



DATE: February 4, 2021

MEMO TO: Julie Simpson, Chair
Finance Committee

FROM: Stephen Neaman
Director of Finance

FOR INFORMATION ONLY: Review of Purchasing Card and Fuel Card Procedures.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability.

FINANCIAL DATA: There is no financial impact at this time.

BACKGROUND: On October 13, 2020 the Board adopted a revised purchasing policy that was recommend for approval by the Finance Committee on October 5, 2020. The amended policy makes reference to Purchasing Card (P-card) policies and procedures. While the purchasing policy authorizes the P-card procedures to be approved by the Executive Director, staff is presenting the P-card procedures to the Finance Committee for its information and discussion.

The P-card procedures also include the new Fuel Card procedures which were adopted for use when the underground fueling station at the Lakewood Forest Preserve was closed.

The District currently has 123 active P-cards. Spending is controlled by daily and monthly limits and by merchant category codes. Daily limits range from \$500 to \$3,000 depending on the employee's position requirements. Most daily limits are restricted to \$1,000. Monthly spending limits are restricted to \$10,000 for all but 2 cards which have limits of \$15,000 and \$20,000. These two cards are used by employees who frequently purchase items for the entire District in mechanical services and central supplies. In addition to the dollar limits on the accounts, purchases are also restricted by Merchant Category Codes (MCC). The MCC standards are set by the credit card industry and used to group merchants by the types of products they sell. District P-cards are restricted to allow transactions with only approved MCC codes and to decline transactions of items that fall within restricted MCC codes. For example, District P-cards cannot be used to purchase entertainment or liquor. The fuel cards are also restricted by MCC's to only allow purchases of fuel.

The P-card procedures lay out the authorized uses for the cards, responsibilities of the card holders, their supervisors and their Department Directors and steps to take in case of lost or stolen cards. Each card holder is required to sign an attached Receipt of Purchasing Card before a card can be issued. This form and the procedures place the cardholder on notice that the Finance Department will audit their purchases.

REVIEW BY OTHERS: Executive Director, Chief Operations Officer, Purchasing Manager, Corporate Counsel.



PURCHASING CARD (P-CARD) PROCEDURES

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PART I CHARGE CARD

1) General Information

Welcome to the District P-Card Program. The primary purpose of the P-Card Program is to make it easier and more efficient for District employees to make certain small purchases necessary to meet the District's immediate and short-term needs, without requiring such purchases to be processed through typical purchase orders, or petty cash requests.

The District's "Purchasing Policy", approved by Board Ordinance No. 5687 on October 13, 2020 (as amended from time to time) (the "Policy") allows District employees to use purchase cards ("P-Cards") for certain small purchases (defined as "Open Market Purchases" under the Policy), if used in accordance with P-Card Procedures approved by the Executive Director, and may be amended from time to time. Terms with capitalized initial letters that are not defined in these Procedures have the meaning ascribed to them in the Policy.

Cardholders using P-Cards must comply with the Policy and with these P-Card Procedures. Examples of the supplies, materials, and work that may be purchased with P-Cards are described in Section 9 below.

2) General Responsibilities

Under the Policy, the Executive Director, the Chief Operations Officer, and each Department Director (all with the approval of the Director of Finance) approve an annual Procurement Authorization List, which identifies for certain employees the maximum dollar amount that they may expend on any single purchase.

Each Department Director, with the approval of the Director of Finance, shall also determine (i) which employees within their department will be issued a P-Card (a "Cardholder") and (ii) for each Cardholder (a) the maximum spending limit on any single day (which must be consistent with the Purchase Authorization List), (b) the maximum spending limit within a 30-day billing cycle, and (c) using MCC's (described below) the categories of merchants at which the Cardholder may make purchases using the P-Card.

A P-Card is not a personal credit card and remains the property of the issuing bank or financial institution. A Cardholder may use a P-Card only for purchases required to conduct District business.

A Cardholder's use of a P-Card for a personal purchase, even with the intent of reimbursing the District at a later date, is a violation of these Procedures. A Cardholder's use of a P-Card in violation of these Procedures may result in revocation of the P-Card and disciplinary action against the Cardholder, including termination.

Upon being issued a P-Card, a Cardholder shall read and sign the "Receipt of P-Card" form attached to these Procedures.

Each P-Card issued to a Cardholder will have the Cardholder's name embossed on it. A Cardholder shall not allow any other person to use the P-Card issued to the Cardholder.

3) Cardholder Spending Limits

Each time a Cardholder makes a purchase, the limits will be checked and the authorization request will be declined if the amount exceeds those limits.

The Department Directors, Director of Finance, and Purchasing Manager establish the spending limit on each P-Card based on certain usage assumptions. If a Cardholder believes the spending limit on their P-Card is inadequate to handle their planned purchases, they should contact their Manager or Department Director who will determine if the spending limits on the P-Card should be increased. A Department Director seeking an increase on P-Card spending limits shall send a written request for the increase to the Program Administrator.

4) Card Security and Lost/Stolen Cards

Each Cardholder (i) must keep their P-Card in a secure location, accessible only to the Cardholder, (ii) must keep the P-Card account number confidential, and (iii) must not post the P-Card account number at their desk or write it in any place that is accessible to others.

As with a personal credit card, a lost or stolen P-Card must be reported immediately. Notify the issuing bank or financial institution and the Program Administrator. The issuing bank or financial institution will suspend the P-Card and issue a replacement.

5) Purchasing Control Mechanisms

The P-Card is different from a personal credit card, as it is subject to controls concerning:

- Maximum spending limit per transaction.
- Maximum spending limit per month.
- Limits on the types of merchants at which purchases can be made, using a Merchant Category Code (MCC). The issuing bank or financial institution categorizes each business that accepts the P-Card based on the types of materials or products that it supplies and assigns a specific four-digit MCC to that category.

The Program provides extensive transaction reporting which allows the District to analyze the usage of its P-cards and spending patterns.

6) Requests for Changes to P-Cards; P-Card Activation

Requests for changes to P-Cards must be approved by a Department Director and submitted to the Program Administrator.

7) Canceling Card (Transfer/Termination)

If a Cardholder transfers to another department, notify the Program Administrator. If a Cardholder is separated from District employment, their Supervisor and/or Manager must collect their P-Card and return it to the Program Administrator.

8) Audits

To ensure the success of the Program, financial responsibility, compliance with these Procedures, and to confirm accurate recordkeeping, the Finance Department will conduct regular internal audits of a Cardholder's P-Card purchases.

9) Types of Authorized Purchases

Examples of the types of supplies, materials, and repair work that a Cardholder can purchase with their P-Card include:

- Grounds maintenance supplies
- Building materials
- Books and subscriptions
- Professional Development (approved educational assistance)
- Travel expenses
- Office supplies
- Vehicle and equipment parts/repairs
- Miscellaneous operating supplies
- Items specified on State/County/District Contracts for supplies or materials, i.e. Grainger, Office Plus, Home Depot, Auto Zone.

Cardholders **should** use the P-Card to cover travel and business expenses. P-Card charges should comply with the District Travel & Expense Reimbursement, and Educational Assistance Policies and Procedures.

Do not use your Purchasing Card on expenditures that impact the following items. Each of these

areas requires a level of review or approval beyond the supervisor/department director:

- Construction work
- Professional Services
- 1099 Vendors (Independent Contractors and/or Self Employed)

10) Cardholder Responsibilities

A Cardholder who makes a P-Card purchase:

- must ensure that the purchased supplies, materials, and work are received, undamaged, complete, and accurate and for resolving any damaged, incomplete, or inaccurate purchases,
- must provide to the seller the District's sales tax exemption number (located on the face of the P-Card) to ensure that, as allowed under State law, the District is not charged for sales tax,
- must ascertain whether the District's best interests will be served by making such purchase from an Approved Vendor, taking into consideration any guaranteed/discount pricing provided by the Approved Vendor and timing constraints – Cardholders may contact the Purchasing Division with any questions regarding Approved Vendors,
- must not “split” a P-Card purchase into multiple transactions for the purpose of avoiding the daily amount limit on the Cardholder's P-Card,
- must obtain sales receipts to upload/attach for monthly reconciliation in online web-based program by issuing bank or financial institution; if receipt is not available, ‘Purchasing Card Transaction Exception Statement’ must be completed and uploaded/attached, and
- must comply with these Procedures and the Policy.

11) If Approval is Denied

If the issuing bank or financial institution denies an attempted P-Card purchase, the Cardholder should confirm that:

- the vendor is, if manually entering the P-Card account number, entering the correct number
- the purchase does not exceed, the daily or monthly spending limits.

If the Cardholder believes the proposed purchase satisfies these criteria, but is still denied, the Cardholder should first contact the issuing bank or financial institution customer service at the # listed on the back of the card and, if the issuing bank or financial institution does not resolve the issue, the Program Administrator.

12) Cardholder On-Line Reconciliation Responsibilities and Approval of Statements

The District has enrolled in an on-line program for Cardholders to access and reconcile their transactions. Cardholders are required to upload receipts weekly for review and reconciliation by their approving Manager or Director. Failure to comply may lead to card termination.

13) Disputed Charges

If a Cardholder has a dispute with a charge on their Pcard, they should first contact the vendor to resolve the issue. If no resolution occurs, then contact the issuing bank or financial institution to resolve the issue. Cardholders can either dispute a charge directly on the software program or contact customer service by calling the 800 number on the back of their Pcard.

14) Approval of Card Use

Approval of the transactions is the responsibility of the department director. Department directors or designees, because of their knowledge of the job responsibilities of the cardholders, are required to look at each cardholder's purchases, and at the merchant who made the sale in order to determine if these items were for Official Use and if they were allowed to be purchased.

If for any reason the department director or designee questions a purchase, it is their responsibility to resolve the issue with the cardholder. If they cannot be satisfied that the purchase was necessary and for Official Use, then the cardholder must provide a Credit Voucher proving item(s) have been returned for credit, or a personal check for the full amount of the purchase.

Resolution for improper use of the Purchasing Card is the responsibility of the department director.

15) If Vendor Does Not Accept Credit Cards

If a Cardholder desires to purchase an item from a vendor, but the vendor does not accept the P-Cards, the Cardholder is encouraged to ask the vendor to contact the Program Administer who can then place the vendor in contact with the issuing bank or financial institution about the vendor using P-Cards.

PURCHASING CARD PROGRAM CONTACT LIST

Program Administrator: For questions or problems associated with use of the P-Card.

Christine Miller
Purchasing Manager
Phone: (847) 968-3218
cmiller@LCFPD.org

Backup:

Lisa Roberts
Buyer II
Phone: (847) 968-3210
lroberts@LCFPD.org

Online Program: For any questions or issues associated with reconciliation via the online platform.

Millie Olavere
Accounts Receivable Specialist
Phone: (847) 968-3225
molavere@LCFPD.org

Backup;

Beth Frederick
Accounting Manager
Phone: (847) 968-3224
bfrederick@LCFPD.org

PART II

FUEL CARDS

FUEL CARD POLICY AND PROCEDURES

Program:

The Fuel Card Program is provided by the District and managed by Wright Express (WEX). Authorized District employees (“Drivers”) may use the fuel card only to purchase fuel for a District vehicle and only for use when conducting District business. A Driver may not use a fuel card for personal reasons and Driver who does so must reimburse the District for such use and is subject to having their Driver ID (discussed below) canceled and/or disciplinary action.

Use of the fuel card deducts federal excise tax, state, county and local sales taxes on gasoline purchased at merchants that accept the WEX fuel card. Most national and regional fueling stations accept the WEX fuel card (e.g., BP, Shell, Speedway, and Thornton’s).

Fuel Cards:

Each District vehicle (except for off-road equipment as provided below) is assigned a fuel card that must be kept in the vehicle center console and/or glove compartment at all times. Drivers shall use the fuel card assigned to a vehicle only to purchase fuel for that vehicle. Drivers may purchase fuel for off-road equipment by taking a portable fuel can to the station purchasing the fuel and dispensing it into the portable fuel can.

Each Department Director is responsible for requesting a fuel card for each vehicle assigned to their department, placing the fuel cards in the appropriate vehicles, and checking the information on the cards for accuracy. The card will identify the Department to which it is assigned, the last six digits of the vehicle identification number (VIN) for the vehicle to which it is assigned, and the card’s expiration date. If any information on a card is incorrect, notify the Purchasing Division for a replacement card. Department Directors are responsible for reviewing and approving the monthly bill for their department.

If a card is lost or stolen, the Driver who last had possession of the card, and any other Driver who first becomes aware that the card is lost or stolen, must immediately inform their supervisor and the Purchasing Division. If the incident occurs after office hours or on weekends, the Driver must call WEX Customer Service at 1-866-544-5796 to cancel the card, and then notify their supervisor and the Purchasing Division of the incident on the next business day.

If a card is damaged, contact the Purchasing Division for a replacement card.

Driver ID Numbers:

The District will assign to each Driver a Driver ID, after the Driver signs the “Receipt of Fuel Card” form below. A Driver ID is a four-digit identification number unique to the Driver to which it is assigned and which may be used by that Driver to purchase fuel using any fuel card assigned to a District vehicle. Each Driver shall keep their Driver ID confidential by:

- Not providing their Driver ID number to any other person.
- Not writing their Driver ID number on a fuel card or on any other document kept with the fuel card.

If a Driver forgets their Driver ID number, they must contact the Purchasing Division -- WEX will not provide Driver ID numbers to employees.

If a Driver’s employment is terminated, their Department Director shall notify the Purchasing Division of such termination. The Purchasing Division will cancel the Driver’s Driver ID prior to or at termination.

**LAKE COUNTY FOREST PRESERVE DISTRICT
PURCHASING CARD PROGRAM**

FUEL CARD

Using the Fuel Card/Fraud Prevention Guidelines:

When using a fuel card:

- Verify the station you are using accepts the WEX card. Most name brand stations accept the WEX card.
- Purchase only regular grade gasoline or diesel fuel.

To avoid fraud:

- Do not provide your Driver ID number to any other person.
- Do not write your Driver ID number on a fuel card or on any other document kept with the fuel card.
- When you enter your Driver ID at the pump or station, protect your entry from the view of other people.
- Keep the card in your possession or in your sight during the entire sales transaction.
- If you are required to sign a receipt, verify the purchase information including dollar amount before signing.
- Do not sign blank receipts or receipts without dollar, date, or other transaction information.
- Always ensure that the card returned to you is the fuel card for the vehicle you are fueling.
- Do not leave the card or receipts accessible to other people.

Procedure for Use of Fuel Card:

- 1) Insert the fuel card into the pump's card slot or, if the card cannot be used at the pump, use the card inside the station, or, if that does not work, contact the Purchasing Department to have the card reset.
- 2) Input the exact odometer reading of the vehicle being fueled (do not include tenths of miles). For fuel being placed in portable fuel cans, input 9999 rather than the vehicle mileage.
- 3) Input your Driver ID number.

FUEL CARD PROGRAM CONTACT LIST

Program Administrator: **Mike Zahalka**
Buyer
Phone: (847) 968-3219
mzahalka@LCFPD.org

Backup:

Lisa Roberts
Buyer II
Phone: (847) 968-3210
lroberts@LCFPD.org

Christine Miller
Purchasing Manager
Phone: (847) 968-3218
cmiller@LCFPD.org

Please call if you have any questions or problems associated with use of the fuel card, need to request changes to or correct information on the card, report a card as lost, stolen, or damaged, request a new card, or cancel an existing card.

WEX Contacts:

Lost or Stolen Cards: ***1-866-544-5796***

Customer Service: ***1-866-544-5796***

WEX customer service representatives are available 24/7.

PART III

ATTACHMENTS

RECEIPT OF PURCHASING CARD

Please read these statements before signing to acknowledge your responsibilities regarding your District Purchasing Card.

1. This card is to be used to purchase supplies and materials having available and appropriate funding. With the approval of the P-Card application by the Department Director and Finance Director, the cardholder has been delegated expenditure and purchasing authority for the District.
2. P-Card statements are to be reconciled monthly online using the District sponsored, web-based program that allows the cardholder or department designee to attach receipts, allocate monthly transactions to the correct fund accounts and review.
3. A lost or stolen card must be reported immediately to the issuing bank or financial institution. You must also notify your supervisor/department head and the Program Administrator. The card will be inactivated immediately and a replacement card will be issued.
4. The cardholder is responsible for indicating to the supplier that the District is tax exempt, and should not be charged sales tax. The cardholder is responsible for any sales tax credit due to the District.
5. The cardholder is responsible for ensuring sufficient receipt of supplies and materials, and resolving any receiving discrepancies or damaged goods issues.
6. Any disputes or discrepancies with a vendor must first be resolved by contacting the vendor, then, if that does not resolve the issue, by contacting the financial institution or issuing bank Customer Service.
7. The Program Administrator will perform continual audits of a cardholder's P-Card documentation to ensure that record keeping is complete and accurate and that P-Card program procedures are being followed.
8. The card is for business-related purposes only. Personal charges are not to be made to the card and could be considered misappropriation of funds.
9. Improper use may require relinquishing the P-Card and may result in disciplinary action up to and including termination and criminal prosecution.
10. You must surrender the P-Card upon termination of employment.

By signing this document, I certify that I have received the Lake County Forest Preserve District Purchasing Card and understand and agree that I will comply with the above guidelines as well as the District P-Card Procedures.

* _____
Print Cardholder Name

Department/Division

* _____ **Signature/Date**

RECEIPT OF FUEL CARD

I, _____ (Print Name), hereby agree to the following terms and conditions regarding my use of WEX fuel cards assigned to District vehicles. I understand that I must personally reimburse the District for any unauthorized personal charges made to a fuel card using my Driver ID and that my failure to follow the following terms and conditions may result in the cancellation of my Driver ID and/or disciplinary action.

1. I shall protect the fuel cards, in District vehicles that I am using, and my Driver ID against loss, theft, or damage. If loss, theft, or damage occurs, I will report it immediately to my supervisor and the Purchasing Division.

2. I will not, under any circumstances, use the fuel cards or my Driver ID, or allow the fuel cards or my Driver ID to be used, to make personal purchases, either for myself or for others, or for any purchase that is for a purpose other than District business.

3. I will follow established procedures for using the fuel cards, including the procedures identified in this "Fuel Card Policy and Procedures" document.

4. I will not reveal my Driver ID either in writing or orally, to any other person, including without limitation merchants or other District employees. I also understand that the monthly invoice from the fuel card provider will identify me as the responsible party for each purchase made using my Driver ID.

5. I received access to the District's Fuel Card Program, and understand the requirements for using the fuel card.

6. The Finance Department will perform continual audits of District fuel card statements to ensure that transactions are accurate and program procedures are being followed.

Driver Signature	Date
Driver (Print Name)	ID# (Last 4 of SSN)
Department Director Signature	Date
Finance Director Signature	Date

PURCHASING CARD TRANSACTION EXCEPTION STATEMENT



Lake County
Forest Preserves

PURCHASING CARD TRANSACTION
EXCEPTION STATEMENT

*This form should be completed and attached as required by P-Card Procedures when a receipt is not available for reconciliation.

The original receipt:

- Was lost
- Was not obtained
- Was not available at the time of purchase
- Other (specify _____)

Reason for purchase: _____

Total amount of purchase: _____

Must include details of purchased items

Quantity	Product Description	Price

"I, the undersigned, certify that the receipt for the expense described above was lost, not obtained, or not available at the time of purchase and that the expense was business related.

Employee Signature

Date _____

Department Director Signature

Date _____