

CITY OF EUREKA

Category: FINANCE

POLICIES & PROCEDURES

Subject: CALIFORNIA PURCHASING
CARD (CAL CARD) USE

Date Adopted: August 5, 2008

File 2.50
Number

POLICY OBJECTIVE

To provide instructions on the proper use of the City of California Purchasing Card (Cal Card) for purchases of supplies, materials, and equipment not to exceed limits established by Finance.

ASSIGNED RESPONSIBILITY

Director of Finance

APPLICABILITY

Applicable to all City employees who are issued a Cal Card.

PROCEDURES

1. The Cal Card is a VISA card with the City of Eureka seal embossed on the card and the name of the person to whom it is issued. Authorization to use this card is restricted to the individual to whom it is issued and may not be delegated. No other department members, family, supervisor or anyone else may use this card. The card is to be used for OFFICIAL City business and MAY NOT BE USED FOR PERSONAL PURCHASES.
2. The City's card limit is \$500 per transaction, and \$2,500 per month. The Approving Official (Finance Director) may establish lower or higher limits. If an emergency arises which necessitates use of the card, which will exceed the maximum established for your credit card, arrangements must be made prior to using the card.
3. The credit card is a supplement to the procurement process. As with other procurement methods, the following conditions must be met when using the credit card:
 - a. The credit card should be used whenever possible in lieu of petty cash, emergency purchase orders or purchase requisitions when the dollar amount for a single item or group of items is under \$500.
 - b. Each single purchase may be comprised of multiple items, but the total including tax cannot exceed the single purchase dollar limit of the card.
 - c. If a purchase will exceed the limit established by the Approving Official or the City, normal purchasing procedures must be followed.
 - d. The least expensive item that meets the basic needs should be sought.

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- e. Cardholders must ensure that sufficient funds are available prior to making any purchases. The Finance Department and/or the Approving Official can assist in verifying if funds are available.
4. The issuance of a Cal Card does not allow the credit card company to do any personal credit check on the cardholder. No personal information from the employee will be requested nor should any personal information be furnished.
5. Use of the credit card is not intended to replace effective procurement planning which enables volume discounts.
6. Purchases must not be split to circumvent procurement regulations.
7. If a purchase made with the Cal Card is questioned, the user must be able to explain the nature of the purchase. If the employee cannot substantiate that the purchase was necessary and for official use, the department head will address the situation in accordance with City policy.
8. Questions regarding account or specific Cal Card purchasing procedures should be directed to the credit card company at 1-800-227-6736.

CARD RESTRICTIONS

The Cal Card can be used to purchase supplies, materials and equipment that do not exceed the single transaction limit; phone orders for materials, books, subscription, etc. The Cal Card shall not be used for the following:

1. Cash Advances
2. Services
3. Purchase of communications equipment such as pagers, cellular phones, radios, etc.
4. Rentals except for small pieces of equipment not exceeding a week in duration.
5. Items available from a department's open purchase orders
6. Machinery that requires a maintenance agreement.

Other restrictions may be applied by the Approving Official or Agency Program Coordinator.

Upon approval of a Cal Card, the employee will be notified by Finance that the card is ready for pick-up. The employee is required to sign for the card.

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The card may be used at any merchant who accepts VISA cards for payment of purchases, providing the type of purchase has been authorized by the Agency Program Coordinator. Some suppliers may not currently accept VISA cards. If any of these suppliers are interested in accepting the IMPAC VISA, they should be directed to their local bank or financial institution(s).

Once a purchase is selected, present the VISA Cal Card to the merchant. The merchant will complete a sales draft, which includes the following information:

- Imprint of your card; including card number, expiration date, and name.
- Date and amount of purchase.
- Brief description of items(s) being purchased. (NOTE: The merchant should list the item and not use the term miscellaneous).
- Input of merchant name and identification.

The merchant will obtain authorization for the transaction via either a telephone call or direct telecommunication link to the VISA authorization network. The merchant will obtain an authorization number as long as the purchase is within the limit established for each card. The authorization number will then be written on the sales draft.

Before signing the sales draft, verify that the amount is correct and that sales tax has been added. Upon receipt of the completed, signed sales draft, retain for reconciliation.

TELEPHONE OR MAIL ORDER PROCEDURES

If authorized by the Agency Program Coordinator to make telephone orders with the Cal Card, the order must be logged on the Record of Telephone Credit Card Orders form. (See Exhibit A) The log should be maintained for the same length of time as the billing cycle for the credit card. When the billing statement is received which has telephone orders included, attach the log to the statement in lieu of a packing slip/receipt.

If placing an order through the mail, maintain a copy of your order form. Attach the order form and sales receipt, if available, to the statement on which the charge appears.

When placing a telephone or mail order, provide the name of the cardholder, the expiration date on the card, and an address. The billing address for all cards is 531 K Street, Eureka, CA 95501.

PROCEDURES AFTER PURCHASE

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At the close of each billing cycle, a Statement of Account will be issued from the IMPAC Government Services. The statement will itemize each transaction, which was charge to the credit card account.

Upon receipt of the statement, complete each of the steps below:

- Review the statement for accuracy,
- Indicate the appropriate account number by each transaction
- Attach all sales receipts or copies of telephone logs for mail/telephone orders to the statement.
- Sign the statement and forward to the Approving Official within five (5) working days of receipt.

If a purchased item has been returned, attach the credit voucher to the statement on which the credit appears.

If an item has been charged incorrectly, provide a complete explanation of the error on the form, "Cardholder Statement of Question Item", and forward this to the Approving Official. The Approving Official will forward this to Purchasing who will notify IMPAC Government Services for adjustment. Any item that is on your statement that is questioned must be submitted to Purchasing within five (5) working days from the receipt of the statement.

If the cardholder is unavailable to review the Statement of Account within the five (5) day period, forward all paperwork, including receipts to the Approving Official to process. Upon return, a signature will be obtained for the file copy of the Statement of Account.

LOST OR STOLEN CARDS

If a Cal Card is lost immediately notify the Approving Official, the Agency Program Coordinator and IMPAC Government Services. IMPAC Government Services can be reach at **1-800-227-6736**.

Provide the following information the Approving Official:

- Complete name
- Card Number
- Date reported to Police, if stolen
- Date IMPAC Government Services system was notified
- Any purchase(s) made on the day the card was lost or stolen

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A new card will be mailed within two-business days from the time it was reported lost or stolen to the BankCard System. A new account number will be assigned to the new card.

IT IS IMPORTANT TO NOTIFY IMPAC GOVERNMENT SERVICES, THE APPROVING OFFICIAL AND THE AGENCY PROGRAM COORDINATOR OF THE LOSS OR THEFT OF A CARD, *IMMEDIATELY*.

CHANGES TO CARDHOLDER INFORMATION

Changes to a cardholder's name, address, and organization should be immediately reported to the Approving Official who will forward the information to Purchasing.

Upon leaving the City or transferring to another department, the cardholder must return the Cal Card to the Approving Official.

Questions on the appropriate use of a credit card can be directed to the Approving Official or Finance Department.