Purchasing Card (P-Card) Policy

Policy Number: BMD-03
Effective Date: August 2026
Approved By: Theodore L. Voorhees, Town Manager

POLICY

The Town may issue P-Cards to employees to purchase low-cost items needed by the Town. The P-Card program reduces paperwork, expedites the purchasing process, and gives employees flexibility while responsibly spending public funds. As stewards of these public funds, employees must use all Town purchasing resources lawfully, responsibly and transparently.

Employees must follow all Town purchasing policies in the Purchasing Procedures Manual. This includes:

- Ensuring a Purchase Order (PO) exists before making P-Card purchases over $1,000
- Not using your P-Card to pay for services (all services require a contract)

P-Cards are for official Town business only. Employees are expected to follow this policy and use good judgment when spending public funds. Misuse of a P-Card may result in loss of card privileges, reimbursement of unauthorized charges, and/or disciplinary action up to and including termination.

PURPOSE

This policy details how the Town issues, uses, reconciles, and oversees P-Cards.
It establishes what cardholders, reconcilers, supervisors, and departments must do to follow Town purchasing standards and financial reporting rules. This policy directly aligns with the Town's RESPECT value of *Responsibility.*

R.E.S.P.E.C.T. VALUES

RESPECT

Responsibility: We acknowledge that our duties impact the jobs of many other employees. We take ownership over our roles within the organization as a way to demonstrate our consideration for the time and efforts of our fellow employees as well as pride in our own work.

APPROVAL

Theodore L. Voorhees, Town Manager

PROCEDURES

1. PROCEDURES

A. ELIGIBILITY AND CARD ISSUANCE

An employee is eligible for a P-Card if they're a permanent employee who is responsible for purchasing in their department. Employees should request a P-card from their supervisor and get approval from their Department Director. Once approved, employees should fill out the Cardholder Add/Delete/Change Form on The Hive. The Department Director must sign and attach a written explanation as to why the employee needs a P-Card. This information should be sent to the Purchasing Division.

The Town does not issue P-Cards to temporary employees, contractors, or volunteers.

Before receiving a P-Card, you must:

- Complete required training
- Sign the Purchasing Card Agreement (Form F.1)— which is given to employees when picking up the P-card

After you receive your card, you must:

- Activate it with Bank of America
- Set up a secure PIN
- Keep your card safe and use it only for authorized Town purchases

The default P-Card limits are:

- $2,000 per transaction
- $4,000 per month

Individual cardholders may have different amounts. If a higher limit is needed, the Department Director should contact Purchasing staff.

B. AUTHORIZED AND PROHIBITED USE

P-Card users are only authorized to purchase:

- Items for official Town use
- Items approved by your Department Director
- Items within your spending limits
- Items in approved categories (certain categories are blocked from being purchased, like alcohol)

PROCEDURES CONT.

Examples of appropriate purchases include:

- Office supplies
- Registration fees for professional conferences
- Approved travel expenses (note: most travel meals are reimbursed via per diem, not P-Card)
- Small tools or equipment for field work

Prohibited purchases include (but are not limited to):

- Personal purchases, regardless of reimbursement
- Alcohol or other restricted items
- Gift cards of any kind
- Spending on items or services that are not needed for work, such as upgrades or add-ons that go beyond what's reasonably required.

Examples of misuse:

- Purchasing items for someone who doesn't work for the Town
- Not having a PO for purchases over $1,000
- Splitting a purchase into multiple transactions to avoid getting a PO
- Using the card to pay for a hotel or airfare **upgrade**
- Not submitting a receipt and not filling out a Missing Receipt Form

As a best practice, P-Card numbers should not be stored in browser autofill or on unvetted vendor accounts on any platforms.

C. RECEIPTS AND DOCUMENTATION

Cardholders must get an itemized receipt for every purchase. Each receipt must show:

- The vendor's name
- What was purchased (itemized)
- Date of purchase
- The total cost, including tax if applicable

Receipts should be attached to the matching transaction in Munis. If a receipt becomes lost, employees should attempt to get a duplicate from the vendor; if they're still unable to get one, they must fill out a Missing Receipt Form and have it signed by their Department Director.

Acceptable receipts include:

- Printed invoices with itemized charges
- Emailed confirmations with item details and totals
- Itemized financial records from hotels showing nightly rates and taxes
- Pictures of receipts are acceptable if the full receipt is legible

Unacceptable receipts include:

- Credit card slips with only totals
- Payment confirmations without transaction details
- Shipping confirmations without pricing

PROCEDURES

D. MONTHLY RECONCILIATION PROCESS

Your department decides who reconciles P-Card transactions in Munis. You are responsible for using your P-Card correctly and getting valid receipts for all purchases.

All P-Card transactions must be reconciled monthly using the Purchase Card Statements program in Munis. This makes sure purchases are documented correctly and charged to the right accounts.

Reconciliation includes:

1. Attaching the receipt
2. Adding a description or justification
3. Allocating the cost to the correct GL account

Accounts Payable imports transactions into Munis on the first business day of each month. Reconcilers get an email with a "Statement Code" to identify the current month's transactions. **Departments must complete reconciliation and supervisor approval by the 15th, regardless of weekends or holidays.**

If a transaction stays in the default account (10600-60999), the Business Management Department (BMD) will reject the statement and send it back for correction. Submit budget transfers ahead of time if needed.

2. PENALTIES FOR MISUSE

Violations of this policy will be considered Detrimental Personal Conduct and may subject the employee to disciplinary action, up to, and including termination. In addition to being subject to disciplinary action, BMD may also suspend a cardholder's privileges for up to a year. Egregious violations may result in total revocation of P-Card privileges at BMD's discretion. A department may appeal BMD's decision to change a cardholder's privileges with written justification to the Business Management Director describing how departmental function would be impaired.

- If cardholder has missing or inadequate receipts:
  They must complete and submit the Missing Receipt Form with their Munis reconciliation. The resulting actions for repeated violations of this are located on Form F.4, below.
- If cardholder makes a purchase over $1,000 without having a Purchase Order (PO) in place:
  They must complete and submit the Missing PO Form with their Munis reconciliation. The resulting actions for repeated violations of this are located on Form F.3, below.
- If cardholder submits a late reconciliation of statement:
  BMD will notify the cardholder's Supervisor and Department Head.
- If cardholders split transactions (to circumvent single transaction limit):
  BMD will notify the cardholder's Supervisor and Department Head. The Manager or Supervisor must provide the Business Management Director with a list of actions taken to prevent future infractions from occurring.

PROCEDURES CONT.

- If cardholders make inappropriate or personal purchases:
  They must complete and submit the Personal Use Form; written proof that all municipal money spent on personal items have been returned; a mandatory meeting will be held with the cardholder, the Department Director, and BMD. The Manager or Supervisor must provide the Business Management Director a list of actions taken to prevent future infractions from occurring. The resulting actions for repeated violations of this are located on Form F.5, below.

Other misuse that may result in P-Card deactivation:

- Sharing the card or card number
- Accepting cash refunds

Issues that will result in meeting with BMD and department cardholder, reconciler and director:

- Repeatedly violating this policy
- Charging transactions to inappropriate or unbudgeted accounts in Munis

Unless noted above, all other violations of P-Card misuse may result in:

- **1st offense:** BMD will reach out to cardholder to discuss violation(s)
- **2nd offense:** BMD will notify the cardholder's Supervisor and Department Director
- **3rd offense:** P-Card is suspended for one month
- **4th offense:** P-Card is suspended for one year

3. DISPUTED TRANSACTIONS AND ERRORS

Cardholders are responsible for fixing billing problems or requesting refunds directly from the vendor.

Cardholders are also responsible for contacting Bank of America immediately if there is a dispute or if fraudulent charges are suspected. The dispute should be documented in Munis using the dispute section (see the Munis P-Card Reconciliation Guide). Cardholders must make sure that credits appear on later statements.

4. CARDHOLDER SEPARATION OR TRANSFER

If a cardholder leaves the Town or no longer needs a P-Card, they or their supervisor must return the P-card to the Purchasing Division immediately. The department reconciler is responsible for ensuring all outstanding transactions are reconciled in Munis. The Business Management Department Program Administrator will close the account.

If a cardholder transfers to a different department and still needs a P-Card, they must notify Purchasing to update their department information via the Cardholder Add/Delete/Change Form. If the card is no longer needed in the new role, they must return it to Purchasing for deactivation.

FORMS AND INSTRUCTIONS	F.1 – Purchasing Card Agreement F.2 – Cardholder Add Delete Change Form F.3 – P-Card Missing PO Affidavit F.4 – P-Card Missing Receipt Affidavit F.5 – P-Card Personal Use Affidavit
ADDITIONAL CONTACTS	Card issuance/replacement: finance@chapelhillnc.gov P-Card reconciliation or questions about anything not in this policy: accountspayable@chapelhillnc.gov
APPENDICES	
DEFINITIONS	**P-Card (Purchasing Card):** A Town-issued credit card that authorizes employees to purchase items for official Town business. **Cardholder:** A permanent Town employee who has a P-Card and is responsible for using it correctly and keeping documentation. **Reconciler:** The person who reviews and reconciles P-Card transactions in Munis. **Approver:** Reviews and approves P-Card statements in Munis—can be a department director or someone they designate. Each card needs at least one departmental approver. **Reconciliation:** The monthly process of reviewing and documenting P-Card transactions in Munis. **Munis:** The Town's financial management system used to process and reconcile P-Card transactions.
RESPONSIBILITIES	**Cardholders must:** • Use the card only for authorized purchases • Keep and submit detailed receipts • Report lost or stolen cards immediately. Never save their card number in their internet browser (this prevents accidental personal purchases) • Always keep the card with them at all times or in a secure location—never give your card or card number to another employee to make a purchase (employees may use their card to buy something for another employee if it's for approved work) • Ensure all information needed to reconcile your P-Card is received and provided to the approved P-Card reconciler in your department so that the reconciliation and department approval can be completed by the 15th of each month.

RESPONSIBILITIES CONT.	**Reconcilers must:** • Update the general ledger (GL) account for each transaction • Update sales tax information as accurately as possible • Add receipts and other related supporting documentation for each transaction • Add a brief description of what was purchased and include the Purchase Order (PO) number when needed • Make sure all P-Cards are submitted by the department's internal deadline. All P-Cards must be reconciled and approved by the department by the 15th of each month **Supervisors must:** • Approve card issuance and monthly purchases • Make sure documentation is submitted on time **Approvers must:** • Review transactions to confirm receipts, GL accounts, and ensure descriptions are added for each transaction • Approve transactions in Munis by the 15th of each month **Department Directors must:** • Authorize cardholder access and limits • Monitor compliance • Plan for adequate budget **Business Management (BMD) must:** • Administer the P-Card program • Provide training and support • Import transactions and review reconciliations • Audit card use and report violations
RELATED INFORMATION	
RELATED INFORMATION	Travel Policy BMD-01 Purchasing Procedures Manual Munis P-Card Reconciliation guide
SCOPE	This policy applies to all permanent Town employees who are issued a P-Card.

FREQUENTLY ASKED QUESTIONS	N/A
POLICY HISTORY	Issued: July 20, 2026 Supersedes: All previous P-Card policies and procedures

Exhibit F.1 – Purchasing Card Agreement

TOWN OF CHAPEL HILL Purchasing Card Agreement

I, ______________________________, hereby acknowledge receipt of the Town of Chapel Hill's Purchasing Card (P-Card) Policy and confirm that I have read and understand its terms. As a cardholder, I agree to comply with said document and understand that the Town of Chapel Hill is liable to Bank of America for all TOWN-APPROVED purchases.

I agree to use the Purchasing Card for Town approved purchases and agree not to charge personal purchases. I understand that the Town will audit the use of the card and report any discrepancies. I further understand that improper use of the card may result in a security investigation which may lead to disciplinary action, including termination of employment and criminal prosecution. I understand that the Town of Chapel Hill may collect any amounts owed by me even if I am no longer employed by the Town.

In the event that the Purchasing Card is not used as herein stated, I hereby authorize the Town of Chapel Hill to release my last known address and any information relating to my use of the card to Bank of America.

I understand that the Town may terminate my right to use the card at any time for any reason. I also agree to return the card to the Town of Chapel Hill Purchasing Division immediately upon request or upon termination of employment.

My single transaction limit is **$**_______**;** My monthly limit is **$**________

My MUNIS Default Department Code #_______

CARDHOLDER
Signature ________________________________ Date ____________________

DEPARTMENT HEAD
Signature ________________________________ Date ____________________

CARD ADMINISTRATOR
I acknowledge that the above cardholder has been issued by the Town of Chapel Hill.

Purchasing Card account number – 4715_______________

CARD ADMINISTRATOR

Signature ________________________________ Date ____________________

Exhibit F.2 – Cardholder Add Delete Change Form

Cardholder Add/Delete/Change Form

TODAY'S DATE:

Add Cardholder	
Department:	
Purchasing Department Code:	
Employee Name:	
Employee ID #:	
Phone: (direct number only - no extension)	
Email:	
Munis reconciler(s)	
Munis approver(s):	
Single Purchase Limit:	
Monthly Transaction Limit:	
Delete Cardholder	
Employee Name:	
Card Number (Last 4 Digits Only)	
Reason for Deletion:	
Change Cardholder Information	
Employee Name:	
Card Number (Last 4 Digits Only)	
Purchasing Department Code:	
Phone:(direct number - no extension)	
Munis reconciler(s)	
Munis approver(s):	
Single Purchase Limit:	
Monthly Transaction Limit:	
Department Director Authorization	
Signature:	

Please email information to the Business Management Card Administrator (finance@chapelhillnc.gov)

For new card requests, please attach a written explanation as to why a P-card is necessary for this position.

Exhibit F.3 – P-Card Missing PO Affidavit

This form must be completed anytime a P-Card transaction exceeds $1,000 and does not have an associated Purchase Order (PO). The completed and signed form must be attached to the transaction in Munis.

Policy Reminder:

- All P-Card transactions over $1,000 must have a valid PO in place prior to purchase.
- The PO number associated with the P-Card transaction should be included the Charge Description in Munis.
- This form does not replace the requirement for a PO and should only be used to document exceptions.

Violations may result in the following:

- **1st offense:** Complete this form
- **2nd offense:** Complete this form and Department Director will be notified
- **3rd offense:** Complete this form and P-Card suspension for one month
- **4th offense:** Complete this form and potential permanent P-Card deactivation

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Employee Name: ____________________________________

Department: _______________________________________

Transaction Date: _________________________________

Vendor Name: ______________________________________

Amount: $_________________

Explanation for Missing PO *(Describe why a PO was not obtained prior to the transaction and what steps will be taken to prevent recurrence)*

(please see Affidavit Statement on the next page)

Affidavit Statement

I acknowledge that the above transaction exceeded $1,000 and was made without a valid Purchase Order. I understand this is a violation of the Town of Chapel Hill's P-Card policy. I further understand that repeated violations may result in revocation of my P-Card privileges.

Employee Name:_____________________________________**Signature:** ______________________________

Supervisor Name:____________________________________**Signature:** ______________________________

Department Head Name:_____________________________**Signature**:______________________________

Date Submitted:_______________________________________

TOWN OF
CHAPEL HILL

Exhibit F.4 – P-Card Missing Receipt Affidavit

This form must be completed anytime a cardholder does not have a receipt for a transaction. Attach the signed form to the transaction in Munis.

Violations may result in the following:

- **1st offense:** Complete this form
- **2nd offense:** Complete this form and Department Director will be notified
- **3rd offense:** Complete this form and P-Card suspension for one month
- **4th offense:** Complete this form and potential permanent P-Card deactivation

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Employee Name: ____________________________________

Department: _______________________________________

Transaction Date: _________________________________

Vendor Name: ______________________________________

Amount: $_________________

Reason for Missing Receipt *(Explain why the original receipt is unavailable)*

Affidavit Statement

I certify this transaction was a legitimate business expense and that I made every effort to obtain a duplicate receipt. I understand that repeated missing receipts may result in revocation of my P-Card privileges.

Employee Signature: ___________________________________ **Date:** ________________

Supervisor Name: ______________________ **Signature:** ____________________ **Date:** ___________

Date Submitted:_______________________

TOWN OF
CHAPEL HILL

Exhibit F.5 – P-Card Personal Use Affidavit

This form must be completed anytime a P-Card is used for personal expenses, whether accidental or otherwise. The completed and signed form must be attached to the transaction in Munis, along with documentation showing reimbursement to the Town.

Policy Reminder:

- P-Cards are for official Town business only.
- Personal use of a P-Card is a violation of policy, even if reimbursed.

Consequences:

- **1st offense:** Complete this form (based on circumstances, BMD may request meeting with employee and department director).
- **2nd offense:** A meeting will be scheduled with BMD, cardholder and department director (based on circumstances, BMD may recommend p-card be deactivated).
- **3rd offense:** P-Card will be deactivated.

Employee Name: ________________________________
Department: __________________________________
Transaction Date: _____________________________
Vendor Name: _________________________________
Amount: $_______________

Explanation of Personal Use *(Describe how the personal charge occurred, and steps taken to correct it)*

Affidavit Statement

I acknowledge that the above transaction was a personal expense charged to the Town of Chapel Hill P-Card. I have reimbursed the Town in full and understand that personal use of the P-Card is a violation of policy. I further understand that repeated violations may result in revocation of my P-Card privileges.

Employee Signature: ________________________________

Department Director Name: __________________________ **Signature:** ________________________

Date Submitted: ____________________________________