

**PORT OF LONGVIEW COMMISSION
RESOLUTION NO. 2016-19**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF LONGVIEW AUTHORIZING A PURCHASING CARD
PROGRAM FOR PORT OFFICIALS AND EMPLOYEES.**

WHEREAS, the State of Washington has entered into an agreement, called the WSCA-NASPO Contract, with U.S. Bank National Association (“U.S. Bank”) for the use of certain credit “Card Products” and “Card Product Enhancements” by state employees , and amended the same agreement to allow for the participation of political subdivisions within the State (the “Participating Addendum”); and

WHEREAS, the Port of Longview (“Port”), as a political subdivision of the State, is eligible to avail itself of the benefits of the WSCA-NASPO Participating Addendum by instituting for Port employees a purchasing card program that is consistent with State law through the Participating Addendum; and

WHEREAS, there are no additional costs to the Port associated with availing itself of the benefits and responsibilities of the Participating Addendum, beyond those charges and interest fees duly incurred by the Port on program cards;

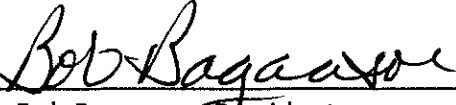
WHEREAS, in accordance with RCW 43.09.2855, the Port has developed policies and procedures delineating specific authority, guidelines and procedures for Port employees to follow, which includes the distribution of cards, credit limits, authorization of purchases and payment of invoices, when using Participating Addendum credit cards issued by U.S. Bank; and


NOW, THEREFORE, BE IT RESOLVED, by the Port of Longview Board of Commissioners (“Board”) that the use of credit/purchasing cards by Port employees through the WSCA-NASPO Participating Addendum is approved; the Port’s Credit/Purchasing Card Policy, attached hereto as Exhibit A, and incorporated by reference, is hereby adopted as **authorized by RCW 43.09.2855**; and Port purchasing authority is delegated to Port employees not inconsistent with the Board approved Credit/Purchasing Card Policy.

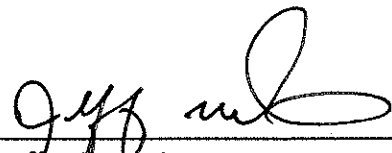
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ADOPTED by the Port of Longview Board of Commissioners this 8 day of June, 2016.

PORT OF LONGVIEW COMMISSION

By: 
Bob Bagaason, President
Commissioner, District 3

By: 
Doug Ayerett, Vice President
Commissioner, District 2

By: 
Jeff Wilson, Secretary
Commissioner, District 1

RESOLUTION NO. 2016-19
EXHIBIT A
CREDIT/PURCHASING CARD POLICY

POLICY

The Board of Commissioners of the Port of Longview recognize that the use of credit cards is a customary and economical business practice used to improve cash management, reduce costs and increase efficiency. Purchasing cards are designed to provide an alternative, convenient and efficient method for acquiring goods and services for official Port use. They are not intended to be used to avoid or bypass State law or Port purchasing policies. Rather, they are to be used consistent with the same statutes, rules, policies and procedures applicable to the Port for purchases by any other means of payment. The Port of Longview's Credit/Purchasing Program ("Purchasing Card" or "PCard" program) is established as authorized by RCW 43.09.2855.

This Purchasing Card program is designed to assist in the management and payment of business-related purchases and travel expenses by eliminating unnecessary paperwork and payment processing steps and reducing acquisition costs and time. It is an enhancement to the purchasing process. The Purchasing Card is designed with built-in spending controls to prevent inappropriate purchases. The use of a Purchasing Card is a privilege that has been granted to employees. Certain responsibilities are associated with this privilege.

APPLICABILITY

This policy applies to all Port employees unless otherwise exempted by State law or rule. This policy is not intended to abridge the customary functions of management, including but not limited to management's responsibility for directing the activities of each Port department, and determining the methods of operation.

BACKGROUND

The Purchasing Card program is a commercial card account and has a number of unique controls that do not exist in a traditional credit card environment. These controls ensure that Purchasing Cards are used only for specific purchases and within specific monthly dollar limits.

The Purchasing Card Administrator shall be responsible for implementing, monitoring, and administering this policy and ensuring that employees who have access to the Purchasing Card follow all federal and state laws and Port resolutions, rules and policies relating to the purchasing function. Each Port Department Head is responsible for the management of Purchasing Card accounts in their department, and may establish additional controls and restrictions as deemed appropriate within their department.

DEFINITIONS

1. "Approving Official" means the Department Head or employee assigned to monitor review and approve Purchasing Card transactions to ensure compliance with these policies and procedures.
2. "Billing Period" means the monthly cycle during which transactions are posted.
3. "Cardholder" means an employee who is issued an Individual Purchasing Card.
4. "Card User" means an employee who has been authorized to use a Group Card.
5. "Central Bill" means the Port's consolidated statement that lists all cardholder transactions.
6. "Port Official" means Department Head or Manager.
7. "Port's Purchasing Policies" means the most current resolutions or policies and procedures regarding purchasing commodities, services and/or travel.
8. "Credit Limit" means the maximum amount of all transactions that can be charged to a card within a billing cycle.
9. "Purchasing Card" means a VISA credit card issued by U.S. Bank. There are two types of Purchasing Cards:
 - a) "Individual Purchasing Card" means a Purchasing Card issued to an individual employee or Elected Official.
 - b) "Group Card" means a Purchasing Card issued to a department and generally does not have an individual name on the card.
10. "Disputed Item" means a transaction appearing on the Purchasing Card statement that the Cardholder or Purchasing Card Custodian determines to be inappropriate.
11. "Purchasing Card Administrator" means the Purchasing and Contracts Manager, or designee, who administer(s) the Purchasing Card program and serves as the liaison between the Port Cardholders and U.S. Bank.
12. "Purchasing Card Custodian" means a Port employee who is responsible for maintaining and securing a Group Card account.

13. "Purchasing Card Statement" means the individual Cardholder's monthly statement that lists all transactions made during the Billing Period.
14. "Reconciliation" means the process of verifying, approving and settling transactions.
15. "Transaction" means a purchase or charge to an account.
16. "Transaction Limit" means a:
 - a. "Single Transaction Limit" - the maximum amount of a single transaction; and
 - b. "Monthly Transaction Limit" - the maximum amount of all transactions during the billing period.
17. "Voucher Processing Officer" means a Port employee who coordinates statements for a workgroup, division, or department and originates a voucher that is submitted to accounts payable pursuant to the procedures established by the Chief Financial Officer.

GENERAL PROVISIONS

1. Port Use Only/Authorized Purchases

All purchases made with Purchasing Cards must be made in compliance with Port Purchasing Guidelines, Port policies, and applicable state statutes and federal laws.

The Purchasing Card is to be used for *business related purchases* only. The uses are prohibited:

- ✓ Items for personal use
- ✓ Materials or services from any member of the Card User's immediate family
- ✓ Cash advances
- ✓ Alcoholic beverages
- ✓ Purchases in excess of the limits authorized by the card
- ✓ Gifts/donations
- ✓ Personal or professional services
- ✓ Manpower (labor) of any type
- ✓ Purchases restricted by policy guidelines
- ✓ Purchases that violate established Port standards or contractual agreements such as Computer Hardware and/or Software (unless approved by Information Services Department)
- ✓ Splitting purchases to circumvent the daily or monthly purchase limits, or to

- avoid competitive bidding limits or purchasing authority limits
- ✓ Prepayments unless otherwise authorized by statute or contract

2. Issuance of Cards

Port Department Heads may choose whether to issue Purchasing Cards to individuals and/or a department card. It is recommended that Port Department Heads utilize individually assigned Purchasing Cards rather than department cards in order to ensure better accountability of card users and full fraud protection from the issuing bank. Port Department Heads should establish a system for responsibility, control and distribution of Purchasing Cards within their departments

Only full-time regular employees of the Port may be issued an Individual Purchasing Card. Individual Purchasing Cards may only be used by the person to whom the card is issued. It is not permitted to allow anyone other than the Cardholder to use a card to make purchases. Failure to comply with this restriction will result in immediate revocation of the Cardholder's Purchasing Card, or other discipline, as appropriate, up to and including termination.

A Group Card may be used by employees authorized by the Port Department Head in the designated department.

3. Roles and Responsibilities

The roles and responsibilities for Department Heads and card holders are outlined below. Since the purchasing card program is simply a mechanism to facilitate existing purchasing policies, the ultimate responsibility for the program falls under the delegation of authority for the Chief Executive Officer.

Those who are issued Purchasing Cards:

- ✓ Are required to have a working knowledge of all applicable policies, rules and guidelines governing use of purchasing cards and credit cards, and are responsible for adherence to these controls and procedures. All purchases must be made following applicable Port Purchasing Guidelines, Washington State and federal laws and these Purchasing Card Policies.
- ✓ Are expected to seek the best price available and request available discounts at the time of purchase.
- ✓ Must maintain original receipts, sales slips, supplier invoices, packing slips and other related documentation sufficient to show details of the transaction. A sales draft (credit card receipt) is not sufficient. A cash register slip or other document which itemizes the transaction must be submitted with the reconciled invoice at the end of the billing cycle.
- ✓ Must maintain a purchasing transaction log for reconciliation purposes.

- ✓ Shall resolve discrepancies with the supplier or financial institution.
- ✓ Must print and reconcile the purchasing card statement, and promptly forward to the person designated within their department to approve transactions (Approving Department Head).
- ✓ Must safeguard cards from theft, loss, and misuse.
- ✓ For Internet purchasing, the card user will only enter the purchasing card number in a secure web browser that supports encrypted transactions. Card users can check for this by looking at the bottom of the screen on the status bar for a picture of a padlock. A locked padlock indicates the transaction site is secure.
- ✓ Will notify the financial institution and the Purchasing Card Administrator immediately if the card is lost or stolen or if fraudulent transactions occur.
- ✓ Shall maintain strict security of card numbers.
- ✓ All transactions are available for review on-line using web-based software supplied by the banking institution. The card holder will regularly review transaction details and obtain supervisor approval.
- ✓ Prior to the payment due date, the card holder will print the card statement, verify the transactions are accurate and attach all receipts and required documentation to the statement. The card holder will submit the statement, receipts and supporting documentation to an appropriate Department Head or Accounts Payable Specialist for processing no later than five (5) business days prior to the payment due date.

Purchasing Cards must be returned to the Department Head upon request or when the cardholder terminates Port employment, separates from service, or transfers to another department within the Port. The Department Head will then destroy the card and notify the Purchasing Card Administrator. In the event a Department Head leaves Port Employment, the credit card will be returned to the Purchasing Card Administrator for destruction.

The Card must be surrendered by the cardholder to the employee's Department Head if used in a manner that is inconsistent with Port policy, if the reconciled statements and receipts are not sent to Approving Department Head or Accounts Payable in a timely manner, or if finance charges are incurred as a result of Credit Card User negligence.

The Credit Card User is personally responsible for payment of unauthorized purchases and/or purchases not supported by itemized receipts. Misuse or abuse of Port Purchasing Card may result in a revocation of the card and may subject the cardholder to disciplinary action up to and including termination.

Approving Department Heads are assigned to:

- ✓ Monitor, review and approve Purchasing Card transactions and to ensure compliance with policies, procedures
- ✓ Ensure timely reconciliation of card statements, including ensuring that supporting documentation is attached and timely submission of approved card statements to fiscal staff for payment.
- ✓ Monitor card activity for unusual patterns of use or unacceptable transactions and take appropriate disciplinary measures with card users who misuse their Purchasing Cards.

4. Purchasing Card Purchases Subject to Purchasing Laws and Policies

The Purchasing Card does not supersede requirements to comply with existing federal and state laws or Port regulations, resolutions or policies and procedures regarding purchasing commodities, services and/or travel. The Purchasing Card is designated to be an enhancement to the purchasing and payment process.

5. Transaction Limits

The Port Department Head or their designee requesting the Purchasing Card will determine the single transaction limit and monthly transaction limit at the time of application. Cardholders and Card Users shall not exceed these limits without prior written approval from the Department Head.

The Port has an aggregate Port-wide credit limit, which cannot be exceeded. If monthly transactions exceed the established departmental limits, the Purchasing Card Administrator should be contacted to ensure adequate Port-wide credit is available in order to avoid transactions being declined for other Cardholders.

Purchasing Card users are specifically prohibited from splitting transactions into multiple charges to circumvent transaction limits or bid limits.

The monthly transaction limit is a function of the billing cycle of the issuer and is not necessarily the same as a calendar month. If a Purchasing Card has reached its billing cycle transaction limit, new credit will become available only in the next succeeding normal processing cycle after the current invoice is received, reconciled, approved, audited and paid.

6. Loss or Theft of Purchasing Card

Cardholders, Card Users, and Purchasing Card Custodians are responsible for card security and are required to report loss or theft of the Purchasing Card immediately to their Port Department Head, U.S. Bank Customer service at 1-800-344-5696, and the Purchasing Card Administrator.

Current Contacts for U.S. Bank:

- ✓ 24-hour Customer Service: 1-800-344-5696
- ✓ Customer Service (Disputed Billing / Lost or Stolen Card): 1-800-344-5696
- ✓ (Disputed Billings): Address provided on the Statement
- ✓ Access Online Cardholder Support: 1-877-887-9260

7. Appearance of Purchasing Card

All Purchasing Cards issued for the Port will have "Port of Longview" embossed on the face and will reflect the Cardholder's name or the group (department) name.

8. Obtaining a Purchasing Card

To obtain a Purchasing Card, a Port Department Head or designee will complete a Purchasing Card Application form. The application will then be submitted to the Purchasing Card Administrator. Cardholders and Card Users are required to sign a Purchasing Card Agreement in the format provided by the Purchasing Card Administrator. Agreements are maintained by the Purchasing Card Administrator.

9. Inappropriate Use

a. Reporting Fraudulent Transactions

Any unusual activity or charge from an unknown source that occurs on a Purchasing Card must be reported immediately by the authorized user to their Department Head, U.S. Bank Customer service at 1-800-344-5696, and the Purchasing Card Administrator.

Cardholders or Card Users shall be personally responsible for any unauthorized expenditures and will be required to repay expenditures that are considered in violation of this policy. Cardholders or Card Users who violate this restriction will have their card privileges revoked and may be subject to disciplinary action, up to and including termination. The Chief Executive Officer reserves the right to cancel any Purchasing Card at any time for violation of this policy.

b. Card Use Violations

Regardless of what is determined to be a material level for reconciliation and audit purposes, all violations of Purchasing Card/account use (Purchasing Card/account used for fraudulent use, personal purpose, or other violation) shall be immediately reported to the responsible Department Head and the Purchasing Card Administrator.

Discipline for improper use of Purchasing Cards or violations of Port policies or procedures will be the responsibility of the responsible Department Head. A violation may be cause for corrective action and/or discipline, depending on the severity of the violation, which could include termination of employment and/or criminal prosecution.

Immediately following an investigation that results in a determination that charges were fraudulent and/or that misuse of the Purchasing Card/account has occurred, the offender will be required to reimburse the Port of inappropriate or fraudulent charges including interest. Said reimbursement may, at the sole direction of the Department Head (a) be made by direct repayment; (b) be withheld from the next succeeding employee paycheck; or (c) be repaid pursuant to a repayment plan (e.g., deduction of equal amounts from employee's paychecks).

By signing the Purchasing Card Agreement form, an individual Cardholder or Card User agrees to these conditions.

10. Returns and Exchanges

The Cardholder or Purchasing Card Administrator is responsible for contacting the vendor when goods, equipment, or services purchased with the Purchasing Card are not acceptable (incorrect, damaged, defective, or otherwise not acceptable) and for arranging a return for credit or exchange. If items are returned for credit, the Cardholder and Purchasing Card Administrator is responsible for obtaining a credit receipt from the vendor and retaining that receipt as supporting documentation. If items need to be exchanged, the Cardholder or Purchasing Card Administrator is responsible for returning the items to the vendor and obtaining a replacement as soon as possible.

11. Dispute Process

During investigation of the dispute, Cardholder(s) will cooperate fully with U.S. Bank and the Purchasing Card Administrator.

In the event the card user does not recognize a charge that has been posted to the billing statement, or the charge is disputed with the supplier and cannot be resolved, the Card User should contact the banking institution. The Card User will be responsible for documenting the dispute according to the financial institution's instructions within sixty (60) days of the first statement on which it appears. Subsequently, the banking institution will note the disputed items on the following month's statement for reconciliation purposes. The disputed item will be reflected in the outstanding balance of the statement, but will not be part of the total amount due. When the dispute is resolved, the banking institution will add an adjustment line to the statement.

12. Receipts/Payment Process

Purchasing Card purchases have the same documentation and voucher requirements as any other Port purchase. The Cardholder or Card User making a purchase must retain the original receipt for the transaction. Receipts must be submitted within three (3) business days after purchase is made or conclusion of travel to the Voucher Processing Officer in the Cardholder's or Card User's departments. The Voucher Processing Officer

is required to submit all receipts to the Purchasing Specialist for auditing purposes. The Purchasing Specialist is responsible for submitting the reconciliation and receipts to the Accounts Payable Specialist.

Except as otherwise provided in Port Policy Cardholders and Card Users are responsible for submitting all receipts. If a Cardholder or Card User has lost or misplaced a receipt, he/she is responsible for obtaining a copy of the receipt from the merchant. With the exception of expenses outlined in the Travel Policy, in lieu of an actual receipt, a signed affidavit stating the nature of the purchase, items purchased, and the reason a receipt is not available will be accepted.

The Cardholder or Card User will be responsible for reimbursement to the Port for all transactions that do not have proper documentation. If the receipt is located after the Port has made payment, the Cardholder or Card User may submit an expense reimbursement claim.

In cases where receipts are not available for services that are directly billed to the Purchasing Card (e.g., monthly subscription charges, courier services, and the like), other documentation acceptable to the Purchasing Card Administrator must be provided.

The Purchasing Card Administrator, or designee, will review all instances of lost receipts. Repeat occurrences may result in suspension of Purchasing Card privileges.

Failure by an employee to submit proper documentation of purchases in a timely manner that results in interest and/or finance charges is a violation of this policy. Interest and/or finance charges may be assessed against the employee as part of a disciplinary action.

From time-to-time, other procedures may be established by the Purchasing Card Administrator to facilitate the processes associated with this policy, which procedures are incorporated herein by reference.

13. Purchasing Card Account Maintenance

Changes to a Cardholder's name, address or Department/Division, should be reported immediately in writing to the Purchasing Card Administrator.

14. Termination of Employment or Separation From Service

The Cardholder must surrender the Purchasing Card to the Purchasing Card Administrator at the time of their termination or separation from service. The employee's supervisor shall report the termination or separation of service to the Purchasing Card Administrator.

15. Credit/Purchasing Card Cancellation/Revocation

Department Heads shall immediately notify the Purchasing Card Administrator when a Purchasing Card is to be canceled or revoked. A Credit Card may be canceled for any of the following reasons:

- a. The card is lost or stolen;
- b. The employee transfers to another department;
- c. The employee retires, resigns, or is otherwise separated from employment at the Port;
- d. The authorizing Department Head requests cancellation for any reason;
- e. The Purchasing Card Administrator requests cancellation.

It is the responsibility of the Department Head to advise the Purchasing Card Administrator of the termination, transfer, or separation from service of any Cardholder so that the Cardholder's Credit Card and/or user privileges may be cancelled.