a Cardholder Agreement prior to card usage.
- The card custodian must not transfer the card to any individual who has not been trained by the Purchasing Office.

Account Maintenance:

If there is a need to change any information regarding an account, such as email address or expense accounting code, please complete the Account Maintenance Form (Appendix III) and forward to a Program Administrator. If you need immediate information at a time that is not regular business hours (Mon.-Fri. 8am-5pm), Cardholders can contact Wells Fargo Bank P-Card Service directly at 1-800-932-0036.

Card Usage:

Unless otherwise approved by the Executive Director, the P-Card is to be used only to make “best obtainable price” or “small” purchases at the request of, and for the legitimate business of the Water Authority. Purchases must be consistent with the County of Bernalillo Procurement Ordinance (Procurement Ordinance), the Water Authority Purchasing Rules (Purchasing Rules), the Warehouse Ordering and Salvaging Procedures (Warehouse Procedures), any Water Authority Administrative Instruction (Administrative Instructions) governing expenditure of funds and procurement of tangible goods, maintenance, repair, registrations, memberships, subscriptions, and travel (in accordance to Water Authority Travel Policy).

All Cardholders using the P-Card must:

- Ensure sufficient unencumbered balance in allotment or appropriations (available budget) will be available to cover the transaction amount when it becomes due and payable each month.
- Ensure all transactions are for appropriate and authorized goods and services and made in accordance with policies, procedures and rules referenced in this policy (refer to Authorized and Unauthorized Purchases identified in this policy).
- Notify the Program Administrator promptly of any purchase made in violation.
- Strive to acquire the “best obtainable price” for each transaction.
- Purchase from local businesses whenever feasible.
- Determine if needed items are available through existing Water Authority contracts or the Water Authority Warehouse before incurring any charges, by contacting the Warehouse or Purchasing Office for information.
- Ensure that all travel or training expenditures are approved, in advance, by the appropriate person delegated authority to approve such expenditures.
- Limit the total transaction amount of a purchase to not exceed the single purchase limit. Using a “split purchase”, i.e. making several identical or similar purchases to avoid the single transaction limit, is not allowed.
- Limit total monthly transactions to not exceed the assigned monthly limit.

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- Refrain from use of the P-Card at any business in which you have a financial interest in its operation in accordance with Ethical Conduct provisions of the Procurement Ordinance.
- Notify the Program Administrator promptly of any problems (i.e. card denial, tax exemption problems, etc.) experienced when using the P-Card.
- Reconcile all transactions in accordance with this policy.
- Note any discrepancies and contact the supplier or service provider and attempt to resolve the problems directly.
- Provide any supplemental information as requested by the Program Administrator related to specific transactions on the P-Card.
- Accept only a credit slip when returning an item to a vendor. The Cardholder must not accept cash refunds. The credit slip should be kept just like a normal receipt.
- Coordinate with superiors and/or Program Administrators prior to going on leave if such leave will prevent you from reconciling statements prior to the applicable deadline.
- Always safeguard the P-Card and notify the Program Administrator, and Wells Fargo Bank promptly if the Card has been lost or stolen.
- Ensure that vendors provide proper insurance documentation to the Water Authority for any purchase where the Water Authority Risk Manager has determined specific insurance coverages are required. This provision does not apply when purchasing “off the shelf” items or unless a vendor will be required to perform services on Water Authority property or risk to Water Authority assets is greater than \$5,000. For further clarification, please reach out to the Water Authority Risk Manager.

The P-Card can be used at any merchant that accepts Visa, except as the Water Authority otherwise directs. P-Cards may be used for in-store purchases as well as online, phone, or mail orders.

When using the card with merchants, Cardholders must obtain an itemized receipt from the vendor for each transaction. Receipts include charge slips, cash register receipts, invoice or printout of email or web page transaction confirmation. A packing slip / order form / delivery slip / work order / sales slip will only be accepted if itemized including cost; otherwise an invoice will be required. For memberships / subscriptions, a copy of the renewal notice or initial membership / subscription request is a receipt. Receipts must be retained and submitted during statement reconciliation.

An itemized receipt is characterized by the following:

- Receipts must be clearly issued by the vendor (receipt indicates the vendors name)
- Receipts must detail each item purchased
- Receipts must include detailed description of goods or services, not just “miscellaneous.”
- Receipts should show quantities of items purchased
- Receipts must indicate whether tax was charged
- Receipts should show total price paid for the transaction

Gross Receipts Tax:

The Water Authority is exempt from paying the state, county and city (local) gross receipts taxes for purchases of tangible personal property, i.e. goods. The purchase of services, labor, rental and materials to be used in construction are taxable. If applicable, the Water Authority will issue a Non-Taxable Transaction Certificate (NTTC) to the vendor for tangible personal property.

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If a vendor is reluctant to accept that a transaction is non-taxable, or does not accept the Water Authority's NTTC and insists on charging the tax, the transaction documentation between the Water Authority and the vendor may include the tax, but it must be listed as a separate line item. The Cardholder must promptly notify the Purchasing Office of such an occurrence. The Water Authority reserves the right to discontinue P-Card purchases from a vendor who does not accept the Water Authority's NTTC.

Questions regarding this policy and any other questions concerning tax issues should be directed the Purchasing Office.

Limitations and Restrictions:

The P-Card Program also allows for Merchant Category blocking. If a particular Merchant Category is blocked (e.g., jewelry stores), and an attempt is made to use the P-Card at such a merchant, the purchase will be declined. Management has made an effort to ensure that the vendors/suppliers used during the normal course of business are not restricted. If the P-Card is refused at a merchant where it should have been accepted, the Cardholder may call Wells Fargo Business Purchasing Service Center at 1-800-932-0036 to determine the reason for refusal. Depending on the result of the inquiry, the Program Administrator may be able to modify the restrictions on your use of the P-Card if approved by the Chief Purchasing Officer.

Customer service assistance is available 24 hours/day, 7 days/week at 1-800-932-0036.

IMPORTANT: All requests for changes in limitations and restrictions must be made through your Program Administrator. Wells Fargo Bank will change existing Cardholder restrictions only after a written request is received from the Program Administrator.

Lost or Stolen Cards:

The Cardholder is responsible for the security of the P-Card and any purchases made on his/her account. If the P-Card is lost or stolen, the Cardholder must **IMMEDIATELY** report this information to Wells Fargo Business Purchasing Service Center (BPSC) at 1-800-932-0036 as well as the applicable Program Administrator. It is extremely important to act promptly in the event of a lost or stolen card to avoid company liability for fraudulent transactions.

The Cardholder will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank.

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III. Authorized Purchases

P-Card purchases may include, but are not limited to:

- Materials and Supplies, including Office Supplies
- Professional Membership Dues, Books, and Subscriptions
- Computer Supplies and software
- Hardware and Tools (In accordance with Warehouse Procedures)
- Maintenance, Repairs, and Other Services
- Courier/Overnight Deliveries
- Congratulatory Expenses (In accordance with Administrative Instruction 18)
- Refreshments for official meetings (In accordance with Administrative Instruction 18)
- Travel Expenses (In accordance with Travel Policy)
- Vehicle fuel only when Water Authority vehicles and rental cars are used for authorized out of town travel
- Cross border transaction fees for applicable purchases outside of the United States
- Gratuity no greater than 20%

IV. Unauthorized Purchases

- Entertainment and items for personal use (except as authorized under Administrative Instruction 18)
- Cash withdrawals
- Liquor, beer, wine, cigarettes, vaporizer, electronic nicotine delivery systems, and other similar purchases
- Fueling a personal vehicle
- Purchases at any business in which you have a financial interest in its operation in accordance with the Ethical Conduct provisions of the Procurement Ordinance
- Valet services, personal phone calls, movie service charged to a motel/hotel room are to be paid for by employee using a separate means of payment
- If a Water Authority employee has received or intends to receive meal per diem for travel, a P-Card may not be used for payment of meals

Note: The Procurement Ordinance, prohibits splitting a transaction into two or more transactions to reduce a transaction amount below the single transaction limit.

As with any Water Authority purchase, the card is not to be used for any product, service or with any merchant considered to be inappropriate for Water Authority funds. If you have questions or concerns about the appropriateness of a purchase, contact your Manager or a Program Administrator prior to making the purchase.

Failure to comply with the above guidelines for authorized purchases under the P-Card program may result in cancellation of all P-Card privileges, disciplinary action, and possible termination of employment.

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V. Statement Reconciliation and Payment

The Accounting Department is responsible for paying the monthly invoice and ensuring that all required approvals are documented.

At the end of a statement period, Cardholders will be notified via email that it is time to review monthly statements. Cardholders will access the Wells Fargo Expense Manager system via a web browser to review the statement. The statement will reflect the transaction date, posting date, supplier/merchant name, and the total amount of the purchase. Cardholders may reconcile account transactions at any time after they are posted to the account.

Statement Reconciliation:

Unless otherwise further restricted by the applicable P-Card Approver, it is the Cardholder's responsibility, immediately upon receipt of their statement to (1) check it to ensure all the transactions posted are legitimate transactions made by the Cardholder, (2) provide transaction descriptions and appropriate charge accounts, and (3) attach line item detailed point of sale receipts or delivery invoices within five calendar days upon notification that the statement is available. When everything is in order, the Cardholder will mark the statement as complete. Once the statement has been marked as complete, the transaction or statement will be sent to the Approver for his/her review and approval. Approvers should approve each statement within four calendar days of notification. The designated Program Administrator will have the final review and approval of all statements.

P-Card Approvers shall be limited to Supervisors/Managers/Directors or Warehouse Manager. Supervisors/Managers/Directors cannot have subordinates approve their purchases.

Receipt Retention:

Cardholders must acquire an itemized receipt for all transactions and associate all receipts to the related statement transaction. As records will be audited each statement cycle, it is essential to adhere to the above record keeping guidelines. Cardholders and their Approver will be able to retrieve and view receipt images within Wells Fargo Expense Manager.

Disputed or Fraudulent Charges:

If there is a discrepancy on a statement, it is imperative that the issue is addressed immediately! Depending on the type of discrepancy, Cardholders will need to contact either the merchant or a Program Administrator to resolve the disputed transaction.

Disputed Transactions:

If a Cardholder believes the merchant has charged a transaction incorrectly or there is an outstanding quality or service issue, the Cardholder must first contact the merchant and try to resolve the error or problem. If the Cardholder can resolve the matter directly with the merchant, a credit adjustment from the merchant should be requested and will appear on the next statement.

If the merchant disagrees that an adjustment is necessary, immediately contact Wells Fargo to resolve the dispute. Wells Fargo Bank will request complete details of the dispute in writing in order to research the item in question. The details of the disputed transaction should be reported to Wells Fargo.

Wells Fargo Bank must receive any charge dispute within 60 days of the transaction posting date. Once all required information is received, Wells Fargo Bank will credit the Water Authority's account for the

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amount of the disputed transaction. Although Wells Fargo Bank acts as the arbitrator in any dispute, the Cardholder should never assume that a dispute will be resolved in the Cardholder's favor.

If the dispute is not resolved to the Cardholder's satisfaction, and it is believed the merchant has unfairly treated the Water Authority, the Cardholder should notify the Program Administrator with the relevant details.

Fraudulent Charges:

Any fraudulent charge, i.e., a charge appearing which was not authorized by the Cardholder, must be reported immediately to Wells Fargo. Prompt reporting of any such charge will help to prevent the Water Authority from being held responsible and additional charges potentially being made to the account. In most cases, a signed Affidavit will not be required to initiate a fraud claim. Instead Wells Fargo will contact the Cardholder with a list of the unauthorized charge(s) for the customer to review and confirm. There may be rare circumstances that will require a physically signed Affidavit from the Cardholder. In these instances, Wells Fargo will instruct the Cardholder accordingly.

VI. Training

P-Card Program users will be provided training on this policy. Employees must attend training as updates to the program are implemented.

Approved:

Mark S. Sanchez

Mark S. Sanchez
Executive Director

6/28/23 08:30 MDT

Date

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APPENDIX I
P-CARD APPLICATION
Request for P-Card

The full-time employee (FTE) listed below is seeking authorization to utilize the Albuquerque Bernalillo County Water Utility Authority (Water Authority) Procurement Card Program. As a Water Authority Division Manager you are entrusting, empowering and delegating authority to the individual below to make purchases on behalf of your division.

The P-Card is to be used only to make "best obtainable price" or "small" purchases at the request of, and for the legitimate business of the Water Authority, consistent with the Procurement Ordinance, the Purchasing Rules, the Warehouse Procedures, and any Administrative Instruction governing expenditure of funds and procurement of goods and services.

Using the card for personal charges will be considered misappropriation of Water Authority's funds and may result in disciplinary action up to and including termination.

Card Requestor: _____
(Cardholder Name – Please Print)

(Cardholder Signature Required) (Date Signed)

Requestor Water Authority Email Address: _____

Employee Number: _____ Employee Division: _____

Monthly Credit Limit \$ _____ Single Transaction Limit \$ _____

Primary Approver _____ Water Authority Email Address: _____

Delegate (if any) _____ Water Authority Email Address: _____

Probationary Employee: Yes / No

(Division Manager Signature required) Date

(Executive Director Signature, if Single Transaction Limit is greater than \$5,000, and/or for cards issued to probationary employees) Date

| For Administrative Use Only | |
|---|--|
| Date Entered by Program Administrator: | |
| Entered by: | |

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APPENDIX II Cardholder User Agreement

You are being entrusted with a Water Authority commercial credit card, issued by Wells Fargo Bank. The card is provided to you based on your need to purchase materials or services for the Water Authority. It is not an entitlement nor reflective of title or position. The card may be revoked at any time without your permission. Your signature below indicates that you have read and will comply with the terms of this agreement.

1. I understand that I will be making financial commitments on behalf of the Water Authority and will strive to obtain the best value for the Water Authority.
2. I have read and will follow the P-Card Policies and Procedures. Failure to do so could be considered as misappropriation of Water Authority funds. Failure to comply with this Agreement may result in either revocation of my card use privileges or other corrective action, up to and including termination.
3. I understand that under no circumstances will I use the P-Card to make personal purchases, either for myself or for others. Using the card for personal charges could be considered misappropriation of Water Authority funds and could result in corrective action, up to and including termination of employment.
4. I agree that should I violate the terms of this Agreement and use the P-Card for personal use, the Water Authority shall have the right to deduct any amounts owed, including but not limited to charges incurred from collection agencies, internal administration costs, court costs, etc., from my paycheck or final paycheck.
5. The P-Card is issued in my name or otherwise officially delegated to me for use in writing by the Purchasing Office. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
6. The P-Card is Water Authority property. As such, I understand that I may be periodically required to comply with internal control procedures designed to protect Water Authority assets. This may include being asked to produce the card to validate its existence and account number.
7. If the card is lost or stolen, I will immediately notify Wells Fargo Bank by telephone at 1-800-932-0036 and the Program Administrator.
8. I am responsible for documenting all of my charges on the card, I will provide documentation to the appropriate parties in order to reconcile the P-Card statement each period, make any coding changes to the expenses if needed, and resolve any discrepancies by either contacting the merchant or Wells Fargo Bank myself.
9. I agree to surrender the P-Card to the Water Authority immediately upon termination of employment, whether for retirement, voluntary, or involuntary reasons.

Employee Name (Print)

Employee Signature

Date

APPENDIX III
P-Card Account Maintenance Form

Cardholder Name: _____ Card No. _____
 (as it appears on Card) (last four digits)

Select the activity that relates to your specific change:

| | | | | |
|--|-----------------------------------|----|-----------------------------------|----|
| Card Status: | Credit Limit Change: | | | |
| | Single Transaction Limit \$: | | Monthly Credit Limit \$: | |
| <input type="checkbox"/> Card Replacement | <input type="checkbox"/> Increase | \$ | <input type="checkbox"/> Increase | \$ |
| <input type="checkbox"/> Card Cancellation | <input type="checkbox"/> Decrease | \$ | <input type="checkbox"/> Decrease | \$ |

(Double click on check boxes to populate)

Cardholder Name Change _____
 (Name as it would appear on Card)

(Division Manager Signature required) _____ Date

(Executive Director Signature, if transactions greater than \$5,000) _____ Date

| For Administrative Use Only | | |
|-----------------------------|--|--|
| Date Entered by | | |
| Program Administrator: | | |
| Entered by: | | |