

**EXHIBIT B**



**KNOX COUNTY**  
**POLICIES AND PROCEDURES MANUAL**  
**Electronic Commerce Card Program**

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## SECTION I - GENERAL

### 1.1 Introduction

Use of the Knox County Electronic Commerce Card benefits the County in many ways. Electronic Commerce Cards save the County time, money and resources, provide the County with financial and cash management control over low dollar value high volume procurements, and can serve as a payment tool for larger transactions consistent with the County's policy.

Merchants throughout the world accept Electronic Commerce Card purchases because they are familiar with commercial credit cards and they understand how to accept them. The cardholder is an authorized County buyer for each purchase made with the Electronic Commerce Card. Cardholders are held accountable for each transaction and must comply with all applicable policies and procedures.

The Program enables the County to expedite payments and gains from internal cost savings. Prompt payment to businesses, in particular small businesses, is an important policy objective of the Knox County Government.

Electronic Commerce Cards provides the End User the ability to purchase commodities and services commodities directly from vendors. The Program Manager or designee will issue cards to the specified individual(s) with the designated embossed names clearly indicated on the cards for the acquisition of goods and services. Employees authorized to utilize an Electronic Commerce Card will be required to successfully complete Card Training and sign the appropriate documentation prior to card issuance. The Finance Department will monitor the program with general oversight of the Procurement Division.

**An Electronic Commerce Card is issued to you for official County business only. Only Employees who need to make purchases on the County's behalf will be issued a card.**

Cards are issued to responsible employees who make everyday transactions associated with their job and those they may support. Compliance is an expectation and requirement of having and using a card.

The Electronic Commerce Card Program Staff is available to assist with all aspects of card ownership and looks forward to providing a high level of customer service to all of those involved.

Cardholders have been identified and approved by their Department Head to spend Knox County funds for items allowed on the Electronic Commerce Card. The Department Head should consider individuals who are responsible and organized and who are also:

- Frontline support employees who actually acquire the goods or services
- Currently spending Knox County funds on a regular basis via purchase orders
- Submitting reimbursement requests on a regular basis for business spending

## 1.2 Contact Names and Numbers

Questions for E-Card Program  
**Program Manager**  
**Financial IT & Compliance Division**  
**400 Main Street, City-County Building**  
**Suite 630**  
**Knoxville, TN 37902**  
**Telephone 865-215-4422**  
**Fax 865-215-2352**

Questions about the Accounting Process  
**Controller**  
**Finance Department**  
**400 Main Street, City-County Building**  
**Suite 630**  
**Knoxville, TN 37902**  
**Telephone 865-215-3118**  
**Fax 865-215-2352**

## 1.3 Purpose

The purpose of these policies and procedures is to:

- A) Introduce the Electronic Commerce Card Program to departments, divisions, offices, and agencies of the Knox County Government.
- B) Assure that the Electronic Commerce Card transactions are made in accordance with the Knox County Government Procurement Code and Regulations.
- C) Define the accountability of each participant to ensure the success of the Electronic Commerce Card Program.
- D) Define policies to determine appropriate internal controls are in place. Please note the policies and procedures provided herein are the **minimum** standards for department divisions, offices, and agencies. Departments, divisions, offices, and agencies may establish additional controls.

## 1.4 Electronic Commerce Cards - How it Works

Authorizations for Electronic Commerce Cards transpire through an online electronic software system. The online electronic system is part of the Electronic Commerce Card Services Contract. When a supplier requests a purchase authorization at the point-of-sale, the Electronic Commerce Card validates the transaction against pre-set limits established by the Program Manager. The system approves or declines (instantaneously) all transactions based on the authorization criteria established. The Program Manager or designee may adjust criteria periodically. Adjustments may include, but are not limited to, the following:

- Single purchase limit
- Monthly spending limit
- Merchant Category Code Access

The Electronic Commerce Card System simplifies the procurement and disbursement processes. The Electronic Commerce Card Program also provides enhanced controls for all transactions made by departments under delegated authority by producing immediate decisions on specific authorization criteria.

## **SECTION II - PROGRAM PARTICIPANTS**

### **2.1 Program Manager**

The Program Manager is a sole position in the Knox County Finance Department. The Finance Department will designate a designee for the Program Manager. The designee must be approved by the Procurement Director and the Finance Director. The following is a summation of this position's responsibilities in the Electronic Commerce Program:

- Approves Card Application Forms
- Issues Cards
- Maintains participant files
- Participates in training of new end users
- Coordinates issuance and cancellation of cards
- Coordinates program policy issues
- Participates in ongoing program and manual reviews
- Participates with the Finance Representative in resolving billing disputes
- Monitors the practices of end users
- Maintains policy and end user guides and manuals
- Targets new end users
- Establishes and monitors benchmarking objectives
- Evaluates feedback from suppliers
- Handles small business reporting requirements
- Participates in departmental implementation plans
- Participates in producing and updating an operations manual
- Reviews credit limits
- Manages the e-commerce Card Program

### **2.2 Finance Representative**

The Finance Department shall select personnel from its accounting staff to act as the Finance Representative(s). The following is a summation of this position's responsibilities in the Electronic Commerce Program:

- Participates in program policy issues
- Participates in ongoing program reviews
- Confirms that all charges are approved by at least the Department Head and Department Representative
- Notifies departments, divisions, offices, and agencies when approval for charges is not received in time
- Participates in departmental implementation plans
- Participates in producing and updating an operations manual
- Distributes charges to specified accounts
- Records ACH draw against cash and accounts payable for Card purchases
- Monitors the Electronic System
- Final review and approval of End User's documentation, account codes, and comments
- Periodic audits for original documentation and retention of sales receipts documentation

### 2.3 Department Head

The Department Head is an individual who heads a department or agency, or who holds an elected office with Knox County Government. The following is a summation of this position's responsibilities in the Electronic Commerce Card Program:

- Requests Cards for designated employees
- Requests departmental spending limits within established guidelines
- Designates a Department Representative and ensures that they receive the appropriate/applicable training
- Collects and destroys cards from cardholders who terminate employment and notifies Program Manager or designee of action taken by written or electronic notification
- Evaluates the need to cancel or reissue cards when employees transfer or terminate
- Notifies the Program Manager or designee when cards are not collected from terminated employees
- Develops departmental security measures
- Monitors the Electronic System for their department
- Requests Card limit and merchant category code access changes
- Approves the distribution of monies for specified account codes. ***This authorizes expenses against budgeted funds for that area.***
- Approves monthly statements/charges

### 2.4 Department Electronic Commerce Representative

The Department Representative is an individual of authority within their department that is approved by the Department Head. The Department Representative and Department Head must sign the Department Electronic Commerce Representative Authorization Form in order to receive the following responsibilities listed below. More than one individual may be designated in each department. The following is a summation of this position's responsibilities in the Electronic Commerce Card Program:

- Reconciles charges
- Applies accounting codes to charges (if cardholder is not responsible). If cardholder is responsible, approves accounting codes to charges
- Submits disputed items to the Program Manager or designee
- Assists Department Head in developing security measures
- Reviews monthly statements/charges of each cardholder under their supervision
- Requests Card limit changes and merchant category code access
- Ensures all charges are substantiated by uploading receipts and comments (if end user is responsible). If end user is not responsible, uploading all receipts for charges

### 2.5 Cardholder

The Cardholder is an individual designated by the Department Head to procure goods/services utilizing the Electronic Commerce Card. The following is a summation of this position's responsibilities in the Electronic Commerce Program.

- Holds and keeps the Card issued to them secure
- Orders commodities
- Confirm that the vendor agrees to process the transaction as tax-exempt
- Verify all shipping and freight information with vendor

- Collects and saves sales receipts/invoices or forwards receipts/invoices to the Department Card Representative
- Uploads receipts/accounting codes with monthly card statement/charges (only if Department Representative is not charged with this duty)
- Reviews monthly statements/charges for validity of all transactions (only if Department Representative is not charged with this duty)
- Identifies disputed charges (if any)
- Comments on each charge
- Immediately reports lost or stolen card to Program Manager
- Never provide an electronic commerce card number to a vendor – initiated call. The cardholder should always initiate the call when making a purchase by telephone.
- Verifies that a secured server is in use before providing an electronic commerce card number for a purchase made over the internet (Note: When entering a secured server, you should receive a message that you are now entering a secured server or see a locked padlock at the bottom of the page or on your lower status bar.)
- Must be compliant with the Knox County Procurement Regulations. Contracts exceeding the amount of Ten Thousand (\$10,000.00) shall be awarded through formal bidding whenever practicable. Three (3) quotes shall be obtained for all purchases requiring informal bidding.
  - Over \$25,000.00 = Competitive Bid Process
  - Between \$10,000.00 and \$24,999.00 = Three (3) written quotes are required

## **2.6 Procurement Division Buyers**

The following is a summation of this position's responsibilities in the Electronic Commerce Card Program:

- Evaluates acquisitions for the consideration of utilizing an Electronic Commerce Card
- Makes recommendations to the Program Manager as to card utilization
- Make charges on cards for transactions deemed appropriate

## **SECTION III - THE OPERATIONS MANUAL**

### **3.1 How to Apply**

A department must complete the Electronic Commerce Card Application Form signed by the potential Cardholder, Department Head, Elected Official, Program Manager, Procurement Director, Financial IT and Compliance Director, Finance Director, and the County Mayor. The Department Head must request for each potential Cardholder a monthly credit limit and single transaction limit that the Department Head has determined to be sufficient. All signatures on paperwork **must** be original. No stamped signatures will be accepted. The form is found online at the following web address. [http://www.knoxcounty.org/finance/ecc/pdfs/e-card\\_application.pdf](http://www.knoxcounty.org/finance/ecc/pdfs/e-card_application.pdf)

### **3.2**

#### **Training**

All program participants must complete all training offered by the Program Manager or designee before issuance of a card. All participants must complete initial training which introduces the participant to the Electronic Commerce Card Program as well as yearly re-training. If a strike letter is issued to a cardholder, the Program Manager reserves the right to require cardholder to participate in an additional training session.

The Program Manager and designee must be up-to-date on the software offered by the Contractor. The Program Manager may utilize the train-the-trainer method when updating their designee. Training guides will be offered and are helpful and interactive on how to view



transactions, reconcile, and approve. The Program Manager or designee may issue the cards at the training sessions or possibly if necessary at a later date.

### **3.3 Issuance**

The Program Manager, or designee, will not issue Electronic Commerce Cards to prospective Cardholders without the prescribed training and the signing of the Agreement to Accept the Electronic Commerce Card Form.

### **3.4 Policy and Procedures Agreement**

A signed Policy and Procedures Agreement is required from each cardholder before using the card. This agreement must be read in full. By submitting the application, the cardholder and Department Head agree to the terms and conditions of the Agreement. The Policy and Procedures Manual is found online at:

[https://www.knoxcounty.org/finance/ecc/policies\\_and\\_procedures.php](https://www.knoxcounty.org/finance/ecc/policies_and_procedures.php)

### **3.5 Storage/Security of the Card**

The Electronic Commerce Card has the functionality of a credit card. The cardholder must maintain the Electronic Commerce Card in a secure location at all times, preferably in their possession. It is important that cardholders remember to safeguard not only their card, but also their card number. To minimize the risk of fraud, cardholders should adhere to the following:

- Keep card in a safe location
- Do not loan or share cards issued in the name of another individual
- Destroy any written documentation containing card numbers that is not needed

### **3.6 Select Best Value**

Cardholders making purchases on behalf of Knox County must identify the best price for supplies or services that satisfies the department's requirement by weighing price factors and non-price factors. The goods or services must be at the best value for the department and Knox County. When talking to vendors, it is the responsibility of the cardholder to determine whether the price includes shipping, time of delivery, County discounts, if any, and return policies.

### **3.7 Card Management/Utilization**

Semi-annually, departments must conduct a physical inventory of Electronic Commerce Card(s) and provide a report of the results of the inventory to the Program Manager, or designee, the Finance Representative and Internal Audit. The Program Manager will analyze utilization reports throughout the year for possible underutilization. If a card is found to be underutilized and not beneficial to Knox County, the Program Manager will discuss cancellation with the Department Head. If deemed underutilized the Program Manager will cancel that card and redeploy.

### **3.8 Reconciling Statements**

Monthly Statements are mailed or accessed through the electronic banking system. It is the cardholder's responsibility to review statements within the required time. Reconciling the statement includes reviewing receipts, citing proper accounting codes, documenting disputed items, and completing any other documentation required by your department. In some instances, the Department Representative may perform such duties. In this case the cardholder must provide the proper documentation to the Department Representative as described in Section 4.18 Documentation Review.

### **3.9 Account Coding**

An accounting code is the internal number that identifies the funds (i.e., the fund, organization code, and expenditure code) to be used to pay for your purchase. Department Head and Department Representative must obtain these codes from the Knox County Finance Department. The department making the purchase is responsible for ensuring that the accounting code applied to the purchase is correct.

### **3.10 Capital and Sensitive Items**

Payments for capital purchases and sensitive items can be made via the Electronic Commerce Card. Capital purchases are defined as items such as machinery, equipment, etc. with a unit cost of \$5,000.00 or more and an expected useful life of more than two years. The department making the purchase is responsible for ensuring that the purchase of capital equipment is properly coded to an appropriate capital outlay expenditure code to ensure that the related item may be properly reported in the capital asset records maintained by the Knox County Finance Department.

Purchases of sensitive equipment (i.e., minor equipment with a unit cost of \$100 to \$4,999.99 such as computers and peripherals, cameras, other electronic equipment, weapons, etc.) may also be made via the Electronic Commerce Card. The department purchasing and using such sensitive equipment is responsible for maintaining records of and appropriate accountability for these items.

## **SECTION IV - LIMITATIONS AND POLICIES ON USE OF ELECTRONIC COMMERCE CARDS**

### **4.1 Cardholder Use Only**

Only the employee whose name is embossed on an Electronic Commerce Card may use that card. If the embossed name is a generic name for a specific function, then only those approved by the Department Head may use that card. The Authorization of Use for Generic/Contract Cards Form must be provided to the Program Manager, or designee, stating the approved names. **No other persons are authorized to use the card.**

### **4.2 Prohibited Uses of the Electronic Commerce Card**

- The Electronic Commerce Card shall **only** be used for County authorized purchases, which means that the Department Head approved the purchase.
- The Electronic Commerce Card shall not be used to circumvent the procurement process.
- The Electronic Commerce Card shall not be used for cash advances.
- The Electronic Commerce Card shall not be used to make purchases from an unauthorized vendor (for example, a liquor store).
- The Electronic Commerce Card shall not be used to make any other purchases restricted by the Cardholder's department, division, office, or agency.
- The Electronic Commerce Card shall not be used for food (i.e. restaurants, groceries, beverages, etc.) unless governed by a contract (i.e. sheriff's food for jail).

- The Electronic Commerce Card shall not be used for travel related expenses (hotels, airlines, petroleum, taxi shuttle, parking, car rental, etc.) Travel related expenses shall only be made using the Electronic Travel Card and not the Electronic Commerce Card. It shall be the cardholder's sole responsibility to understand and comply with all regulations and requirements set forth in the Knox County Travel Policy before utilizing the card.
- All transaction(s) must abide by the Knox County Procurement Code and Regulations. To review the Knox County Procurement Code and Regulations, please visit [www.knoxcounty.org/purchasing](http://www.knoxcounty.org/purchasing).

#### **4.3 Dollar Limitations**

The Department Head approving the assignment of an Electronic Commerce Card will request a single transaction limit and monthly credit limit for each cardholder. The County recommends setting the maximum limit for a single transaction of \$1,000 and monthly limit of \$4,999. Pre-set dollar limitations are based upon your delegation of authority and the budgetary limits of your department. Cardholders within a department may have various limits determined by the department's needs.

The Department Head or Department Representative may request a temporary or permanent dollar limitation spending change. If submitting a request for dollar limits exceeding bidding thresholds, such limits must be tied to a competitively bid contract as per section 4.8. Any attempt to exceed preapproved limits will result in card decline at the point of sale. All dollar adjustments must be requested in writing. Notification filed electronically will be accepted by the Program Manager, or designee.

#### **4.4 Contract Cards**

Electronic Contract Cards are a form of Electronic Commerce Card which allows for higher spending limits that exceed bid limits as established by the Knox County Procurement Code. These cards are tied to a specific competitively bid contract(s). A list of those approved contracts and contractors for each specific card will be provided by the Program Manager. Each Contract Cardholder is responsible for using only those specified contracts and contractors. If a Cardholder uses an unauthorized vendor, they are subject to the "Three Strike Policy" or further disciplinary action.

#### **4.5 Merchant Category Code (MCC) Restrictions**

Each Visa merchant is assigned a specific Merchant Category Code that identifies the primary goods or services they provide. Knox County has blocked some MCC codes to restrict purchases from certain types of merchants. Department may also block additional MCC codes or request an exception in writing to remove County wide blocks.

#### **4.6 Split Transactions**

It is prohibited to intentionally divide/split purchases for the purpose of circumventing card limits. A split transaction is multiple transactions occurring on the same date at the same merchant at the same location. Dividing/Splitting purchases may result in the suspension/cancellation of the employee's card. In some instances vendors may deliver the goods in multiple shipments, which may be reflected on the cardholder's statement as multiple transactions and would have the appearance of a split transaction but was not.

#### **4.7 Pre-Payment of Goods/Services**

Cardholder may pre-pay for goods/services by use of an Electronic Commerce Card. If adjustments must be made, then vendor shall credit the Electronic Commerce Card the correct amount.

#### **4.8 Travel Cards**

All travel must be approved in advance. This card is to be used to facilitate pre-payments and NON-FOOD travel expense for county employees. Please refer to the Knox County Travel Policy Handbook for the additional policies and procedures for the Travel Card.

Only travel purchases where the Knox County Travel Expense Reimbursement Summary Form is completed may be charged on a Travel Card. All travel charges are reviewed for appropriateness by the Finance Department.

Knox County is exempt from motel/hotel tax in most counties in the State of Tennessee.

#### **4.9 Emergency Purchases**

Per Section V, subsection "C" of the Knox County Procurement Regulations, circumstances may arise for the need of an emergency purchase. In case of emergencies, designated emergency purchasing cards may be activated for purchases outside of the uses listed in Section 4.2. Only the Procurement Director has the authority to grant use of an Electronic Commerce Card for emergency purchases. The Program Manager must receive the completed Emergency Purchase Form prior to granted use. Emergency purchases fall under the same documentation procedures listed in Section V of this manual.

#### **4.10 Extraordinary Purchases**

In certain extraordinary circumstances, the need may arise to acquire a particular product or service that has been deemed by policy as an unauthorized use of the card in the day to day activities of the County, such as food, lodging, transportation, entertainment, etc. These items are listed in Section 4.2 of this document.

When an extraordinary event does occur requiring the acquisition of said product or service, such as a sequestered jury, the Program Manager or designee, may purchase said product or service on an Electronic Commerce Card with written approval of the Finance Director. Extraordinary purchases will be accompanied by a memo from the Program Manager giving the authority and reason behind the charge(s).

#### **4.11 Sales Tax**

As a governmental agency with "Tax Exempt Status", Knox County requires all vendors **NOT** to charge sales tax for the purchase of commodities/services on a Knox County Electronic Commerce Card. The tax-exempt number is printed on the card. It is the cardholder's responsibility to provide additional state sales tax documentation if needed by supplier to ensure transaction is tax exempt. If sales tax has been charged it is the sole responsibility of each cardholder to reconcile and remove such taxes. The Department Head may deem that efforts required recovering the sales tax is cost prohibitive or is an inefficient use of County resources. If the Department Head authorizes the existence of tax on a purchase, the Department Head must provide a memo to the Finance Representative stating such authorization. It is the responsibility of the Finance Representative to review all charges which include tax and take the appropriate action.

#### 4.12 Credits

If items purchased with the Electronic Commerce Card are defective, the Cardholder must return the item(s) to the vendor for replacement or credit to the Electronic Commerce Card. If the service or item which was purchased with an Electronic Commerce Card is faulty, the cardholder must notify the vendor to correct the situation or provide a credit to the Electronic Commerce Card.

Cardholders cannot accept cash in lieu of a credit to their card. Credits such as refunds/rebates for cancelled orders, returned items, defective merchandise, etc. are **NOT PERMITTED**. Credits must be placed on the Electronic Commerce Card to which the items were charged.

#### 4.13 Disputes

If the vendor refuses to replace or correct the faulty item or service, the purchase will be considered in dispute. ***All items in dispute must be submitted to the Program Manager.*** A disputed item will not reduce the amount charged to the department. The issuance of a credit to the Electronic Commerce Card will reduce the charge to the department. Dispute forms are accessible through the banking system and/or the Program Manager. If a charge is disputed, the form must be completed within 30 days from the date that the transaction was processed.

#### 4.14 Declines

Transactions may be rejected or “declined” from time to time for a variety of reasons. The most common reason is that the merchant has entered the wrong credit card number or expiration date. Verify account numbers with the merchant as a first step to resolve a decline. All declines appear immediately online through our banking software system. The cardholder can check the system or call the Program Manager to assist in determining the reason for decline.

#### 4.15 Three Strike Policy

If at any time a charge is made that is not in the course of doing business for the County, the cardholder must reimburse the County for that charge and the “Three Strike Policy” will be enforced against the cardholder. The “Three Strike Policy” is only to outline the minimum disciplinary actions for egregious charges. The following describes how the “Three Strike Policy” is applied: The Three Strike Policy is cumulative and extends through the term of cardholder’s involvement with the Electronic Commerce Card Program.

- A) The first offense will be just cause for a warning to the cardholder.
- B) The second offense will be just cause for a 60 day suspension of the card.
- C) The third offense will be just cause for the cancellation of the card.

Each egregious charge will be reviewed by the Program Manager. The Program Manager will maintain a log of those who have violated the Electronic Commerce policy and make recommendations as to the appropriate disciplinary action. If at any time a violation is considered fraudulent, the cardholder will be reprimanded and termination of the cardholder will be considered. Depending on the severity of the violation the cardholder may also be reported to the proper legal authorities.

The “Three Strike Policy” also applies to other areas of consideration such as a contract card being used for non-contract vendors, electronic commerce card participants failing to meet the criteria listed herein, etc. It is up to the Program Manager to consider each scenario and apply the appropriate disciplinary action.

Knox County may seek further legal action if any charge(s) is deemed fraudulent.

**4.16 Employee Reimbursements**

If a charge is considered a “non-approved” purchase or if a cardholder does not have documentation for any charge, then the cardholder must reimburse Knox County the full amount of the charge.

**4.17 Original Documentation**

An original receipt is the receipt provided by the merchant at the time of purchase. Cardholders must maintain all original documentation in their offices. In the event the original receipt is not maintained, cardholders must obtain a copy of the receipt and include an explanation of why the original is not made available (i.e. I washed the original in my jeans and destroyed it). If purchasing from an online merchant, a printout of the charge made at the time of purchase will be considered an original receipt. If a cardholder cannot obtain a receipt for a charge, then the cardholder must reimburse Knox County the full amount of the charge as per Section 4.16. Any original, copy of, or printout of a receipt must include a description of the item(s) purchased. Any documentation stating only the total amount purchased will be reviewed by the Finance Representative and may be subject to employee reimbursement.

**4.18 Documentation Review**

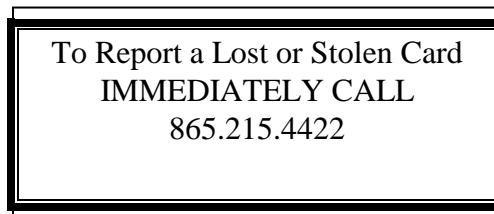
All invoices should contain basic information about the transaction. These are:

- Vendor or merchant name
- Transaction date
- Line item information
  - Quantity
  - Description
  - Unit Price
- Total invoice amount
- Attestation of receipt of goods or services

**4.19 Promotions/Rebates/Discounts**

If there are promotions, mail-in rebates, sweepstakes, free gift cards, etc. associated with any electronic commerce card purchase, then these rewards must be submitted to the Program Manager. County funds are used to procure all Electronic Commerce Card purchases; therefore any rewards associated with those purchases are deemed County property. If Cardholders do not return rewards to the County or Cardholders utilize rewards for their personal benefit, then the Cardholder will be reprimanded and appropriate punishment will follow.

**4.20 Lost or Stolen Cards**



If a card is lost or stolen, it is the responsibility of the cardholder to notify the Electronic Commerce Card Program Manager **immediately** upon discovering the condition. The telephone number is 865.215.4422. Failure to promptly notify the Program Manager of the theft, loss or misplacement of the card may result in the County being liable for fraudulent use of the card.

**The Program Manager will contact the appropriate contact with the electronic card service provider and reissue the lost, stolen or misplaced card.** A card that is subsequently found by the cardholder after it has been reported as lost or stolen shall be immediately cut in half and returned in a secure manner to the Program Manager.

#### **4.21 Cancelling/Transferring Electronic Commerce/Travel Card**

When a cardholder leaves Knox County's employment or transfers departments for any reason, they must turn their Electronic Commerce Card in to their Department Head. The Department Head should then immediately notify Program Manager and return card for immediate destruction by the Program Manager. This action should also be taken if a cardholder is put on leave for any other disciplinary action.

### **SECTION V – ACCOUNTABILITY FOR ELECTRONIC COMMERCE CARDS**

#### **5.1 Documentation**

- A) When an over-the-counter purchase is made, the cardholder must obtain the customer's copy of the receipt and any pertinent documentation such as packing slips.
- B) The Cardholder, or a Department Card Representative, shall retain all documentation and upload a copy of the documentation into the electronic software system.
- C) When placing an order, the cardholder must confirm that the vendor will charge the Electronic Commerce Card when the purchase is made so the documentation will be available at the time of purchase.
- D) If the cardholder does not have documentation of the transaction to upload in the electronic system, they must obtain a copy of the charge slip from the vendor. **Cardholders are responsible for reimbursing Knox County for any charges that have missing documentation.** Continued incidents of missing documentation will result in the suspension/cancellation of the employee's Electronic Commerce Card.
- E) To ensure proper accounting practices are adhered to, the Cardholder, Department Representative and the Department Head must submit all reconciliation documentation in a timely manner. Failure to do so may result in the suspension/cancellation of the employee's card. **The due date for this documentation is the 15<sup>th</sup> of each month.**

#### **5.2 Department Work Flow**

Each department shall establish a work flow for the reconciliation process of Electronic Commerce Card. All established work flows shall at the least include the Department Head and the designated Department Card Representative. They are responsible for reviewing all expenditures (item purchased, amount, and vendor) to ensure the goods or services were necessary for official use and that all appropriate documentation is attached. The Department Head and the Department Card Representative also shall verify compliance with conditions for the card purchase.

#### **5.3 Approval of Charges**

Depending on the department work flow, either the Cardholder or the Department Card Representative must approve each charge through the electronic system. Approving the charge means the following:

- **Reviewing each charge as to the appropriateness of the charge**
- **Comparing the charge to the details of the purchase receipts**

- **Uploading appropriate account codes**
- **Adding a cardholder comment**
- **Uploading appropriate documentation into the Electronic Commerce Card System through scanning or faxing**

Once the charge is approved by the Cardholder (or Department Card Representative), the charge will automatically be forwarded to the next approver in the department work flow.

After the Department Head approves the charge, then all information is automatically forwarded to the Finance Department. The Finance Representative is responsible for examining all charges for completeness, appropriateness, and accuracy. It is the duty of the Finance Representative to contact appropriate personnel to resolve any issues such as questions, lack of information, etc. of any charge.

#### **5.4 Payment and Invoice Procedures**

Knox County's charges for each statement period will be paid automatically using an ACH (Automatic Clearing House) transfer. Payment of the charges does not complete the accounting of the expenditures.

When the Finance Representative receives notice that funds have been drawn against the bank account they will charge a prepaid account for the respective charges. By batching general ledger coding using the Electronic System, the Finance Representative will credit the prepaid account and debit the department and/or division listed on the form. The total of the charges for that statement period will be matched against with the ACH draw amount.





## AGREEMENT TO ACCEPT THE ELECTRONIC COMMERCE CARD

Your participation in the Electronic Commerce Card Program is a convenience that carries responsibilities along with it. Although the card is issued for your use, it is County property and should be used with good judgment. Your signature below verifies that you understand the Electronic Commerce Card Program guidelines outlined below and agree to comply with them.

1. The Electronic Card is provided to employees based on their need to purchase business related commodities. A card may be revoked at any time based on change of assignment or location. The card is neither an entitlement nor reflection of title or position.
2. The card is for County related business purchases only; personal charges are not to be made to the card.
3. The cardholder is the only person entitled to use the card and is responsible for all charges made against the card.
4. Improper use of the card can be considered misappropriation of county funds, which may result in disciplinary action up to and including termination. The improper charges will follow the three strike policy unless a more stringent disciplinary action is necessary.
5. All charges are billed directly to and paid directly by the County. Any personal charges on the card will be considered misappropriation of county funds since the cardholder cannot pay the bank directly.
6. Cardholders are expected to comply with internal control procedures in order to protect county assets. This includes keeping receipts, maintaining a transaction log, reconciling monthly statements and following proper card security measures.
7. Cardholders are responsible for reconciling their monthly statement and resolving any discrepancies by contacting the vendor or the bank.
8. Each amount is assigned a cost accounting number by management, and purchases will be automatically charged to that number unless indicated otherwise.
9. A lost or stolen card should be reported immediately by telephone to the Knox County Program Manager designee at 215-4422.
10. A cardholder must surrender his or her card upon termination of employment (i.e. retirement or voluntary/involuntary termination) or if put on leave for any other disciplinary action.

**By signing this agreement, I acknowledge that I have read and agree with the policies and procedures set forth in the Electronic Commerce Card Program and that these policies and procedures will be complied with in their entirety.**

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Department Head Signature

\_\_\_\_\_  
Cardholder Name Printed

\_\_\_\_\_  
Department Head Name Printed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Check your participation in the Electronic Commerce Card Program:**

CARDHOLDER

DEPT. REPRESENTATIVE

DEPARTMENT HEAD

**DEPARTMENT ELECTRONIC COMMERCE REPRESENTATIVE  
AUTHORIZATION FORM**

I hereby approve the assigned personnel below to be the Department Representative(s) for the program for the Department/Division listed below.

Department:	Division:
Department Card Rep: (Printed)	Title:
Department Card Rep: (Signature)	Date:
Business Phone Number:	Cell Number: (Optional)

\_\_\_\_\_  
Department Head

\_\_\_\_\_  
Date

**AUTHORIZATION OF USE FOR GENERIC/CONTRACT CARDS**

Name of Card: \_\_\_\_\_

	<b>Approved Employee</b>	<b>Employee Signature</b>	<b>Date</b>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____

**By signing this form, employee agrees to complete all documentation for the use of an Electronic Commerce Card as well as completing all training required. Each employee is responsible for documenting any charge made by them. Employee is also responsible for reviewing the Electronic Commerce Card Manual in its entirety and abiding by all policies and procedures.**