City of Lacey, Washington
Lacey City Council Worksession Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, April 9, 2024	6:00 PM	Council Chambers and Online

1. **Call to Order**
2. **Roll Call**
3. **Land Acknowledgment:**
   We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge, and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as they have today. We recommend that community members read the Medicine Creek Treaty of 1854.
4. **Approval of the Agenda**
5. **Agenda Items**
   A. **Joint Animal Services Update**
   Sarah Hock, Executive Director, Joint Animal Services

   B. **Budget Amendment Briefing - Proposition 1 Financial Strategy**
   Rick Walk, City Manager
   Troy Woo, Finance Director

   C. **City Council Purchasing Card Training**
   Chelsea Yarwood, Accounting Manager

   D. **Community and Economic Development Activity Update**
   Sarah Schelling, Senior Planner
6. **Adjourn**

Meeting Information:

Attendance (Remote or In-Person)

The public may attend the meeting in-person, or you may view or listen to the meeting using one of the following platforms:

In-Person:	Council Chambers at Lacey City Hall 420 College Street SE, Lacey, WA 98503
Zoom:	https://us02web.zoom.us/j/87587191547
Website:	https://cityoflacey.org/government/public-meetings/
Facebook:	https://www.facebook.com/cityoflacey
YouTube:	https://www.youtube.com/watch?v=Ui6bl5z3AbE
Phone:	(888) 788-0099 or (877) 853-5247 (Webinar ID 875 8719 1547)

Verbal Public Comment

Verbal public comment is not scheduled for Worksessions. Verbal public comment may be provided at Regular City Council Meetings. Regular Council Meetings are held the first and third Thursdays of the month.

Written Public Comment

Public comments may be submitted for Worksessions by email to PublicComment@cityoflacey.org. The commenting period will close two hours before meeting time. Written comments will be provided to the City Council electronically prior to the Worksession meeting. Comments will not be addressed during the Worksession meeting; however, comments received will be added to the official record.

LACEY CITY COUNCIL WORKSESSION
April 9, 2024

SUBJECT: **Purchasing Card Training**

RECOMMENDATION: **Conduct required purchasing card training.**

STAFF CONTACT: Rick Walk, City Manager RW
Troy Woo, Finance Director TW
Chelsea Yarwood, Accounting Manager CY

ORIGINATED BY: Finance Department

ATTACHMENTS:
1. Resolution No. 1121 (Purchasing Card Policy)
2. Purchasing Card Instructions
3. Card Holder Agreement

FISCAL NOTE: None

WORK PLAN GOAL AND STRATEGY: None

PRIOR REVIEW: None

BACKGROUND:

The Finance Department has been moving forward with the implementation of a City-wide individual purchasing card program. This program is designed to provide a convenient and efficient method of procuring low value goods and services for eligible City users. Previously, the City utilized two generic credit cards with the exception of individual Councilmember credit cards used for business travel purposes. As this program is expanded to staff City-wide, there will be additional processes and procedures, enhanced training information, and a new credit card provider.

The City adopted Resolution No. 1121 on October 6, 2022. The resolution amended the City's Purchasing Card Policy and includes a requirement for each intended cardholder to complete Purchasing Card training conducted by Finance Department staff. This required training is scheduled for April 9, 2024 for all Council members.

Each Council member that intends to utilize a City Purchasing Card will need to complete the following tasks:

- Submit an application form in order for the Finance Department to order new cards with the new provider.
- Attend required training on April 9th.
- Review and understand the Purchasing Policy and Purchasing Card Instructions (attached).
- Sign and submit the Card Holder Agreement upon receiving the purchasing card.

The training will be informative and provide helpful context for future purchases. Council's continued support of the expanded purchasing card program is greatly appreciated.

RESOLUTION NO. 1121

CITY OF LACEY

A RESOLUTION OF THE CITY OF LACEY, WASHINGTON, AMENDING THE SYSTEM AND POLICIES RELATING TO THE USE OF CREDIT CARDS BY THE CITY.

WHEREAS, RCW 43.09.2855 authorizes the use of credit cards by governmental units under rules and procedures to be adopted by the legislative body; and

WHEREAS, the City Council deems that it is the best interest of the City to make certain financial payments by using a credit card, and

WHEREAS, the expansion of credit card uses to include travel related expenses requires an increase to the single transaction limit,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, that Resolution No. 1083 is hereby rescinded and those certain policies set forth in the document entitled City of Lacey Purchasing Card Policy, attached hereto and made a part hereof as though fully set forth at length are hereby approved and adopted as the purchasing card policies to be followed by the City Council and management of the City of Lacey.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this 6th day of October, 2022.

CITY COUNCIL

Andy Ryder

Mayor

Attest:

Peri Edmonds

City Clerk

Approved as to form:

For City Attorney

City Attorney

CITY OF LACEY
PURCHASING CARD POLICY

1. GENERAL

A. This policy establishes the rules by which the City will conduct the Purchasing Card Program.

B. Purchasing Cards are designed to provide a convenient and efficient method of procuring low value goods and services. Eligible City users will be able to make these small purchases ~~simply and easily~~efficiently when a need arises. Purchasing Cards will reduce costs associated with processing purchase orders and accounts payable, while creating good business relations with suppliers by ~~speeding up~~expediting payments ~~to them~~for goods and services. These efficiencies will allow all groups and individuals involved to be more effective and focused on the value-added aspect of their jobs.

C. This policy is divided into the following sections:

SECTION 1	GENERAL
SECTION 2	EMPLOYEE ELIGIBILITY
SECTION 3	PURCHASING CARD USE
SECTION 4	CARD RESTRICTIONS
SECTION 5	MISUSE OF PURCHASING CARD
SECTION 6	CARD CANCELLATION
SECTION 7	ADMINISTRATION

2 EMPLOYEE ELIGIBILITY

A. Purchasing Cards will be ~~issued~~ available to authorized regular status City employees, who have an identified business need ~~only~~. The Department Director is responsible for authorizing an employee to use a Purchasing Card. Temporary or seasonal employees are not eligible to participate in the program.

B. The employee whose name appears on the card is the only individual who may use the card.

C. ~~If a~~ Department Director's upon requests, may be issued a non-individualized "department" card~~, it may be issued~~ for general use by the department, which must have security measures in place to administer its use. The "department" card has a higher potential for misuse and carries higher risk for the City. It is, therefore, generally discouraged.

D. ~~An a~~Authorized employees will be required to ~~make~~ submit an application ~~and sign~~

and abide by a cardholder agreement.

~~D.~~E. Prior to card issuance, each employee must complete a Purchasing Card training conducted by Finance Department staff.

3 PURCHASING CARD USE

A. The maximum transaction amount is ~~$1,000~~$2,500 including all taxes and shipping charges. Under discretion of the City Manager or his designee, the maximum transaction limit can be increased. The maximum monthly limit per card and the City's aggregate monthly limit will be established by the City Manager or his designee.

B. ~~A~~ Department Director's may establish lower limits for department employees.

C. Use of the purchasing card does not relieve the cardholder from complying with City and departmental policies and procedures. The purchasing card is not intended to replace effective procurement planning which can result in quantity discounts, reduced number of trips, and more efficient use of City resources.

D. The cardholder will be responsible to report a lost or stolen card by phoning the contracting bank and advising the Finance Department immediately. A Police report shall be filed for a stolen credit card. The Finance Department will confirm the loss in writing to the Bank. Only the Finance Department card administrator may authorize a replacement card.

E. The following conditions must be met when using the Purchasing Card:

- Each single purchase may be comprised of multiple items, but the total must not exceed the ~~$1,000~~$2,500, including all taxes and shipping charges, transaction limit.
- ~~When~~ If a purchase exceeds the ~~$1,000~~$2,500 transaction limit, the purchase shall not be made using a Purchasing Card and the normal procedure of using purchase orders must be followed. Purchases must not be split to circumvent the transaction limit.
- The least expensive item that meets the needs of the department should be sought.
- Cardholders must follow their department's administrative control of funds procedures to ensure that sufficient budgeted funds are available for the purchase.
- The cardholder must obtain an itemized receipt from the vendor and submit the receipt along with their reconciled account statement to the Finance Department for timely payment.

4 CARD RESTRICTIONS

A. The following list covers purchases for which the Purchasing Cards are specifically prohibited:

- Cash advances or cash refunds
- Personal use of any kind or any non-City purpose
- Items purchased for departmental inventories
- Capital expenditures
- Minor Equipment over ~~$500~~$1,000 (Unless purchases are considered to be telecommunications or computer exemptions)
- Telecommunications equipment, software or services (Only Information Services and Finance are authorized)
- Computer hardware, software, or peripherals (Only Information Services employees are authorized)
- Work considered to be a public work
- Goods or services that are on current City contracts

B. A Department Director may specify further restrictions to this list.

5 MISUSE OF THE PURCHASING CARD

A. If for any reason, disallowed charges are not repaid by the cardholder before the card billing is due and payable, the City shall retain a prior lien against and a right to withhold any and all funds payable to the employee up to an amount of the disallowed charges, any applicable penalties, and interest at the ~~same~~ rate ~~as~~ charged by the purchasing card contractor.

B. Consequences for misuse of the Purchasing Card can include:

- Permanent revocation of Purchasing Card privileges
- Assignment of wages for repayment of discrepancies including any applicable penalties and interest charged by the purchasing card contractor
- Notification to the Finance Director and the Washington State Auditor to investigate the matter further, which may result in the pursuance of criminal charges
- Disciplinary action

6 CARD CANCELLATION

A. A Purchasing Card may be canceled for any of the following reasons:

- The card is lost or stolen
- The employee transfers to another department
- ~~The cardholder whose name is on the card allows another employee to use the card~~
- ~~An employee uses a card that is not in their name~~The Purchasing Card is used or given for use by someone other than the assigned user
- The employee retires, resigns, or is otherwise ~~terminated~~ separated from City employment

- The authorizing Department Director requests cancellation for any reason
- At the City Manager or Finance Director discretion

B. It is the responsibility of the Department Director to advise the Finance Department of the termination or transfer of any cardholder. Finance will then cancel the cardholders Purchasing Card.

7 ADMINISTRATION

A. The Finance Department is responsible for administering this policy.

CARDHOLDER INSTRUCTIONS

CITY OF LACEY
Purchasing Card Program

1. **PURPOSE:** To provide instructions on the proper use of the City Purchasing Card as a supplement to purchase orders.

2. **BACKGROUND:**

   2.1 To promote vendor acceptance and operational efficiency, the Finance Department initiated the City Purchasing Card program.

   2.2 A number of unique controls have been developed for the Purchasing Card program that **do not** exist in a traditional credit card environment. These controls ensure that the card can be used only for specific purchases and within specific dollar limits. In addition, certification of all purchases is required by each cardholder, with verification performed by the Department Director or his/her designee before payment is authorized to be made.

3. **GENERAL INFORMATION**

   3.1 The unique Purchasing Card that you receive has your name and the City name embossed on it. No member of your staff, your family, your supervisor or anyone else may use this card. THIS PURCHASING CARD MUST NOT BE USED FOR PERSONAL PURCHASES.

   3.2 Prior to being issued a Purchasing Card, you will receive a copy of the Purchasing Card Application, which indicates the maximum dollar amount for each single purchase and a total for all purchases made with the Purchasing Card within a given month. The City limit is $2,500 per single purchase and $5,000 within a given month. Your Department Director may establish lower limits. Under discretion of the City Manager or their designee, the maximum transaction limit may be increased. The Purchasing Card Application will be processed by the Finance Department to obtain the Purchasing Card.

   3.3 When the Purchasing Card is received at the Finance Department, you will be contacted to attend a training session and to personally sign a Cardholder Agreement.

   3.4 Prior to using your card, you must activate your account.
   See guide to activate account.
   For individual cards, sign your card immediately, exactly as you will sign your purchase receipts. For department cards, write “ask for City ID” on back of card.

3.5 You may use your Purchasing Card at any merchant that accepts credit cards for payment. **(See the Purchasing Card Policy for specific exclusions.)** If you encounter a merchant who does not accept credit cards, please notify the Finance Department. Mail, e-mail or fax the **"**Merchant Enrollment Request**"** form to Finance. The Finance Department will then mail the merchant some information on the City's program and solicit their participation.

4. MAKING A PURCHASE IN PERSON

4.1 **Obtain an itemized receipt for your purchase**.
Sometimes the vendor will give you a single receipt, which includes the credit card transaction information as well as the itemized list of merchandise purchased. Some vendors may give two receipts; one for the credit card transaction and one for the merchandise. In either case, you must retain these documents and submit them to Finance with your reconciled Monthly statement reconciliation. **<u>Your receipts must give a description of each item purchased.</u>**

4.2 The merchant will require you to sign the sales draft. Before you do, verify that the dollar amount is correct and that sales tax has been added. City purchases <u>are</u> taxable, so it is important that the merchant adds tax if at all possible. Also verify that the merchant business name is on the receipt.

4.3 Make sure that the merchant returns your card to you.

4.4 Safeguard your Purchasing Card. **Do not allow anyone else to use your card. Keep your card in a safe place.**

4.5 Retain receipts for completing your monthly statement reconciliations.

5. MAKING A TELEPHONE, MAIL, OR INTERNET ORDER

5.1 When placing a telephone, mail, or internet order, you will be asked to provide your name, card number, expiration date on the card, and an address. Order forms that allow credit card payment will require your signature. Do not store credit card information on websites.

5.2 Specify to the merchant that an itemized receipt must be shipped with the merchandise. Some internet orders will only provide "screen prints" or email confirmations as receipts.

5.3 When your order arrives, retain the receipt document(s) and submit to Finance with your monthly statement reconciliation.

5.4 If a mail, phone, or internet order transaction is posted to your statement before you actually receive the goods, note it on your monthly statement reconciliation, forward the receipt, with explanation, to Finance as soon as possible. (A merchant cannot charge your card until an order has shipped, so the delay time should only be the time it takes for shipping.)

5.5 For subscription payments, attach the original subscription form or renewal form to the monthly statement reconciliation where the charge appears.

5.6 When registering for classes, seminars, conferences, workshops, etc., attach a copy of the registration form to the monthly statement reconciliation where the charge appears. If the event involves travel, you must also attach your approved Training and Travel Request Form. (Reference the City Reimbursement for Expenses Incurred in the Conduct of City Business Policy)

6. PROCEDURES AFTER PURCHASE

6.1 Our billing cycle runs from the 7th of the month through the 6th of the following month. At the close of each billing cycle, the Bank will mail and/or upload to the portal a statement for each cardholder. The statement will show all transactions posted to your account during the billing cycle. Upon receipt of your statement, complete each of the actions listed below.

1. Review the statement for accuracy. Compare each transaction to your receipts or invoices.

2. Attach all receipts to the monthly statement. (But only those for transactions shown on the bank statement. If you have any receipts for purchases that were not posted on this bank statement, hold them over and record them on next month's statement reconciliation.)

3. Total this month's receipts or invoices. It should match the total on your bank statement.

4. Sign the monthly statement reconciliation coversheet, obtain your Department Director or designee's approval signature, and **return to Finance within 10 calendar days of the statement date.**

6.2 When returning any items, cash and gift card refunds should be avoided. In the event, the vendor will not provide a credit refund, contact the Finance Department for guidance on the cash or gift card refund. If you have returned an item, attach the credit slip to the monthly statement for the month in which the credit appears on your statement. It is the cardholder's responsibility to see that returns are properly credited. A return of goods purchased using your Purchasing Card must always result in a credit issued towards your Purchasing Card account. If a merchant refuses to issue credit, treat the situation as a dispute and follow the instructions in Section 7: Dispute Resolution Process.

6.3 If you will not be available to sign your monthly statement reconciliation coversheet because of leave or travel, forward all sales receipts, credits, etc. to your Department Director or designee so the log can be completed and returned to Finance on time.

7. DISPUTE RESOLUTION PROCESS

7.1 If a charge shown on your statement is incorrect, or you do not recognize a transaction, call the Bank's Customer Service Department to help you identify it or to place the item in dispute. Notify the Finance department if this occurs.

7.2 The Bank will then send you a letter requesting information from you. You must return the required written information to the bank within 30 days of the date of the first statement on which the disputed charge occurred. Keep a copy of the letter to attach to your monthly statement reconciliation and keep a copy for yourself.

7.3 The Bank will research the charge and make necessary adjustments to the account. The disputed item will be noted on the following month's statement for reconciliation purposes. The disputed item will be reflected in the outstanding balance but will not be part of the total amount due.

7.4 When a disputed item has been resolved, a line-item credit will be added to the statement and reflects a note regarding the status of the credit. The outstanding balance will be adjusted by the credit amount to reflect the final settlement of the disputed item.

8. LOST OR STOLEN CARD

8.1 Immediately notify Finance at (360) 413-3558, your Department Director, and the Bank. The Police should be notified depending upon the situation, i.e., robbery, burglary, etc.

8.2 Provide the following information to your Department Director and Finance: Your name, card number, the date reported to the police (if applicable), the date reported to the Bank, and any purchases made on the day the card was discovered lost or stolen. Your missing card will be canceled and a new card number will be issued to you by Finance.

It is important that you notify the Bank, your Department Director, and Finance of the loss or theft of a card immediately.

9. CHANGES TO CARDHOLDER INFORMATION

9.1 Changes to a cardholder's name, work address or departmental assignment (i.e., moving to another subdivision within a Department) must be reported by completing the "Cardholder Account Maintenance Form" and forwarding it to Finance. Finance will submit the changes to the Bank and order a new card if necessary. Your old card must be turned in to Finance when a new card is delivered.

9.2 It is the responsibility of the Department Director to notify Finance of the termination or transfer of any cardholder. Finance will cancel and destroy the cardholder's Purchasing Card. A cardholder who is transferred to another department must re-apply for a Purchasing Card with the new Department Director's approval.

CITY OF LACEY
Purchasing Card Program
Cardholder Agreement

1. I,____, hereby acknowledge receipt of a City of Lacey Purchasing Card.

2. I also acknowledge receipt of the City of Lacey's Purchasing Card Policy and Purchasing Card Program Cardholder Instructions, and confirm that I have read, understand, and will comply with the terms outlined therein.

3. The purchasing card is provided to employees based on their need to purchase business-related goods and services. A card may be revoked at any time. The card is not an entitlement nor reflective of title or position.

4. All charges are billed directly to and paid directly by the City of Lacey. Any personal charges on the card could be considered misappropriation of City funds since the cardholder cannot pay the bank directly.

5. Cardholders are expected to comply with internal control procedures in order to protect City assets. This includes keeping receipts, reconciling monthly statements and following proper card security measures. The City and/or the State Auditor's office will audit the use of this card and report any discrepancies.

6. Cardholders are responsible for reconciling their monthly statements and resolving any discrepancies by contacting their supplier and Bank. Prior to submission of the statement to Finance, the cardholder and supervisor or designee will sign the summary log indicating approval of all charges and noting any discrepancies. The cardholder is responsible to provide itemized receipts for purchasing card transactions.

7. A lost or stolen card should be reported immediately by telephone to the cardholding bank, your supervisor, and the Finance Department (360) 413-3558.

8. A cardholder must surrender his or her card upon termination of employment (i.e., retirement or voluntary or involuntary termination) or transfer to another department. At that point, no further use of the account is authorized.

The card is for business-related purchases only; personal charges are not to be made to the card. In accepting this card, I understand that I am the only person entitled to use the card and I am responsible for all charges made against the card. Improper use of the card can be considered misappropriation of City funds, which may result in disciplinary action. Should I fail to use this card properly, I understand the City may seek reimbursement per RCW 42.24.115 from my salary that amount equal to the total of the discrepancy. I also understand the City may elect to collect such amounts even if I am no longer employed by the City of Lacey.

______________________________________ ______________________________

Cardholder Printed Name **Date**

____

Cardholder Signature

Copy to Department Head