

**Document Code No.: CON 7-16-2-EP**

**Title:** Use of King County Purchasing Card for Purchases of Goods and Services

**Affected Agencies:** All King County Executive Departments, Offices and Agencies

**Authorities:** WAC 236-48-250, WAC 236-48-251, CON 7-24-EP, PER-17-1-4-EP, King County P-Card Guide, King County Travel Guide

**Keywords:** Administrative Policies and Procedures, Procurement, Payables, Purchasing Card, P-Card

**Sponsoring Agency:** DES / FBOD / Procurement and Payables Section



**King County**

**Executive signature:** \_\_\_\_\_

A handwritten signature in black ink that reads "Dow Constantine". The signature is written in a cursive, flowing style.

**Date signed and effective:** December 13, 2024

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## I. Purpose

This policy provides guidelines for the P-Card Program to ensure the use of P-Cards complies with the applicable procurement and contracting requirements and all applicable state/federal laws and regulations. This policy also outlines the roles and responsibilities of personnel involved with P-Cards.

Use of the P-Card is subject to the most current versions of the following:

- 1) statutory requirements for competitive bidding,
- 2) applicable Revised Code of Washington (RCW),
- 3) Washington Administrative Code (WAC),
- 4) King County Code (KCC), and
- 5) related King County Policies and Procedures.

In using the P-Card, departments must comply with their budgetary constraints and the Washington State Auditor's Office Budgeting, Accounting and Reporting System (BARS) generally accepted accounting principles (GAAP) Manual.

**Applicability and Audience** This policy applies to the Administrative Offices and Executive Departments supervised by the King County Executive. The audience may include any King County non-Executive Branch Departments adopting this policy.

## II. Definitions

"Approver" (Approving Official) is the individual designated by a P-Card Coordinator responsible for reviewing backup documentation for each expense report, approving payment for purchases, and monitoring the use of assigned P-Cards. Approvers must be someone other than the transaction preparer and shall be in a position of authority relative to the Cardholder or not directly supervised by the Cardholder. Each P-Card Coordinator must designate one or more Approvers for their department. Approvers are linked to the organization within the POETA coding ("POETA" is defined below).

"Cardholder" is a King County employee who has been delegated the authority to commit funds through the County's payment and/or purchasing function by their P-Card Coordinator and will use the P-Card to make purchases on behalf of King County in compliance with the P-Card and Goods and Services Purchasing Policies and Procedures.

"Card Provider" is the official contracted vendor who maintains the King County P-Card account, issues P-Cards to King County employees, provides electronic transaction authorizations to suppliers, and bills King County for all purchases made on the P-Cards.

"Contract Purchases" means purchases or payments made in accordance with an established King County agreement or contract.

"Chief Procurement Officer or designee" means the individual who serves as the official point of contact responsible for all aspects in the management of the King County P-Card Program and assigns staff responsibilities within the Procurement and Payables Section to support the program. The Chief Procurement Officer or designee acts as a designee of the Director of the Finance and Business Operations Division (FBOD). The Chief Procurement Officer or designee also serves as a coordinator in communication with the Card Provider.

"Department Director (or designee)" has supervisory authority, via the department or agency chain of command, over Cardholders and Approvers. The Director authorizes P-Card issuance and cardholder transaction limits, and delegates purchasing authority to Cardholders. This individual will assign internal Department Approvers and Coordinators. In the event that the Department is sufficiently large or contains many divisions, the Division Director can elect to delegate responsibility at the division level by designating a P-Card Coordinator(s).

"P-Card Coordinator" means an individual assigned as the primary point of contact at the designated department or division level who is responsible for assisting the Chief Procurement Officer or designee in monitoring the appropriate use and timely payment of Cardholder transactions within their area of oversight. The P-Card Coordinator authorizes P-Card issuance and cancelations and is responsible for establishing department procedures for records retention.

"iExpense" means the Oracle EBS module used to process P-Card transactions.

"Merchant Category Code" means four-digit numbers assigned to a business' credit card terminal by a credit card company. These codes are used to classify a business by the type of goods or services provided.

"POETA" means the financial transaction coding used for expenditure transactions consisting of Project number, Organization, Expenditure type, Task number, and Award number.

"Purchase Card (P-Card)" means a type of physical charge card issued to make authorized purchases on behalf of King County agencies to use for allowable business expenses. Central Accounts Payable pays reconciled P-Card transactions at the frequency determined by analysis to maximize P-Card rebates and investment returns for King County.

“Single Purchase” means a one-time purchase of goods and services, or an annual aggregate of like purchases not to exceed King County’s Direct Buy threshold, for which King County does not have an existing purchase agreement or contract established. This is in accordance with CON 7-24-EP King County Procurement of Goods and Services (or subsequent updates to this executive policy).

### III. Policy

#### A. Responsibilities

##### 1. Cardholder

- a. Use the P-Card for legitimate business purposes ONLY and in compliance with King County rules and regulations, and the P-Card Policies and Procedures.
- b. Adhere to the purchase limits and restrictions of the P-Card
- c. Ensure the total transaction amount does not exceed the authorized limits.
- d. Maintain the P-Card in a secure location and do not allow other individuals, including any other employees, to use their P-Card.
- e. Process expense reports and obtain, retain, and reconcile all sales slips, register receipts, and order confirmations as outlined within the P-Card Application Form.
- f. Identify a delegate to process expense reports as described in III. A. 2. E. in the event the Cardholder is terminated from King County, changes department/divisions within King County, or is out on an unexpected or extended leave.
- g. Ensure accuracy of the receipt of goods ordered on a P-Card, retain the receipts, and include notations verifying quantities received for appropriateness.
- h. Deal with the vendors directly to resolve disputes or billing errors and notify the P-Card Coordinator if the dispute or billing error is not satisfactorily resolved in accordance with the Card Provider’s dispute resolution procedures.

##### 2. Approver

- a. Review transactions in iExpense to ensure that charges are authorized and allocated to the appropriate POETA.
- b. Request, when applicable, the P-Card Coordinator to instruct the Chief Procurement Officer or designee to cancel a card at any time.
- c. Review vendor invoices and receipts, P-Card dashboard, 3<sup>rd</sup> tier data, approve and certify Cardholder transactions for payment to the Card Provider daily or as needed.
- d. Ensure that the Cardholder’s transactions are in compliance with King County Procurement Rules and Regulations.
- e. Monitor the use of cards within the assigned Department/Division and notify the P-Card Coordinator of any changes or updates.

3. P-Card Coordinator

- a. Assist the Chief Procurement Officer or designee and P-Card Coordinator with card administration duties, Cardholder training, and related duties.
- b. Notify immediately the P-Card Team upon the Cardholder's resignation or initiation of termination proceedings of employees.
- c. Authorize P-Card issuance.
- d. Monitor all transaction records for compliance with King County's record retention standards.
- e. Support Department/Division staff to establish department procedures for records retention.
- f. Review usage of P-Cards for appropriateness and compliance with the P-Card Policies.
- g. Serve as a primary point of contact and a coordinator for internal and external audit-related matters.
- h. Request cancellation of cards of terminated employees, when employees transferred to other Department/Divisions, card no longer required to perform job duties, or those who lost P-Card privileges as approved by the P-Card Coordinator.
- i. Ensure Cardholders within their oversight process transactions in iExpense within 10 business days after posting in accordance with the P-Card Application Form.
- j. Handle disputed charges and/or discrepancies that are not resolved by the Cardholder.
- k. Contact the Chief Procurement Officer or designee to deal with the vendors directly to resolve disputes or billing errors and notify the Card Provider if the dispute or billing error is not satisfactorily resolved in accordance with the Card Provider's dispute resolution procedures.
- l. Ensure that an appropriate credit for the reported disputed item or billing error appears in iExpense for processing.
- m. Immediately report a lost or stolen card to the Card Provider (24 hours a day, 7 days a week) following the procedure described in the P-Card Guide and immediately notify the Procurement & Payables Section of a lost or stolen card at the first opportunity during normal business hours.

4. Chief Procurement Officer or Designee

- a. Oversee the overall P-Card Program and serve as the official point of contact for King County P-Card-related matters.
- b. Conduct periodic on-site and desk audits of card use and charges for appropriateness. Areas to be monitored will include, but will not be limited to, compliance with P-Card Policies and Procedures, compliance with King County Procurement Rules and Regulations, and sales and use tax charges.

- c. Act as liaison with the Card Provider and an Administrator of the Card Provider's online reporting P-Card system.
  - d. Review Cardholder applications approved by P-Card Coordinators for completeness of required information.
  - e. Request new P-Cards from the Card Provider.
  - f. Support training of P-Card Coordinators and Cardholders before releasing P-Cards and provide regular refresher training.
  - g. Review usage of P-Cards for appropriateness and compliance with the P-Card Policies.
  - h. Handle disputed charges and/or discrepancies that are not resolved by the Cardholder or Coordinator.
  - i. Secure the revoking of P-Cards and submit deactivation information to the Card Provider.
  - j. Review the Card Provider's monthly transactions within each statement and notify Cardholders and Approvers of the cut-off date for approvals.
  - k. Ensure lost or stolen Cards have been blocked by the Card Provider.
  - l. Monitor the use of P-Cards, and conduct site audits, physical/virtual inventory, and records.
  - m. Review business practices to promote the efficient and appropriate use of P-Cards, meet with customers to ensure their satisfaction, and develop and maintain metrics to demonstrate how P-Cards are meeting county goals for procure-to-pay practices.
  - n. Act as the designee to the FBOD Director to introduce new business practices, conduct audits, report inappropriate uses, respond to customer concerns and complaints, and place or lift restrictions on card privileges.
5. iExpense Delegate (upon mutual agreement between the cardholder and the approver and/or p-card coordinator):
- a. process expense reports as described in III.A.2.E

**B. Eligibility and Applicability**

- 1. This policy applies to full-time regular, part-time regular, provisional, probationary, short-term temporary (STT), term-limited temporary (TLT), or appointed employees of King County, as designated by the Department/Division Director.

**C. General P-Card Rules**

- 1. Each Cardholder must sign a Cardholder Agreement and receive training before receiving a P-Card.
- 2. The King County P-Card will bear the Cardholder's name and will not be transferable between individuals, county employees, or departments.

#### **D. Purchase Limits**

1. The standard Cardholder per transaction limit is set at \$10,000; the monthly standard limit is \$20,000. A P-Card Coordinator may request a higher or lower limit on a temporary or permanent basis as deemed necessary for a Cardholder's ongoing business needs.

Examples of purchase areas that should be made by P-Card where it is accepted:

- a. Single purchase totaling less than \$10,000.
- b. Purchase of a nature that does not lend itself to a competitive procurement process or issuance of a purchase order/contract in accordance with CON 7-24-EP King County Procurement of Goods and Services (or subsequent updates to this executive policy).
- c. Payments for established contract purchases. This may exceed \$10,000 when within transaction limits for each P-Card holder. It is the Cardholder's responsibility to verify contract pricing.
- d. P-Card per transaction and monthly credit limits for the acquisition of goods and services for emergency response and recovery operations will be set by agencies and may be adjusted only by the Procurement & Payables Section as determined by agency request or demonstrated need.

#### **E. Cardholder Liability**

1. P-Cards are for authorized purchases on behalf of King County within the stated guidelines of the P-Card Guide, as well as CON 7-24-EP King County Procurement of Goods and Services and King County Code of Ethics.

P-Cards must not be used in any manner listed below:

- a. Splitting purchases to circumvent the daily or monthly purchase limits on a card or to avoid competitive bidding limits or purchasing authority limits.
- b. Cash advances or ATM withdrawals.
- c. Purchases from any merchant, product, or service that is normally considered an inappropriate use of King County funds, such as but not limited to:
  - i. Items for personal use.
  - ii. Materials or services from any member of the Cardholder's immediate family.
  - iii. Alcoholic beverages.

2. Violations of any policy and/or procedure related to the use of the P-Card that are discovered at any level of review must be immediately reported to the Chief Procurement Officer or designee.

The Chief Procurement Officer or designee will share the violation(s) with the Cardholder's P-Card Coordinator. The P-Card Coordinators shall inform the Cardholder's Supervisor of the policy violation(s) for appropriate disciplinary action. Disciplinary action shall include a range of options, depending on the

violation, from corrective action up to and including termination of employment.

Cardholders will be required to reimburse the County for any charges that are disallowed or determined to be fraudulent. The County reserves the right to take all appropriate legal action to obtain immediate repayment for any charges disallowed or determined to be fraudulent. P-Card privileges can be revoked at any time for violation(s) of P-Card policy or procedures. Violations of policy or procedures will be turned over to the appropriate law enforcement agency and may be terminated from employment with the County.

**F. Required Documentation and Records Retention**

1. The Cardholder is responsible for obtaining original receipts, order confirmations, or any other supporting documentation for any purchase made with a P-Card. Documentation must refer to corresponding iExpense Reports generated through Oracle EBS.
2. Records shall be retained within the County's Records Retention guidelines by the Department/Division.

**G. Audit**

1. All P-Card transactions and program paperwork are subject to review by the FBOD Director, the Chief Procurement Officer, or designee of the Procurement & Payables Section, as well as internal and external auditors for compliance with P-Card Policies and Procedures, CON 7-24-EP King County Procurement of Goods and Services Policies and Procedures and any applicable laws and regulations pertaining to the P-Card Program.
2. The Chief Procurement Officer or designee of the Procurement & Payables Section will be responsible for a periodic desk records review of Cardholder transactions for appropriateness, accuracy, and timely processing.

**H. P-Card Security**

1. Cardholders will not lend or share their P-Card, will keep their card secure, and will keep the card number confidential.
2. Cardholders are required to report lost or stolen cards in accordance with the P-Card Guide.
3. All P-Cards are the property of FBOD and must be surrendered or destroyed immediately upon request by the Chief Procurement Officer or designee and/or the Cardholder's supervisor.

**I. Card Cancellation and Physical Inventory**

1. The P-Card Coordinators will immediately notify the Chief Procurement Officer or designee by e-mail of the commencement of termination proceedings (including retirement or resignation) or transfer of any Cardholder.

2. The Chief Procurement Officer or designee will notify the Card Provider immediately of all revoked and closed P-Card accounts within two days of receiving the notification from the P-Card Coordinator.
3. The Chief Procurement Officer or designee will have the authority to cancel all inactive cards.

**J. General Requirements for P-Card Use**

1. The King County P-Card may be used for in-person, telephone, and internet purchases. All items procured over the counter must be immediately available. Telephone and Internet purchases for goods shall not be charged until shipped. Payments for services made in advance of receiving services must comply with the Washington State Constitution Article 8 Section 7 and shall be deferred such that expense/expenditure is recorded in the correct period.
2. When using a P-Card, the Cardholder will ensure that:
  - a. Firm fixed prices are used.
  - b. All shipping charges shall be included in the purchase price, or listed separately, if applicable.
  - c. Any applicable taxes and handling fees are itemized.
  - d. Proper authorization is provided to the merchant from the Card Provider.
  - e. For point-of-sale purchases, obtain a customer copy of the receipt.
  - f. Purchases have all necessary internal governance approvals (e.g., Technology Review Boards, etc.).
3. When placing phone or internet orders, the Cardholder will ensure that:
  - a. All charges will be made only upon shipment or service performance.
  - b. A written order confirmation is sent to be retained with customer copies of sales receipts and other documentation.
  - c. The shipping document or packing slip has all required data including at a minimum:
    - i. Cardholder's name or department/division/agency name and contact information,
    - ii. item description,
    - iii. quantity and part number,
    - iv. full delivery address, and
    - v. vendor's contact information.
4. Food purchases must be in line with King County Code 3.24 and PER 17-1-4-EP Meal, and Expense Reimbursement for County Employees.
5. Continued incidents of missing documentation may subject a Cardholder to corrective action, up to and including termination and/or revocation of P-Card privileges.
6. Returns, Credits, and Disputed Items: Should a problem arise with a purchased item, service, or charge, the Cardholder shall first contact the supplier and attempt to resolve the problem directly. If the vendor will not resolve the issue, the dispute process may be entered via the Card Provider's



online banking system. Credits and charges will both appear in iExpense and must be applied to the same POETA to replenish the charged fund.

- a. If an unrecognized or duplicate charge is not resolved with the supplier directly, the Cardholder must dispute the transaction in the Card Provider's online banking system within 60 days of the first statement on which the error or disputable charge appears. The Cardholder shall also notify the P-Card Coordinator and Chief Procurement Office or designee. If the charge is suspected to be fraudulent, the card will be immediately blocked, and an investigation of the charge will continue. A new card may be issued to the Cardholder, if appropriate.
- b. The Cardholder is responsible for ensuring credits for returns, disputes, or fraudulent charges are properly reflected in Oracle iExpense.

7. P-Card Statement Reconciliation

- a. Cardholders must review transactions and create expense reports for payment to the Card Provider as outlined within the P-Card Application Form.
- b. Cardholder must verify the item/service purchase price, and tax paid.
- c. The Cardholder or delegate must provide a clear description of the purchased item or service, any applicable contract number(s), the exact amount of sales tax paid, amount of sales tax, destination MS/City, what was purchased, and invoice number within the justification outlined in the P-Card Guide. A work order number can be added, if applicable.
- d. The Cardholder (or delegate) will assign POETA to each transaction line item. Once reviewed and submitted by the Cardholder, the transactions will be reviewed by the Approver(s) for completeness and appropriateness and will either be approved or returned to the Cardholder for more information or necessary changes.

8. At the close of the monthly billing cycle, the Card Provider will provide online:

- a. Monthly memo statement of account to each individual Cardholder.
- b. Monthly managing account billing statement to the Finance Department. The billing statement will list all King County transactions processed during the previous billing cycle.

**IV. Implementation Plan**

- A. This policy becomes effective for all Executive Branch agencies or the Department on the date that it is signed by the Executive. The Finance and Business Operations Division is responsible for the implementation of this policy.
- B. DES/FBOD/Procurement and Payables Section is responsible for communicating this policy to the management structure within their respective agencies and other appropriate parties.

**V. Maintenance**

- A. This policy will be maintained by DES/FBOD/Procurement and Payables Section or its successor agency.
- B. This policy will automatically expire five (5) years after its effective date. A new, revised, or renewed policy will be initiated by DES/FBOD/Procurement and Payables Section, or its successor agency prior to the expiration date.

**VI. Consequences for Noncompliance**

- A. Affected agencies in noncompliance with this policy shall submit a letter of justification and remediation plan signed by the P-Card Coordinator to the Chief Procurement Officer or designee for review and action.
- B. Continuing noncompliance may subject the King County employee violating the policy to the disciplinary process set forth in the King County Personnel Guidelines and King County Code of Ethics.

**Appendices:**

- Appendix 1. Link to P-Card Guide ([Purchasing Cards \(P-Cards\) - King County, Washington](#))