

Issue Analysis Form



Date: 10/22/2019
Item: Administrative Policy Update – Expense Reports and Purchase Cards Accounts (170.1-170.3)
Lead Department(s): Finance
Contact Person(s): Betsy Drewry

Description and Current Status

The Finance Department considered updates to Administrative Expense Reports and Purchase Cards / Accounts Policy 170 as part of the department's 6-month goals / work plan.

Finance staff reviewed the current policy and made minor revisions to provide more **specific guidance** to employees and other authorized individuals who use purchase cards (County credit cards) or who seek reimbursement from the County for business or travel expenses.

Policy revisions were provided to both the Prince George AEC (Administrative Executive Committee) policy committee and the full AEC for review and comment. Suggested changes made by both groups were incorporated into the draft furnished for board consideration.

A handout is attached that provides more specific information on recommended changes (**Attachment 1**).

A draft of the recommended policies is included for board review with changes noted in red.

A draft resolution is also included for consideration and approval.

Government Path

Does this require IDA action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this require BZA action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does This require Planning Commission Action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this require Board of Supervisors action?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does this require a public hearing?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If so, before what date?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Fiscal Impact Statement

There is no additional fiscal impact to implement recommended policy revisions.

County Impact

Approval of the recommended policy changes will provide more specific written guidelines to employees and other authorized individuals who use purchase cards or prepare expense reports seeking reimbursement.

Notes

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 22nd day of October, 2019:

Present:

Vote:

Donald R. Hunter, Chairman
Floyd M. Brown, Jr., Vice-Chairman
Alan R. Carmichael
Marlene J. Waymack
T. J. Webb

A-2

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; PROPOSED REVISIONS PRINCE GEORGE COUNTY PERSONNEL POLICY; SECTION 170.1 THROUGH 170.3, ENTITLED *EXPENSE REPORTS AND PURCHASE CARDS/ACCOUNTS*

WHEREAS the Prince George County Personnel policy has been reviewed by staff and it has been determined that existing policy entitled *Expense Reports and Purchase Cards/Accounts* requires modifications;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Supervisors of the County of Prince George this 22nd day of October, 2019, does hereby amend the Prince George County Personnel Policy by revising the policy entitled *Expense Reports and Purchase Cards/Accounts* as requested.

A Copy Teste:

Percy C. Ashcraft
County Administrator



Prince George County Policy Update – Expense Reports and Purchase Cards / Accounts (170.1-170.3)

Expense Reports and Purchase Cards / Accounts Policy was revised to more clearly state documentation requirements [transparent government].

Significant changes include:

170.1 – Expense Reimbursements

Minor language changes to make clearer

170.2 – Expense Report Form

Documentation requirements expanded

170.2 Expense Report Form

Detailed itemized receipts

All requests for reimbursement must be itemized and documented on an expense report form. The report should only include expenses that the employee paid out of pocket; expenses paid directly by the County via invoice, travel advance, or County P-Card should not be included on this form. **Detailed itemized receipts** are required for reimbursement of lodging expenses, meals, gasoline, office supplies and other



170.2 – 1 Meals, Food & Lodging

- Documentation – clear requirements
 - b. Document **business** purpose of meal / lodging
 - c. **List names** of attendees [meetings / conferences]
 - d. **GSA limits & maximum gratuity** [like travel policy]
 - e. **Food Purchase Form** (can use) – Attached to red-lined policy

1. Meals, Food, & Lodging

- b. The **business** purpose of the meal or lodging (lunch meeting on named topic, emergency/overtime work, etc.) and should include for overnight travel: Travel Authorization Form with conference registration and itinerary
- c. The names of **all** those who attended **meeting or conference** (employee and non-employee)
- d. **GSA limits and maximum gratuity should be followed for all food / meal purchases in accordance with Travel Policy 100.1 – 100.8**
- e. **Employees / County Representatives may use the Food Purchase Form to provide needed information for business food purchases or add in writing such information on Purchase-Card receipt**

170.2 – 4 Expense Report Approval

- States County Administrator should approve expense reports for Department Directors
- Removed language related to entertainment expenses

4. Expense Report Approval

Expense reports must be approved by the employee's immediate supervisor and the Department Director (if applicable). **The County Administrator will approve expense reports for Department Directors.** Supervisors hold responsibility for

Under no circumstances will the County reimburse the purchase of alcoholic beverages, and only in rare cases will entertainment expenses be reimbursed.

170.3 – Purchase Cards and Credit Card Accounts

- 1. Meals, Food and Lodging – Added section to mirror Expense Report section 170.2 1.
- 2. Goods and Services – Added section to mirror Expense Report section 170.2 2.

1. Meals, Food, & Lodging

All Purchase Card receipts for meals, food purchases, and lodging must include the following information:

- A detailed itemized receipt (to include the meals purchased or services provided)
- The business purpose of the meal or lodging (lunch meeting on named topic, emergency/overtime work, etc.) and should include for overnight travel: Travel Authorization Form with conference registration and itinerary for each purchase card cycle in which those conference charges appear
- The names of all those who attended meeting or conference (employee and non-employee)
- GSA limits and maximum gratuity should be followed for all food / meal purchases in accordance with Travel Policy 100.1 – 100.8. Excess meal charges will be reimbursed to the County within 30 days or purchase card may be suspended

2. Goods and Services

All Purchase Card receipts for goods and services must include the following information:

- A detailed itemized receipt (to include a description of the commodity or service purchased and its purpose - if this is not preprinted the employee should provide the information on the back of the receipt).
- The business purpose of the purchase

170.3 – Purchase Cards and Credit Card Accounts

- 5. Purchase Card Reports and Credit Card Statements; removed specific bank reference

5. Purchase Card Reports and Credit Card Statements

Purchase card reports must be reconciled, coded and approved by the Department Director or his/her designee. Department Directors are responsible for submitting purchase card reports and supporting documentation to the Finance Department in a timely manner so they may be paid prior to the date payment is due. ~~County BSV~~ Credit Card statements should be reconciled with receipts, coded and returned to

COUNTY OF PRINCE GEORGE ADMINISTRATIVE POLICIES Prince George, Virginia	POLICY NUMBER: 170.1 through 170.3	Page 1 of 5
	SUPERSEDES: January 24, 2017	DATE ISSUED: _____, 2019
SUBJECT: Expense Reports and Purchase Cards/Accounts	AUTHORIZATION: Percy C. Ashcraft, County Administrator	

170.1 Expense Reimbursements

Expenses should generally be invoiced directly to the County or **made using through** a County-issued Purchase Card (P-Card). Occasionally, individuals will incur County-related expenses that must be reimbursed to the employee. **Policy 170.2 provides documentation requirements and procedures for** ~~For~~ all individual reimbursements ~~the following policies and procedures apply~~. **Policy 170.3 outlines purchase card (P-Card) documentation requirements.** For travel related expenses, please **also** see the County's travel policy **100.1-100.8**.

170.2 Expense Report Form

All requests for reimbursement must be itemized and documented on an expense report form. The report should only include expenses that the employee paid out of pocket; expenses paid directly by the County via invoice, travel advance, or County P-Card should not be included on this form. **Detailed itemized receipts** are required for reimbursement of lodging expenses, meals, gasoline, office supplies and other purchased goods or services. A receipt is also required for tolls, parking, and tips unless the employee certifies, by signature on the expense report, that receipts were unavailable, such as unmanned toll booths, honor box parking, etc. Employees assume responsibility for ensuring that proper documentation is attached to an expense report. They also accept the risk that they may not be reimbursed for expense claims that do not have proper documentation. For specific types of expenses, the following requirements apply:

1. Meals, Food, & Lodging

All receipts for meals, food purchases, and lodging must include the following information:

- a. **A detailed** itemized receipt (to include the meals purchased or services provided)
- b. The **business** purpose of the meal or lodging (lunch meeting on named topic, emergency/overtime work, etc.) and should include for overnight travel: Travel Authorization Form with conference registration and itinerary
- c. The names of **all** those who attended **meeting or conference (employee and non-employee)**
- d. **GSA limits and maximum gratuity should be followed for all food / meal purchases in accordance with Travel Policy 100.1 – 100.8**

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- e. **Employees / County Representatives may use the Food Purchase Form to provide needed information for business food purchases or add in writing such information on Purchase-Card receipt**

2. Goods and Services

All receipts for goods and services must include the following information:

- a. An itemized receipt (to include a description of the commodity or service purchased and its purpose - if this is not preprinted the employee should provide the information on the back of the receipt.)
- b. The **business** purpose of the purchase

3. Mileage Reimbursements

Employees are responsible for documenting mileage on their personal cars for reimbursement, and mileage shall be reimbursed at the rate set by the County Administrator. Only certain employees approved by the County Administrator in advance will receive mileage reimbursement. All other employees or volunteers will be required to check out county vehicles, in advance. Actual business mileage in a personal vehicle shall be listed on the expense report, including the starting point, destination, and purpose in the description section of the report.

4. Expense Report Approval

Expense reports must be approved by the employee's immediate supervisor and the Department Director (if applicable). **The County Administrator will approve expense reports for Department Directors.** Supervisors hold responsibility for verifying that expenses are supported by the required documentation, were incurred on legitimate County business (during work hours or after hours for legitimate purposes), and did not include amounts paid for alcohol, entertainment (unless a legitimate business expense), or unauthorized persons. Supervisors are encouraged to review expense reports in conjunction with the employee's time sheet(s) and related invoices submitted for payment.

Under no circumstances will the County reimburse the purchase of alcoholic beverages, ~~and only in rare cases will entertainment expenses be reimbursed.~~

Employees are responsible for making sure their purchases are pre-approved by the Department Director. Purchases made without prior approval may be the responsibility of the employee.

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170.3 Purchase Cards and Credit Card Accounts

Purchase cards (P-Cards) are to only be used for business purposes. Incidental personal expenses incurred in connection with County business (such as a family member's meal when accompanying an employee on County-related travel) are prohibited. Separate purchases should be made for personal items, alcoholic beverages and expenses for family members or travel companions. These items should be purchased on a separate credit card and not be combined on the county p-card or credit card.

Under no circumstances shall County purchase cards or purchase accounts be used to circumvent the County's procurement or travel policies. **The documentation requirements for purchases on the purchase card are the same as those for expense reports listed in Policy 170.2 above.** Employees should print order confirmations for Internet purchases made by purchase card. Department Directors assume responsibility for ensuring that proper documentation is provided and that charges are proper and the correct amounts have been charged.

Cash advances on County purchase cards or credit cards are strictly forbidden. Cash refunds or in-store credits for returned items are also strictly forbidden. Such amounts must be credited to the purchase card account.

Employees with custody of County purchase cards are responsible for protecting them from theft, loss, or misuse. Lost or stolen County purchase cards and fraudulent charges must be reported to their Department head and the Finance Department immediately.

1. Meals, Food, & Lodging

All Purchase Card receipts for meals, food purchases, and lodging must include the following information:

- a. A detailed itemized receipt (to include the meals purchased or services provided)
- b. The business purpose of the meal or lodging (lunch meeting on named topic, emergency/overtime work, etc.) and should include for overnight travel: Travel Authorization Form with conference registration and itinerary for each purchase card cycle in which those conference charges appear
- c. The names of all those who attended meeting or conference (employee and non-employee)
- d. GSA limits and maximum gratuity should be followed for all food / meal purchases in accordance with Travel Policy 100.1 – 100.8. Excess meal charges will be reimbursed to the County within 30 days or purchase card may be suspended

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- e. Employees / County Representatives may use **Food Purchase Form** to provide needed information for business food purchases or add in writing such information on Purchase-Card receipt

2. Goods and Services

All Purchase Card receipts for goods and services must include the following information:

- a. A detailed itemized receipt (to include a description of the commodity or service purchased and its purpose - if this is not preprinted the employee should provide the information on the back of the receipt).
- b. The business purpose of the purchase

3. Credit Limits

All purchase cards are assigned a purchase limit. Requests for an increase in the limit must be submitted to the Department Director and approved by the Finance Director. Dividing purchases between purchase cards or other payment methods to stay within established limits is not permitted.

4. Sales Tax Exemption

Most County purchases are exempt from Virginia State Sales Tax. When making a p-card or credit card purchase, card users should remind the vendor of the County tax-exempt status and examine the receipt to verify sales tax was not charged. By State statute, the County is not exempt from sales tax for lodging or other accommodations. The County is not exempt from sales tax imposed by other states on goods and services.

Cardholder can request a Tax Exempt form from Finance, and the County's tax exempt number is on each p-card. Tax exemptions are ONLY to be used when making purchase for official County business. Employees may be required to return to the store to get the sales tax dismissed. In other circumstances, sales tax may not be reimbursed.

5. Purchase Card Reports and Credit Card Statements

Purchase card reports must be reconciled, coded and approved by the Department Director or his/her designee. Department Directors are responsible for submitting purchase card reports and supporting documentation to the Finance Department in a timely manner so they may be paid prior to the date payment is due. **County BSV** Credit Card statements should be reconciled with receipts, coded and returned to finance immediately to avoided late fees. Department Directors may be held

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responsible for late penalties and finance charges if statements are not submitted to Finance prior to the date due.

6. Audit

It is the policy of the Finance Department to annually audit a percentage of reimbursement requests and/or purchase card expenditures.

7. Fraudulent use of the Purchase Card or Credit Card

Use of the Purchasing card or credit card for personal or non-county expenses may result in termination of the card account and the cardholder may be subject to potential disciplinary action up to and including termination of employment and criminal prosecution.

~~**170.4 Distribution of Expense Reports and Purchase Cards/Accounts to County Employees; Employee Acknowledgement**~~

~~A copy of the Expense Reports and Purchase Cards/Accounts shall be distributed to each County employee with an Employee Acknowledgement. Each County employee shall acknowledge receipt of the Policy by signing and dating the Employee Acknowledgement form in the presence of a witness who shall also sign and date the Acknowledgement. The executed Employee Acknowledgement shall be returned to the Department of Human Resources for filing in the respective employee's personnel file.~~