

1 HB247
2 152443-3
3 By Representatives Harper, Wood, McMillan, Forte, Hurst and
4 Hill
5 RFD: County and Municipal Government
6 First Read: 12-FEB-13

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ENROLLED, An Act,

To authorize the county commission of a county to establish purchasing procedures to allow limited purchases utilizing a credit or debit card provided the proper procedures are followed.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) For the purposes of this act, the following words shall have the following meanings:

(1) CHIEF ADMINISTRATIVE OFFICER. A person employed by the county commission of a county pursuant to Section 11-3-18, Code of Alabama 1975.

(2) CREDIT CARD. A line of credit issued by a domestic lender or credit card bank.

(3) DEBIT CARD. A card issued by a bank in relation to a checking or savings account held by the county commission.

(b) To provide for convenience in making purchases of tangible personal property or services approved by the county commission, the county commission of a county may establish procedures for the chief administrative officer to make certain purchases through use of a credit or debit card issued to the county commission. The county commission shall promulgate written policy and procedures governing the

1 utilization of credit or debit cards which, at a minimum,
2 shall include each of the following:

3 (1) A monetary limit on the amount of any individual
4 purchase which may be made with a credit or debit card.

5 (2) A monetary limit on the total monthly amount
6 that may be purchased with a credit or debit card, taking into
7 consideration the debt limit of the county, which shall not be
8 greater than one-fourth of one percent (.25%) of the general
9 fund budget of the county.

10 (3) Procedures to ensure that the chief
11 administrative officer has sole access to any credit or debit
12 card issued to the county commission.

13 (4) Procedures to ensure that the chief
14 administrative officer has sole access to credit or debit card
15 numbers, access codes, or security codes.

16 (5) Procedures for public officials and department
17 heads to properly submit purchase orders to the chief
18 administrative officer for the purchase of items or services
19 which may be paid for utilizing a credit or debit card.

20 (6) Procedures for the chief administrative officer
21 to keep accurate records of all purchases made with a credit
22 or debit card, which records shall be periodically reviewed by
23 the chair of the county commission and may be reviewed
24 periodically by any other member of the county commission.

1 (7) Procedures to ensure that all credit or debit
2 card bills are carefully reviewed by the chief administrative
3 officer each month to make sure that no unauthorized charges
4 appear on the bill.

5 (8) Procedures to ensure that all credit or debit
6 card bills are paid in full on a timely basis each month to
7 avoid service charges, late fees, or interest payments.

8 (9) Procedures to ensure that the county is at all
9 times in compliance with the provisions of Title 39 and
10 Article 3 of Chapter 16, Title 41, Code of Alabama 1975.

11 (c) The county commission shall select the credit or
12 debit card provider or providers taking into consideration
13 each of the following:

14 (1) Whether the credit or debit card issuer requires
15 an annual fee for utilizing the card.

16 (2) Whether the credit or debit card issuer offers
17 rewards or rebates based upon purchases made utilizing the
18 account.

19 (3) What interest rates, service charges, finance
20 charges, or late fees, will be assessed in the event a bill
21 from the credit or debit card issuer is paid late or the
22 balance is not paid in full.

23 (4) Whether penalties or fees will be assessed
24 against the county in the event it decides to terminate the
25 credit or debit card.

1 (5) Any other consideration deemed relevant by the
2 county commission.

3 (d) In the event the credit or debit card provides
4 rewards or rebates based upon use of the card, any rewards or
5 rebates earned from the card or cards shall be deposited into
6 the county general fund of the county.

7 Section 2. (a) In addition to authority granted in
8 Section 1, a county commission may adopt a procurement or
9 purchasing program designed to simplify the purchasing of
10 certain tangible personal property provided the program is
11 designed in a manner that shall provide significant cost
12 savings to the county and includes written policy and
13 procedures for implementation and administration of the
14 program as set out in subsection (c). For the purposes of this
15 act, a "procurement or purchasing program" is a purchase
16 payment program utilized as an alternative purchase order
17 process with vendors agreeing to participate in such process.
18 The program shall be approved by the county commission in
19 order to allow individualized purchases of tangible personal
20 property items which have received prior approval by the
21 county commission through use of a card programmed for limited
22 purchases of specific items by an individual designated by the
23 county commission to make the purchases.

1 (b) Prior to implementation of a procurement or
2 purchasing program, the county commission shall make the
3 following determinations:

4 (1) That the program to be implemented meets
5 governmental accounting standards and practices for
6 development and administration of such program.

7 (2) That the program will provide significant cost
8 savings to the county.

9 (3) That the program has been developed and designed
10 in a manner that provides all necessary purchasing and
11 accounting documentation required by the Department of
12 Examiners of Public Accounts.

13 (4) That the program has been developed and designed
14 with sufficient safeguards to significantly reduce the risk of
15 mismanagement or misappropriation of funds.

16 (5) That the program will be carefully supervised
17 and overseen by the county chief administrative officer.

18 (c) The county commission shall adopt written policy
19 and procedures for the implementation, administration, and
20 operation of the program, which policy and procedures shall
21 include at a minimum, each of the following:

22 (1) A monetary limit on the amount of any individual
23 purchase which may be made using a procurement or purchasing
24 card.

1 (2) A monetary limit on the total monthly amount
2 that may be purchased with a procurement or purchasing card,
3 taking into consideration the county's debt limit.

4 (3) Procedures to ensure that any person utilizing a
5 procurement or purchasing card has been properly trained
6 regarding use of the card, including purchases which are
7 allowed, proper process for documenting purchases, and daily
8 and monthly monetary limits.

9 (4) Procedures to ensure that the chief
10 administrative officer carefully supervises and oversees the
11 administration of the program and the use of procurement or
12 purchasing cards within the county.

13 (5) Procedures for the chief administrative officer
14 to keep accurate records of all purchases made with a
15 procurement or purchasing card, which records shall be
16 periodically reviewed by the chair of the county commission
17 and may be reviewed periodically by any member of the county
18 commission.

19 (6) Procedures to ensure that all procurement or
20 purchasing card bills are carefully reviewed by the chief
21 administrative officer each month to make sure that no
22 unauthorized charges appear on the bill.

23 (7) Procedures to ensure the full cost of every
24 purchase made through the use of a procurement card is paid or

1 settled by electronic transfer within not more than 45 days of
2 the purchase.

3 (8) Procedures to ensure that the county is at all
4 times in compliance with the provisions of Article 3 of Title
5 41, Chapter 16, Code of Alabama 1975.

6 (d) Any company, financial institution, or other
7 organization providing procurement card services as authorized
8 under this act shall ensure the county commission's purchasing
9 authority is suspended immediately should the payment or
10 electronic settlement for any item fail to be received within
11 the 45-day limit required in subdivision (7) of subsection
12 (c).

13 Section 3. The authorization to utilize a credit
14 card or procurement card provided in this act shall in no way
15 relieve or supersede the requirements for public bids
16 applicable to the county commissions in Article 3 of Chapter
17 16 of Title 41, Code of Alabama 1975. The Department of
18 Examiners of Public Accounts shall audit the utilization of
19 credit cards and procurement cards to ensure compliance with
20 all public bid requirements and the specific provisions of
21 this act.

22 Section 4. This act shall become effective
23 immediately following its passage and approval by the
24 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 09-APR-13, as amended.

Jeff Woodard
Clerk

Senate

02-MAY-13

Amended and Passed

House

02-MAY-13

Concurred in Sen-
ate Amendment