

Subject: Purchasing Card (CAL-CARD) Use Policy	Number: 3-9
	Date Issued: August 29, 2007 Date Revised: June 3, 2015
Responsible Department: Finance/Purchasing	Approved: <i>Verena Smith</i>

Purpose

To establish the issuance, accounting, monitoring, retrieval and general oversight of the purchasing card (CAL-Card as currently used by US Bank) use policy for the City of Fresno.

The CAL-Card will be the "Official" purchase card for the City. No other credit card(s) will be authorized and no payments will be made on any other credit card except as indicated in AO 1-9.

Policy

1. The Purchasing Manager is designated to be responsible for the City of Fresno purchasing card issuance, accounting, monitoring, retrieval, and for general oversight of compliance with this purchasing card use policy.
2. The purchasing card may be used only by those authorized to whom cards have been issued in their names and only for the purchase of goods for the official business of the City of Fresno.
3. All authorized users of purchasing cards shall submit documentation including receipts, invoices, packing slips, etc., detailing the goods purchased, the cost of the goods, the date of the purchase and the official business for which it was purchased.
4. Upon separation, job transfer or promotion to a position which no longer necessitates the use of a purchasing card, the employee issued the purchasing card shall immediately notify and then return the purchasing card to the City of Fresno Purchasing Manager.
5. An authorized employee, who is issued a purchasing card in their name, is responsible for its protection and custody and proper use, and shall immediately notify their Department Director or designee and the Purchasing Manager if the purchasing card is lost or stolen.

6. Upon payment, Accounts Payable will follow all established internal control procedures for approval, documentation and payment of purchase card charges.
7. Intent is to avoid use of petty cash, decrease payment processing costs for small purchases, and as an alternative payment method for bid or quoted contracts or work.

Unauthorized use of a purchasing card shall result in disciplinary measures to the fullest extent of the law.

Procedures

1. Issuance of Purchasing Cards:

- a) Purchasing cards will be issued to employees who are authorized by their Department Director. The cards will be issued to individuals, in the name of the individual; there will be no department cards. Only one card will be issued in an individual's name. Cards are nontransferable.
- b) The authorized credit limit of all purchasing cards issued shall be determined by the Purchasing Manager and Department Director or their designee. The amount will be based on the specific operational needs of each cardholder. The authorized limit may be subsequently adjusted based on actual experience. Changes to the limit will be reviewed and approved by the Purchasing Manager and Department Director or their designee. The initial authorized credit limit shall not exceed \$2,500 per transaction and \$10,000 per monthly billing cycle.
- c) To obtain a CAL-Card, contact the Purchasing Division at 621-1332.
- d) Form attached as a sample.

2. Card Use:

- a) The purchasing card shall be used for the purchase of parts or supplies or other goods in instances where the parts, supplies, or goods are more immediately available than conventional sources. An example would be minor plumbing or electrical parts that can be purchased within a short drive from the worksite as opposed to a cross-city trip to a normal part source.
- b) Purchases made via the purchasing card must comply with the City's purchasing and expenditure policies. The card in no way changes such policies.
- c) All employees issued a City of Fresno purchasing card (CAL-Card) shall sign a CAL-Card Purchasing Card Agreement issued by Purchasing,

thereby agreeing to abide by adopted City purchasing Card Policies and Procedure and will be provided a copy of such policies and procedures during training and upon the receipt of the CAL-Card. The cardholder is responsible for assuring that all purchasing card charges are accurate and consistent with policy guidelines (form attached).

- d) Emergency/Urgent Payment Increase Requests – Cardholders may request an immediate card purchase limit increase in the event of an urgent need for the preservation of health, life, and property. The request can be communicated via telephone, but should be supported and documented in writing or via email.

3. Cardholder Responsibilities:

a) The cardholder must:

- i. Ensure the card is used only for legitimate business purposes;
- ii. Maintain the card in a secure location at all times;
- iii. Not allow other individuals to use the card;
- iv. Adhere to City purchase limits and restrictions;
- v. Obtain all sales slips, register receipts, and/or purchase card slips and provide same to their designated approving official;
- vi. Attempt to resolve disputes related to billing errors with the vendor directly or in conjunction with the Purchasing Manager;
- vii. Ensure the appropriate credit is issued for disputed items or billing errors on a subsequent purchase card statement;
- viii. Immediately report a lost or stolen purchase card to the card issuer and notify the Purchasing Manager of the lost or stolen card at the first opportunity during business hours;
- ix. Return the card to the Purchasing Manager upon terminating employment with the City.

4. Cardholder Liability:

The purchasing card will not affect the cardholder's personal credit; however, it is the cardholder's responsibility to ensure that the card is used within stated guidelines, policies, and procedures of the City. Failure to comply with program guidelines may result in the permanent revocation of the card, charge-back of an

improper or unsupported transaction to the cardholder for reimbursement to the City, notification of the situation to management, and further disciplinary measures, which may include termination.

5. Cardholder Termination or Card Cancellation

- a) The City is required to close an account if a cardholder:
 - i. Terminates City employment; or
 - ii. Moves to another Division and will not require use of CAL-Card in that new assignment.
- b) The City reserves the right to cancel a purchase card for any of the following reasons:
 - i. The card is used for personal or unauthorized purposes;
 - ii. The card is used to purchase any material or service that violates policy, law or regulation pertaining to the City;
 - iii. The cardholder allows the card to be used by another individual;
 - iv. The cardholder fails to provide the required receipts and supporting documentation;
 - v. The cardholder does not adhere to all of the appropriate City Administrative Orders, policies, and procedures.

6. Examples of Items that Cannot be Purchased with the CAL-Card:

- a) Any item or service centrally managed by another City agency such as:
 - i. Graphic communications printing, copying, binding, and related capabilities;
 - ii. Information technology services managed automated equipment and software;
 - iii. Communications managed fax machines and telephone related equipment.
- b) Food;
- c) Public works of improvement – Any service or onsite work that requires an appropriate contract, license, and would require insurance indemnification or approval from Risk Management;
- d) Travel or travel related expenses – Cards shall not be used to reserve or hold hotel rooms or other deposits;

- e) Recurrent requirements such as making several purchases for items that should be put on a multi-year contract;
- f) Personal use items;
- g) Cash advances;
- h) Firearms and ammunition;
- i) Tobacco and alcohol products;
- j) Fixed assets.

7. Examples of Items that Can be Purchased with the CAL-Card:

- a) Miscellaneous items needed after normal office hours or during an emergency;
- b) Subscriptions, memberships, books, and publications;
- c) Maintenance, repair, and operational type of equipment and supplies;
- d) Items on existing open purchase orders providing that the vendor has agreed to accept the procurement card as a method of payment;
- e) Office supply orders.

8. Purchase Card Use Audits:

The Purchasing Division will make periodic random audits of card use and charges for appropriateness. Areas to be monitored include, but are not limited to: compliance with this and other related Administrative Orders, and excessive and/or non-use by cardholders. The City's Internal Audit Section may also perform period audits of the CAL-Card Program and credit card usage by City employees to ensure that all purchases are appropriate and for City Business purposes only.