

City of Bellmead, Texas

Financial Policies

Approved 12/05/2025

FINANCIAL POLICIES

ASSET PROTECTION

FIN-1011: PROCUREMENT CARDS

I. Purpose

The Procurement Card (“P-Card”) Program enables designated employees to make **small, timely, and authorized** purchases for official City business and **travel uses expressly permitted** in this policy. The P-Card **shall not** be used to bypass planning, competitive purchasing, or approval requirements in **FIN-1006 Procurement, FIN-1008 Payment Processing, FIN-1009 Travel, or FIN-1010 Non-Travel Meals**.

II. City Procurement Cards

All P-Cards are **City property** issued for **authorized purposes only** and **shall** be controlled and monitored by Department Heads.

A. Issuance

- P-Cards are issued **in the individual employee’s name** and “City of Bellmead.”
- Cardholders **shall** complete P-Card training, read this policy, and sign a **Cardholder Agreement** prior to issuance.
- **Eligibility:** full-time employees; written application approved by Department Head; Finance concurrence.

B. Vendor Credit Cards

Vendor-specific cards **may** be authorized by Finance **only** when no practical alternative payment method exists. Departments **shall** control custody and use.

III. Usage

A. General

- P-Cards **shall** be used only when they are the **most efficient and cost-effective** method, and **shall not** be used to avoid requisitions, POs, or competitive quotes required by **FIN-1006**.
- **Single-transaction limit: \$1,000** total (including freight and fees). **Splitting** a purchase to avoid limits or procurement requirements **is prohibited**.
- **Monthly limit:** set by Finance per cardholder and department; Finance may adjust or suspend at any time.
- All purchases **shall** be for **official City business** and **within budgeted funds**.

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B. Authorized Uses (Examples, not Exhaustive)

1. **Operational purchases within dollar limits when a PO is impractical (e.g., urgent field replacement parts, regulated online payments, subscriptions, registrations, publications, small tools, conference fees).**
2. **Travel (FIN-1009 governed):**
 - Conference/seminar registrations (including meals included **in** the registration fee),
 - Airfare,
 - Lodging **room rate, required taxes/fees, and parking only,**
 - Parking and **car rental base charges** where permitted. *Meals are not permitted on the P-Card unless included in the registration fee.*
3. **Fleet fuel: via the City's fleet fuel program with assigned vehicle cards and employee PINs (see §III.D.2).**

C. Prohibited Uses

Use of a P-Card for any of the following **is prohibited** and **may** result in discipline up to termination and referral for criminal prosecution:

- **Personal purchases** or any non-City purpose.
- **Alcohol** (except when **pre-approved in writing** by the City Manager for an authorized economic development or law-enforcement purpose under FIN-1009/1010).
- **Cash, cash-like, or value-store items:** cash advances, money orders, gift cards/certificates, peer-to-peer payments, cryptocurrencies.
- **Services or items under contract/PO** unless CFO expressly authorizes.
- **Valet parking** unless no other parking is reasonably available (document circumstances).
- **Flowers** (except for the City Manager's Office).
- **Fuel** outside the fleet program (unless expressly authorized by Finance).
- **Gambling, adult content, firearms/ammunition, tobacco/vape, political or charitable contributions, fines/penalties, personal travel, personal subscriptions.**
- **Sales tax** where the City is tax-exempt (cardholder must present exemption).
- **Card sharing** without an approved, time-limited **Delegation Consent Form** on file.

D. Special Controls

1. **Merchant Category Codes (MCCs):** Finance **shall** restrict high-risk MCCs; exceptions require CFO approval.
2. **Fleet Fuel Controls:** Vehicle cards **shall** remain with the vehicle; Department **shall** notify Finance immediately when a PIN user leaves/changes role; retired/auctioned vehicles' cards **shall** be returned to Finance.

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IV. Security

1. Cardholders **are responsible** for safeguarding the card and account data and shall not store full card numbers in emails, texts, or unsecured files.
2. **Lost/Stolen:** Cardholder **shall immediately** notify the bank and Finance; Finance will deactivate and reissue as appropriate.
3. **Accidental Personal Use:** Not permitted. Any accidental charge **shall** be reported immediately and **reimbursed within five (5) business days**; Finance/City Manager **may** suspend or revoke privileges (see §VI).

V. Accountability

A. Cardholder Responsibilities

Cardholders **shall:**

- Use the card **within** assigned limits and this policy.
- **Obtain itemized receipts** and reconcile to the monthly statement; submit the complete packet to Finance **by the deadline**.
- Ensure **no sales tax** is charged; if charged, **seek credit** from the vendor; note efforts on the statement.
- Verify **receipt of goods/services** and resolve discrepancies with vendors, report unresolved issues to Finance.
- Report **fraud** or suspicious activity to Finance immediately.
- Review **Declined Transaction Report** and provide written explanation.
- **Return the card** to Finance upon transfer, name change (exchange), leave of absence, or separation.

B. Department Responsibilities

Departments **shall:**

1. Monitor P-Card activity, confirm business purpose, and ensure **budget availability**.
2. Keep routing procedures so **all receipts and statements** reach Finance on time.
3. Retrieve and return cards immediately upon employee status changes.

C. Finance Responsibilities

Finance **shall:**

- Administer training, applications, issuance, limits, MCC restrictions, user access, and cancellations.
- Maintain the cardholder master file, agreements, limits, and history.

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- Reconcile program statement(s), process payment to the bank, and retain records per the City's Records Management Program.
- Perform **random and targeted audits**; interpret policy; notify the City Manager of issues; **suspend/revoke** cards as needed.

D. Oversight

The City Manager **may** counsel, suspend, or cancel cards for misuse or non-compliance. Finance **shall** audit P-Card usage similar to department PO reviews.

VI. Disciplinary Action & Restitution

1. The City maintains **zero tolerance** for intentional misuse or abuse. **Severe discipline up to termination and referral to law enforcement** may result when misuse is knowing or willful.
2. Lesser violations (e.g., administrative non-compliance) **may** result in verbal/written reprimand, suspension of card privileges, or other discipline.
3. **Restitution:** Cardholders **must** reimburse any improper charges (including sales tax that could have been avoided) **within five (5) business days** of notice. Failure to reimburse may result in further discipline and recovery actions permissible by law.

VII. Reporting, Reconciliation & Records

A. Transaction Reporting (Monthly)

Cardholders/Departments **shall** submit to Accounts Payable using the City's **Credit Card Form** (see approved forms location):

- **Itemized original receipts** (or vendor-issued duplicates if originals lost),
- **Business purpose** description,
- **Account coding** (cost unit, account, activity/project),
- **Supervisor approval signature.**

If an itemized receipt is lost, the Cardholder **shall** obtain a **vendor copy**. **Substitute receipts are not allowed.** If all avenues are exhausted, the **CFO may approve** a one-time memo explaining circumstances; repeated occurrences **may** result in suspension.

B. Statements & Delinquency

1. Finance retrieves statements, reconciles totals, and matches submitted documentation.
2. **30 days have passed (unreconciled):** City Manager notified.
3. **> 45 days have passed:** Card **cancelled**; City Manager notified.

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C. Returns, Credits, Disputes

- **Returns/Credits:** Cardholder **shall** coordinate with the vendor; ensure credit posts; annotate on the statement.
- **Disputes:** Attempt vendor resolution first; if unresolved, submit **Dispute Form** to Finance; issuer may place the item in dispute and issue provisional credit; Finance will replace the card if fraud is suspected.
- **Coding:** Disputed charges **shall** be coded to the originating line; related credits post to the same line when received.

D. Card Requests & Cancellations

Department Heads **will** request new cards/cancellations through Finance and return physical cards for deactivation.

E. End Of Employment/Transfer

Department Heads **shall** ensure the card is **immediately** returned to Finance for cancellation upon separation or transfer.

VIII. Documentation Standards

Each transaction packet **shall** contain:

1. Itemized vendor receipt/invoice showing **what** was purchased, **date**, **amount**, and **vendor**;
2. Proof of **sales-tax exemption** use (if applicable) or notation of credit requested;
3. **Business purpose**;
4. **Shipping/receiving evidence** for tangible goods;
5. **Approvals** per department routing;
6. Any required cross-references (e.g., related **PO**, **grant number**, **travel authorization**).

Records **shall** be retained in accordance with the City's **Records Management Program** (and longer for **grant-funded** purchases as required by the grant).

IX. Cross-Policy Alignment

1. **FIN-1006 Procurement:** P-Cards do **not** replace quotes, PO requirements, or formal bidding; component/split purchases are **prohibited**.
2. **FIN-1008 Payment Processing:** Documentation, AP deadlines, and coding apply to P-Card transactions.
3. **FIN-1009 Travel:** Only the travel uses authorized here may be placed on the P-Card; meals are reimbursed per per-diem and **shall not** be charged except when included in registration.

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4. **FIN-1010 Non-Travel Meals:** Non-travel meals/refreshments **shall** follow FIN-1010 and **shall not** be placed on the P-Card unless expressly authorized by FIN-1010 and this policy.

X. Compliance with Laws

All P-Card activity **shall comply** with applicable **federal, state, and local law** and City Charter/ordinances, including but not limited to:

1. **Texas Constitution, Art. III, §52(a) (Gift of Public Funds)**: Every purchase must serve a municipal public purpose with adequate controls; strictly no personal benefit.
2. **Texas Local Government Code** purchasing statutes and **Texas Prompt Payment Act** obligations (as applicable through AP).
3. **Texas Sales-Tax Exemption**: Cardholders **shall** present the City's exemption certificate; avoid paying sales tax where exempt.
4. **Federal grant requirements** when applicable (e.g., Uniform Guidance 2 CFR Part 200 for grant-funded purchases).
5. **Texas Public Information Act**: P-Card records are public records subject to disclosure; card numbers and sensitive data **shall not** be stored or transmitted in plain text and **shall** be redacted from released records.
6. Where policy and law conflict, **governing law controls**; the **more restrictive** requirement **shall** apply.

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Procurement/Vendor Card User Agreement

The Procurement card (P-Card)/Vendor Card is considered City property and should be used only for City business in accordance with State Law and City policies (**FIN-1011: Procurement Card Policies and Procedures**).

The P-Card/Vendor Card is for authorized use only. **Use of City P-Cards/Vendor Cards for personal purchases is strictly prohibited.** Personal purchases will be considered misappropriation of municipal funds, which constitutes a criminal offense and may be referred to the City Attorney by the City Manager.

As a cardholder or user of a City of Bellmead P-Card/Vendor Card, the undersigned cardholder/user agrees to the following terms and conditions:

1. I will ensure that sales taxes are not charged, and I am responsible for obtaining City reimbursement of sales tax. (Restaurants excluded)
2. I will not accept cash, gift cards, or gift certificates in lieu of credit to the card.
3. I will attempt to resolve disputes or billing errors, if there are any, with the vendor.
4. Receipts must be obtained for all purchases, and I will reconcile receipts against corresponding monthly statement within 3 business days after receipt.
5. I will report any erroneous transactions/fraudulent activity to the Finance Department.
6. I am responsible for the security of the card. If the card is lost or stolen, I will immediately contact the financial institution and Finance Department to report the card lost/stolen, and last time it was seen/used.
7. I agree that I am personally responsible for any improper or illegal use of the card.
8. I will surrender the card to the City of Bellmead Finance Department or my immediate supervisor upon demand, or upon my separation of employment with the City.

By signing below, **I agree that I have read this form and FIN-1011 Procurement Policies and Procedures** and understand the requirements for the card's use. I will follow these established procedures for the use of the card and understand that failure to do so may result in either revocation of my use of the card and/or other disciplinary actions, up to and including termination.

_____ Cardholder/User Signature _____ Date

_____ Printed Name