

CITY OF EL CENTRO

POLICY STATEMENT

Policy Statement No: 307
Category: Financial Management
Subject: Cal-Card Policy and Procedures

Adopted: December 2000
Revised: October, 2011
Distribution: All Departments

Purpose

Cal-cards are used to provide an alternative purchasing method for designated City employees. This policy is developed to ensure that all Cal-cards issued under agreements with the City of El Centro serve a legitimate business purpose and are adequately monitored by management for compliance.

Use of credit cards

The use of Cal-Cards is to allow City employees access to an efficient and alternative means of payment for approved expenses. It is for the purpose of making authorized small-dollar purchases (under \$500), securing reservations, paying travel expenses, placing phone orders, and doing City business in the most efficient manner. The program is through the use of the State of California, Department of General Services, Procurement Division, CAL-Card Program using U. S. Bank's International Merchants Purchase Authorization Card (I.M.P.A.C.)

Security of credit cards

The **Finance Director (Agency Program Coordinator)** is responsible for the City of El Centro credit card issuance, accounting, monitoring, retrieval, and for general oversight of compliance with this Cal-Card Policy.

Cal-cards may be requested by the **Department Director (approving official)** for the prospective cardholders. Authorized credit cardholders are determined by the Agency Program Coordinator (i.e. Director of Finance).

Cardholders will be required to sign the Cardholder agreement, indicating that they accept the terms of this policy. Only those who are authorized and who have signed the Credit Card user agreement may use Cal-Cards

Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges.

Cardholder's credit card will have both a 30 day limit and a single purchase limit.

Purchases

Credit cards shall only be used to purchase goods or services for the official business of the City of El Centro.

- ❖ The following Purchases are not allowed:
 - Alcoholic beverages/tobacco products
 - Capital equipment and upgrades over \$500
 - Construction, renovation/installation
 - Controlled substances
 - Items or services on term contracts
 - Maintenance agreements
 - Personal items or loans
 - Purchases involving trade-in of City's property
 - Rentals (other than short-term autos)
 - Telephones, related equipment, or services
 - Any other items deemed inconsistent with the values of the City of El Centro
 - consultants, instructors, and speakers contracted by the City
 - Cash advances on credit cards
 - Service/labor

Procedures

1. Credit cards may be requested by approving official (department director) for the prospective cardholders. The request must be in writing on the Credit Card Request Form.
2. Authorized credit cardholders are determined by the Agency Program Coordinator (i.e. Director of Finance).
3. Upon receiving a request to issue a new Cal-Card the finance division will return a memo to the new cardholder confirming their supervisor's request. Attached to the memo will be the Cal-Card procedures.
4. If approved and prior to receiving the Cal-Card the new cardholders will be required to sign the Cardholder agreement indicating they have become familiar with the Cal-Card procedures and will comply and accept the terms of this policy.
5. Credit cards are issued in the name of the City and the authorized cardholder. Any annual fee is charged to the cardholder's cost center. The cardholder will acknowledge the receipt of the bank card.
6. Credit card statements shall be reconciled with the vendor receipts/invoices and submitted to accounts payable on a timely basis so that the City does not incur penalty and interest charges. If statements are submitted for payment without sufficient time to make a timely payment, interest and penalty, if any, will be charged to the cardholder's cost center.
7. Approving Officials (department director) shall review purchases and invoices to ensure compliance with these procedures.
8. All requisitions submitted for credit card payments shall be approved by appropriate management level and department director through the MUNIS automated approval process.
9. The claim for payment should include all receipts/invoices.
 - a. If an original receipt has been misplaced, the cardholder must attach a signed memo containing the date, vendor, amount, and nature of purchase

10. In the case of meals and meeting related expenses, each receipt must include:
 - a. The names of all persons involved in the purchase
 - b. A description of the business purpose of the purchase, in accordance with Internal Revenue Service regulations.
11. All credit cards statements shall be signed by both the cardholder and the department director to attest to the accuracy and appropriateness of the transactions.

Authorized employees issued a credit card are responsible for its protection and custody and shall immediately notify the Finance Director or Finance Manager if the Credit Card is lost or stolen.

Termination of Cardholder Accounts

Upon termination of employment with the City, Cardholder accounts will be immediately closed. Cal-Cards will be collected during the Exit interview process with Human Resources. Human resources will forward the Cal-Card to the Agency Program Coordinator (Director of Finance) and will notify Finance of the termination date for credit card payment purposes. Cardholder shall report any pending charges as of the surrendering of the card and shall assert that they have reported all charges.

Disputed Charges and Assistance.

In the event of disputed charges or other questions, cardholders should:

1. Contact merchant to seek resolution.
2. If resolution is not reached, complete cardholder Statement of Questioned Item (CSQI) (Exhibit A) and forward to U. S. Bank.
3. Forward a copy of CSQI to the agency program coordinator.

Returns

In the event of returned merchandise or other credits, cardholders must check subsequent statements for credit and attach the credit slip to the statement when submitting the statement for payment. If a credit slip was not obtained, other documentation explaining the return should be attached. If credit does not appear by the second subsequent statement, the cardholder should contact the APC.

Lost or Stolen Cards

Report lost or stolen cards immediately by calling U. S. Bank IMPAC Government Services at 1-800-227-6736. Notify the approving official (department director) and the Finance Division. If not reported immediately, the City may be liable for fraudulent charges which will be charged to the cardholder's cost center.

Responsibilities of Cardholders

Productivity. The City promotes progressive productive work methods and supports a "plan ahead" philosophy to achieve the best possible results. A purchase should not be made with a Procurement Card unless it is the most productive purchasing method. Procurement Cards should not be used to replace planning.

Inappropriate Purchases.

Neither U. S. Bank, nor merchants, assume any responsibility for inappropriate purchases. If an inappropriate purchase is made by a cardholder, the merchant will be paid and the department cost center will be charged unless the merchant agrees to take the merchandise back and issue a credit. Inappropriate purchases will result in the cancellation of a cardholder's Procurement Card..

Procurement Card Cancellation.

An Approving Official may request the cancellation of any Procurement Card for which he or she is responsible.

Internal Accounting Controls

A current list of all credit cards, authorized users, and credit limits shall be kept on file.

.

Requirements for use of credit card:

1. The credit card is to be used only to make purchases for the legitimate business of the City of El Centro.
2. The credit card must be used in accordance with the provisions of the credit card policy and purchasing procedures established by the City of El Centro

Responsibilities of the Agency Program Coordinator (APC)

Issuance and Cancellation of Cards. The APC is responsible for securing and canceling procurement cards.

Review of Card Purchases. The APC will review Procurement Card purchases. The APC will notify cardholders and Approving Officials whenever established procedures are not being followed. However the respective department director is responsible for the review of purchases and invoices to ensure compliance with these procedures. The APC may cancel the card of any cardholder at any time for any reason.

Reference to Personnel Rules and Regulations

Employees should note that Chapter 10 Section 1002 (i)(p) provide cause for disciplinary action should any of terms be violated.

CRITICAL CONTACTS

Lost or Stolen Cards

A cardholder must report a lost or stolen card immediately after discovering that his or her card is missing.

1. Call U. S. Bank IMPAC Government Services directly, 24 hours a day, at 800-227-6736.

Identify yourself as a cardholder under the City's name and state your name and credit limit.

2. Call Accounts Payable at 337-4510.

Give your name, department, the circumstances under which the card was lost, and provide the date and time that U. S. Bank IMPAC Government Services was notified.

General Assistance

For general assistance with any problems concerning your procurement cards, contact the APC (Director of Finance).

COMMONLY ASKED QUESTIONS

1. How can I tell I.M.P.A.C. from my personal credit card?
City of El Centro appears on the top of the card.
2. May I use it for personal purchases and then reimburse the City?
No.
3. What are my limits?
The APC will assign 30 day and single purchase limits.
4. What if the nature of my job requires a higher limit?
Make a written request through your Supervisor to the APC stating the limit you require and why it is necessary.
5. What if I try to use my card and it is denied?
This could happen because:
 1. You are above your limit for either the single purchase or for the billing period.
 2. Your charges from the previous billing period have not been paid.
 3. Your merchant type code does not allow the particular item you are attempting to purchase.
6. How will I receive my statement?
U. S. Bank will mail it to your work address.
7. When does it need to be submitted to accounts payable?
By the 10th of each month.
8. What if I am on vacation?
Leave your receipts with your supervisor for processing in your absence.
9. What if I am asked why I have a City credit card?
We want you to take the time to explain the program to anyone who inquires. Use the information in this document. If anyone asks a question that you cannot answer, ask for his or her name and telephone number and let them know they will receive the information. Contact the APC at 337-4550 for a response.

CITY OF EL CENTRO CARDHOLDER AGREEMENT

I, _____, hereby acknowledge receipt of the following

credit card: _____ / _____ - _____ - _____ - _____
(type of credit card) (credit card number)

I understand that improper use of this card may result in disciplinary action, as outlined in the City of El Centro handbook, as well as personal liability for any improper purchases. As a cardholder, I agree to comply with the terms and conditions of this agreement, including the attached Credit Card Policies and Procedures agreement.

I acknowledge receipt of said Agreement and Policies/Procedures and confirm that I have read and understand the terms and conditions. I understand that by using this card, I will be making financial commitments on behalf of the City of El Centro and that the City of El Centro will be liable to U. S. Bank for all charges made on this card.

I will strive to obtain the best value for the City of El Centro when purchasing merchandise and/or services with this card.

As a holder of this City of El Centro card, I agree to accept the responsibility and accountability for the protection and proper use of the card, as enumerated above. I will return the card to the Finance Director, upon demand, during the period of my employment. I further agree to return the card upon termination of employment. I understand that the card is not to be used for personal purchases. If the card is used for personal purchases or for purchases for any other entity, the City of El Centro will be entitled to reimbursement from me of such purchases. **The City of El Centro shall be entitled to pursue legal action, if required, to recover the cost of such purchases, together with costs of collection and reasonable attorney fees.**

Signature _____ Date _____
(Cardholder)

Signature _____ Date _____
(Business Administrator)

Finance Department use only: Date _____ Amount approved \$ _____ Signature _____ (Director of Finance)

**CITY OF EL CENTRO
CAL-CARD REQUEST**

DATE: _____

TO: Director of Finance

FROM: _____ DEPARTMENT _____

Requested: _____

FOR:

User: _____

Division: _____

Describe the purpose, justification, and importance of the requested credit card-

Department Director Signature

Date

Finance Use Only

Approved: Yes _____ No _____

Director of Finance: _____ Date: _____