

KARNES COUNTY

CREDIT CARD POLICY & PROCEDURES MANUAL

January
2026

County Judge Wade J. Hedtke

Commissioner Precinct 1 David Wiatrek

Commissioner Precinct 2 Bernard J. Lyssy

Commissioner Precinct 3 James Rosales

Commissioner Precinct 4 Wesley Gisler

Credit Card

1.1 General Purpose:

The purpose of this manual is to establish policies, procedures, and criteria to be used in determining requirements for cardholders of the Karnes County Credit Card program.

The Credit Card is a purchasing tool designed to allow County employees maximum flexibility in obtaining County authorized goods and services. Some benefits include:

- efficiency of online banking.
- increased transparency and security.
- reduction of purchase order numbers and corresponding invoice processing.
- faster methods of paying vendors.
- program rebates for volume purchases.
- easy online queries and transaction summaries.
- environmental savings through less paper used.
- The card can be used 'virtually' to support e-purchasing initiatives.

1.2 Definitions:

County Treasurer -Pays Card Provider bill by authorized method (check, wire transfer, etc.) and performs other duties as necessary.

Cardholder- An employee who is approved by an Elected Official/Department Head to have a Karnes County Credit Card, issued in the department name, and is authorized to make legitimate Credit Card purchases on behalf of Karnes County.

Card Provider-The contractor, who maintains the card account, issue cards to Cardholders, sends monthly billing statements to the County Auditor, pays merchants, and receives reimbursement from the County Treasurer. Also, assists in resolving disputes between the County Cardholder and Vendors.

County Auditor's Department- The department responsible for processing payments to the Card Provider, maintaining required accounting records, and storing original card receipts that support approved card statements.

Elected Official/Department Head- County official (including Appointed officials) who approves their department employee's request for a Credit Card using Credit Card Request Form (Form PCPCRF), and reviews transactions to ensure they are for legitimate and permitted County business expenses and thereafter certifies and approves for payment.

Disputed Charge- A charge for goods determined to be defective or a charge for services not performed and on which a vendor refuses to replace, repair, adjust charges on, perform or otherwise correct. Disputed Charges also include fraudulent charges. Cardholders process the dispute.

Fraudulent Charge- A disputed charge appearing on the Cardholder's monthly statement of account not authorized by the Cardholder.

Karnes County- A political subdivision of the State of Texas that contracts with the Card Provider to have Credit Cards issued to Karnes County employees and agrees to accept liability for the use of the cards approved.

Karnes County Credit Card- The official credit card issued by Karnes County to be utilized for authorized purchases.

Personal Use- Use of a Credit Card for the purchase of an item, commodity, or service other than those permitted by Karnes County Credit Card Policy and Procedures.

Statement of Account- A monthly statement from the Card Provider of all purchases and credit transactions made by the Cardholder.

Unauthorized Purchase- Purchases that:

- exceed authorized dollar limits.
- are made with Vendors without an approved Merchant Category Code(s) (MCCs); or
- are made for Personal Use or are otherwise not allowed.

Unauthorized Use- Use of the County Credit Card by a person other than the Cardholder.

Vendor- The merchant with whom a Cardholder is making a purchase.

1.3 Eligibility to Participate

To participate in the Credit Card Program, an Elected Official/Department Head shall agree to abide by all terms and conditions of the Credit Card Policy and Procedures. They shall also agree to discipline and, if warranted, terminate (and not rehire) any Cardholder who uses or permits the use of a Credit Card for either an Unauthorized Use or a Personal Use.

1.4 Responsibility & Authority:

Each Elected Official/Department Head is responsible for enforcing the Credit Card Policy and Procedures. The County Auditor is responsible for administering the Policy and Procedures.

1.5 Conditions of Use:

Each authorized Cardholder will be required, prior to the issuance of a Credit Card to them, to acknowledge, in writing, that they have read and will follow the Credit Card Policy and Procedures

Cardholders, as a condition of being granted a Credit Card agree to:

- use the Credit Card for legitimate business purposes only;
- ensure that sales tax is not charged at time of purchase;
- always maintain the Credit Card in a secure location;
- not allow or permit unauthorized individuals to use the Credit Card;
- not provide account number or expiration date to other employees except Cardholder's Elected Official/Department Head or County Auditor;
- not provide account number or expiration date to vendors except as necessary to make an authorized purchase;
- adhere to the purchase limits and restrictions of the Credit Card;
- obtain and reconcile all sales slips with register receipts;
- submit vendor receipts with a description of reason of purchase(s), with the general account number to be expensed from for the purchase, attached to the monthly card statement, as instructed monthly by the Auditor' Office;
- to provide an agenda for Conference/Training, as registration, conference, and hotel are being charged on the statement(s);
- on purchases placed by telephone/fax supply a copy of the order blank or a description of order and attach this documentation to the statement;
- attempt to resolve disputes or billing errors directly with the vendor;
- notify the County Auditor's office if the dispute or billing error is not satisfactorily resolved;
- ensure that appropriate credit for the reported disputed item or billing error appears in a subsequent Cardholder statement;
- **immediately report** a lost or stolen card to the Card Provider at the 24-hour number;
- **immediately notify** their Department Head and the County Auditor of a lost or stolen Credit Card by telephone with written follow up as soon as is reasonably possible under the circumstances;
- return the Credit Card to the County Auditor upon leaving employment with the County upon revocation of authorized usage;
- if a vendor does not accept credit cards, contact the County Auditor for alternate purchasing instructions;
- erroneous transactions shall be reported to the County Auditor during normal business hours; AND FURTHER,

Failure to adhere to any of the above conditions of use will result in the automatic revocation of the Credit Card privileges, may subject the Cardholder to disciplinary action up to and including termination and if warranted by the Criminal District Attorney or County Attorney, criminal charges being filed against the Cardholder.

1.6 Duties of Parties Involved:

County Auditor:

- acts as liaison with Card Provider.
- submits completed application to Card Provider and receives Credit Card from Card Provider.
- has Cardholder sign Cardholder Agreement (Form PC-CA), signifying acceptance of the terms of the Credit Card program and verifying receipt of card.
- promptly initialize procedure to cancel Credit Card on Card Provider website when requested.
- obtains Card Provider confirmation of cancellation.
- ensures that lost or stolen cards have been blocked by Card Provider.
- cancels Credit Cards as warranted.
- recommends disciplinary action when there has been a violation of a provision of this Policy and Procedures by a Cardholder.
- maintains complete records that include requests for new accounts, Cardholder Agreements, records of any lost/stolen cards, records of any replacement cards, special Credit Card restrictions and transaction limits, card cancellation requests and card provider confirmations for each Credit Card issued.
- monitors statements for inappropriate purchases and sales or use tax charges and assures administrators track and resolve them.
- prepares payment vouchers after receipt of the Card Provider bill and processes so that payment will reach Card Provider no later than 30 calendar days after the close of the billing cycle of the previous month; and
- receives, reviews, and approves as a claim for payment the individual charge card receipts supporting cardholder charges sent by the cardholders.
- audits and documents any Policy and Procedures violation with regards to Credit Card use.
- utilizes Card Provider On-Line system to generate electronic audit reports, statements, and other reports as required.
- retains copies of transmittals and correspondence with Card Provider, billing statements, and reconciliation of accounting statements.

County Treasurer:

- pays Card Provider bill by authorized method (check, wire transfer, etc.) to Card Provider; and
- performs other duties, as necessary.

Elected Official/Department Head:

- submits Credit Card Request Form (Form PC-PCRF) to the County Auditor;
- notifies the Auditor's office of Cardholder request(s) to have Card Provider set up a vendor to accept credit cards;
- forwards all Cardholder receipts to the Accounts Payable Department in the County Auditor's Office;
- assume responsibility for all purchases with the credit card, adhering to this policy insuring that no unauthorized purchases are made. Unauthorized purchase could be considered misappropriation of County funds;

- inform merchant of tax exempt status; cardholder will be responsible for notifying vendor for tax credit or reimbursing the tax amount to the County. Reimbursement to the county by the cardholder shall be in the form of check, money order or cash;
- forwards requests for cancellation of Credit Card upon Cardholders' termination, transfer, or loss of Credit Card privileges to the County Auditor;
- collects canceled cards from Cardholders and forwards to County Auditor;
- attempts to resolve any disputes with vendor and/or Card Provider not resolved by Cardholder;
- notifies the County Auditor's office in 3 to 5 days of any unresolved disputes;
- notifies County Auditor's office of lost or stolen cards; and
- performs other duties, as necessary.

1.7 Procedures Overview:

- Credit Cards will be issued to County employees only.
- County employee's Elected Official/Department Head shall approve the employee's request for a Credit Card.
- The Cardholder's department will be embossed on the Credit Card.
- Credit Cards are not transferable between individuals or departments.
- Elected Officials and Department Head review transactions, forward receipts to Accounts Payables.
- Elected Official or Department Head shall notify the County Auditor of Cardholder termination immediately to expedite cancellations.
- Card Provider sends consolidated invoice to the County Auditor at the end of monthly billing cycle.
- Payment is made by the County Treasurer to Card Provider within 30 calendar days after the end of the billing cycle in accordance with Chapter 2251 of the Texas Government Code, the Texas Prompt Payment Act.

1.8 Rules & Regulations:

Obtaining a Credit Card:

To obtain a County Credit Card, the requesting employee shall complete and sign a County Credit Card Request Form, (Form PC-PCRF).

Cardholder Eligibility:

To be eligible to receive a Credit Card:

- a. an applicant shall be an employee of Karnes County;
- b. the Credit Card Request Form (Form PC-PCRF) shall identify the types of usage and the transaction limits desired;
- c. the Department Head, shall approve an employee's request for a Credit Card;
- d. the Elected Official/employee may be required to attend a training session before receiving the Credit Card; and
- e. the Elected Official/Department Head/employee shall sign a Credit Card Cardholder Agreement (Form PC-CA) prior to receiving the Credit Card.

Cardholder's Personal Credit Unaffected:

The Credit Card is a corporate charge card. Use of the Credit Card does not affect the Cardholder's personal credit; however, it is the Cardholder's responsibility to ensure that it is used strictly within these Policy and Procedures. Credit Card access will be restricted to meet the authorized purpose approved by the Cardholder's Elected Official/Department Head.

Lost, Misplaced or Stolen Credit Cards:

Cardholders are required to immediately report their lost or stolen Credit Card to the issuing bank. The Cardholder shall also immediately notify his/her Department Head and the County Auditor's Office in writing about the lost or stolen card and the circumstances surrounding the lost or stolen card.

Renewal Process:

Account numbers remain the same; however, Cardholders shall call to activate new cards. Cards shall be sent directly to the Karnes County Auditor's office and disbursed to the cardholder.

Control of the Credit Card:

Cardholders shall always carefully safeguard their County Credit Card and account number. Cardholders shall always treat the Credit Card with at least the same level of care as their own personal credit cards. **Under no circumstances shall a Cardholder allow or permit another person other than their Elected Official/Department Head or the County Auditor, access to their card or to the card account number and/or expiration date.** If this regulation is violated, the Credit Card shall be automatically revoked and disciplinary action up to and including termination, and, if determined appropriate under Texas law, criminal action will be taken. Further the Credit Card shall be immediately surrendered to the Karnes County Auditor.

Department Heads, who are aware of and/or who allow unauthorized practices by Cardholders under their supervision are also subject to similar disciplinary actions. Elected Officials who are aware of and/or who allow unauthorized practices by Cardholders under their supervision are further subject to disciplinary actions.

Unauthorized Purchases:

Credit Cards are not to be used for any product or service not authorized by this policy for County use. Unauthorized purchases include, but are not limited to:

- a. items for personal use, cash advances or refunds;
- b. a single transaction that exceeds the approved limit;
- c. purchases that are split to stay within card transaction limits;
- d. entertainment of any kind, including the alcohol or patronage of drinking establishments;
- e. those unauthorized meals as defined per the Karnes County Travel & Reimbursement Policy dated November 08, 2022; except for those departments that have discretionary funds; and
- f. other purchases specifically excluded in other County policies or by law.

Disputes or Fraudulent Charges:

If goods purchased with the Credit Card are found to be defective, or if information for any item charged is incorrect, the Cardholder has the responsibility to return the item for credit or to decline approval of the purchase. In the event the Cardholder returns the item, he/she is to either secure a credit or a replacement item. If a Vendor refuses to credit, replace, repair, adjust charges or correct such defective goods the purchase of the item shall be in dispute.

If services rendered are unsatisfactory, the Cardholder has the responsibility to decline approval of payment for such services unless and until such services have become satisfactory or otherwise, acceptable. If a Vendor refuses to improve their services, the purported tender of the services will be considered in dispute.

Any and all credits to an individual Credit Card account for any item the Cardholder has agreed to accept for a return or for any bill for any service the Cardholder has subsequently decided to withdraw shall be applied accordingly. The Cardholder shall notify the County Auditor's office, and the credit shall be acknowledged by the County Auditor's office to the Cardholder as it appears in a subsequent statement.

Under no circumstances may a Cardholder accept cash in lieu of a credit to the Credit Card account. Doing so will be grounds for disciplinary action, up to and including termination.

Purchases questioned by the Credit Card Administrator, or the County Auditor will be "in dispute."

Fraudulent charges appearing on a Cardholder's account are also considered to be "in dispute." When charges are determined to be in dispute, the Cardholder shall notify the County Auditor's Office by email or in person along with any supporting documentation.

In the event the Cardholder or the Department Head does not agree with the Card Provider's dispute decision, a final decision that is binding on the Cardholder and the County shall be rendered by the County Auditor.

Reconcilement and Payment:

- the Card Provider shall provide the County Auditor with a billing statement of all charges made by Cardholders. Unquestioned purchases will be approved by the Department Head and paid by the County Treasurer within the required time frame;
- each Cardholder shall submit sales receipts for each transaction with a description of reason of purchase(s), with the general account number to be expensed from for the purchase, attached to the monthly card statement, as instructed monthly by the Auditor's Office; and
- each Cardholder shall provide an agenda for Conference/Training, as registration, conference, and hotel are being charged on the statement(s).

Cardholder Status Change/Revocation Account:

The County Auditor shall close or revoke an account if:

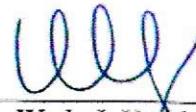
- a. requested by a Department Head to close an account regardless of reason;
- b. a Cardholder transfers to a different department, moves to a new job, is fired, or otherwise terminates employment;
- c. the Credit Card is used for a personal or unauthorized purchase, including unauthorized purchases described above;
- d. the Credit Card is used to purchase alcoholic beverages or any substance, material, or service, which violates County policy or any state or federal law or regulation;
- e. the Cardholder fails on a timely basis to provide required receipts to the individual to whom such receipts are to be provided;
- f. the Cardholder fails to provide, when requested, information about any specific purchase;
- g. the Cardholder does not adhere to all the Credit Card policies and procedures;
- h. failure to properly safeguard a Credit Card; or
- i. any other reason deemed necessary by the County Auditor.

Cardholders whose authorization to use a Credit Card has been revoked shall immediately surrender their Credit Card to the County Auditor.

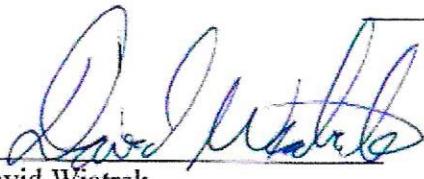
In addition to closing the account, the Cardholder may be subject to disciplinary action up to and including termination. Further, restitution shall be sought for any unauthorized purchase.

KARNES COUNTY PURCHASING CARD POLICY AND PROCEDURES

COMMISSIONERS' COURT APPROVAL

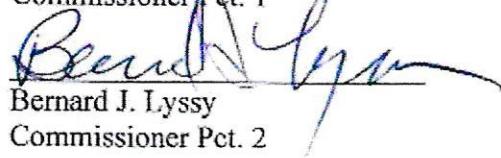


Wade J. Hedike
County Judge



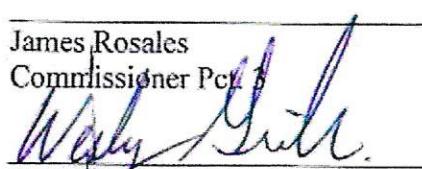
David Wiatrek

Commissioner Pct. 1



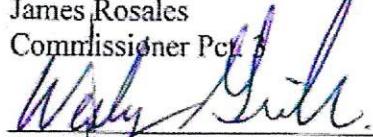
Bernard J. Lyssy

Commissioner Pct. 2



James Rosales

Commissioner Pct. 1

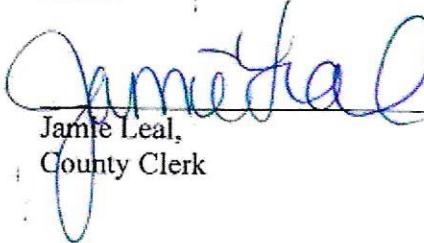


Wesley Grisler

Commissioner Pct. 4

Date: January 13, 2014

Attest:



Jamie Leal,

County Clerk