


POLICY NUMBER: 20-001	CAL-Card Credit Card Program Policy	
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RELATED DOCUMENTS: CAL-Card Procedures Criteria for CAL-Card	RELATED POLICIES: Includes prior policies or ordinances this version overrides, or sections of the county code that are modified as a result of adoption of this policy	

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## SECTION I – PURPOSE

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The purpose of this policy is to provide guidelines for using CAL-Card, the State of California’s Purchasing Card Program.

## SECTION II – CAL-Card CREDIT CARD PROGRAM STRUCTURE, RESPONSIBILITIES AND DEFINITIONS:

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Each CAL-Card (Card) is issued to a specific individual, bearing the individual’s name and the County of Humboldt’s name. Authorization to use the Card is limited to the specific Cardholder and may not be delegated. No other employee, family member, supervisor, staff or anyone else may use the Card. A Cardholder who allows an employee, family member, supervisor, staff or anyone else to use their Card may be subject to disciplinary action.

THE CARD IS TO BE USED ONLY FOR OFFICIAL COUNTY BUSINESS AND MAY NOT BE USED FOR PERSONAL PURCHASES. Intentional use of the Card for any reason other than official county purposes may result in immediate cancellation of the Cardholder’s Card and possible disciplinary action

The County Administrative Officer (CAO) and/or County Purchasing Agent as his/her designee are responsible for the CAL-Card Program. All forms and guides referenced in this Policy are available on the Purchasing intranet page.

The CAL-Card program is overseen by U.S. Bank, through a Master Service Agreement with the State of California, Department of General Services, and Humboldt County.

### A. Program Administrator (PA)

The County Administrative Officer and/or County Purchasing Agent as his/her designee will act as the Program Administrator. The CAO-Purchasing Team is the CAO’s designee to serve as the Purchasing Agent, and therefore the PA. The PA oversees the entire CAL-Card Program, including:

- the administration of new accounts,
- reporting, and
- compliance processes.

Other duties include:

- ordering all cards,
- submitting new account data,
- updating account information as necessary,
- changing credit limits and cancelling cards as needed (with proper documentation),
- developing procedures,
- providing Cardholder and Approving Official training, and
- enforcing compliance with the county's policies and procedures and the terms of the CAL-Card Master Service Agreement.
- storing Cardholder form revisions.

The PA, at its discretion, may cancel a Card at any time.

The PA is a Cardholder with authority to make purchases it deems necessary, at their discretion, in the interest of health and safety of residents, property and proper functioning of county services, on behalf of any county department. This includes purchases above the \$1,000 limit. However, such purchases will not conflict with state and/or federal laws. The PA shall follow this policy and the guidelines in the State of California's Purchasing Card - Program Administrator Guide as revised or updated. The Guide is incorporated into this policy by reference.

All required, current document forms and program information referenced herein are available on the CAO Purchasing HumNet intranet page.

#### B. Designated Billing Office (DBO)

The Auditor-Controller's Office shall serve as the Designated Billing Office.

The DBO is responsible for:

- authorizing timely payment to U.S. Bank
- auditing cardholder records for compliance with applicable policies and accounting standards.

The DBO will:

- generate a CAL-Card Record of Credit Card Orders Form in Microsoft Excel format (Excel Record of Orders Form) displaying a Cardholder's monthly charges and distribute the form monthly via email for reconciliation and return,

- receive and review Excel Record of Orders Forms and approved Cardholder packets,
- follow up on late or missing Record of Orders Forms and Cardholder packets,
- match Cardholder's packets to the U.S. Bank corporate account summary, and
- submit all statements and receipts for payment.
- Notify the PA monthly of Approving Officials who submit late Cardholder packets.

The DBO shall follow this policy and the guidelines in the State of California's Purchasing Card - Billing Official Guide (Billing Guide), as revised or updated. The Billing Guide is incorporated into this policy by reference.

### C. Approving Official (AO)

Each Department Head shall designate or act as an Approving Official for their department. In order to act as an AO, the Department Head and/or designee must complete the Designated Approving Official form, which is signed by the Department Head, acknowledged by the designated AO and approved by the PA. The PA and the Department are responsible for maintaining the appropriate AO and Cardholder form records.

AOs may also be Cardholders but may not approve their own monthly statements. There is no limit to the number of Cardholders or Approving Officials a department may have. The PA or applicable Department Head may act as an AO when a department's staff cannot meet the need.

The AO is responsible for:

- attending mandatory training in the first available scheduled session,
- reviewing, reconciling and approving Cardholder packets for each Cardholder in their department and/or their designated unit,
- verifying that the completed, signed Cardholder packet and Excel Record of Orders Forms are submitted to the DBO. (The Cardholder packets are due by the twenty-fifth (25<sup>th</sup>) day of each month.),
- having a working knowledge of county purchasing methods, policies and procedures, and
- having a working knowledge of the job responsibilities of his/her assigned cardholders, as well as knowledge of their departmental budget.

AO's shall follow this policy and the guidelines in the Billing Guide, as revised or updated.

#### D. Cardholders

Current full-time employees, who have passed their probationary period, and elected officials are eligible to be Cardholders. In addition, elected officials and employees appointed by the Board of Supervisors shall be eligible to be Cardholders, regardless of probationary period status. Exceptions to this requirement may be granted by the County Administrative Officer on a case-by-case basis. Department Heads will determine who in their department shall be a Cardholder and have purchasing authority to use the CAL-Card. A Request for Credit Card Form shall be completed for each Cardholder.

Upon receipt of the CAL-Card, each Cardholder shall read and sign a Cardholder Acknowledgment Form and forward to the PA. The PA and the Department are responsible for maintaining the appropriate Cardholder form records.

Cardholders are responsible for:

- attending mandatory training in the first available scheduled session,
- keeping records of each transaction (such as receipts or electronic payment acknowledgments) to support their individual Memo Statement at the end of each billing cycle,
- retaining historical records of monthly transactions to assist with possible audits, grant requests, or other purposes, and
- completing their monthly reconciliation within the appropriate time frame.

Cardholders shall follow the guidelines and instructions provided by U.S. Bank, Government Services State of California's Purchasing Card – Cardholder Guide (Cardholder Guide) and this policy. The Cardholder Guide is incorporated into this policy by reference.

#### E. Access Online

A U.S. Bank secure website for program management of the CAL-Card Program is available. Cardholders may view their accounts using the U.S. Bank secure website. This information is provided to CAL-Card Program participants.

#### F. Cardholder Statement

The monthly statement showing all purchases made against a single Card during the month is reconciled to the receipts for purchases by the Cardholder and forwarded with the receipts to the AO for verification and payment approval.

#### G. Dispute

In the event there is a disagreement between a Cardholder and a merchant regarding items appearing on the Cardholder Statement, the Cardholder should make every effort to resolve a dispute with the merchant. If this is unsuccessful, Cardholder should initiate a dispute with U.S. Bank within 60 days of Cardholder Statement date. It is the Cardholder's responsibility to ensure a dispute is resolved.

#### H. Corporate Account Summary

The official monthly Corporate Account Summary is sent from U.S. Bank to the DBO, billing the county for purchases made during a given billing period. The completed Cardholder packets are matched to the Corporate Account Summary, and reviewed and approved for payment.

#### I. Late Payment Charge

To ensure the county does not incur Late Payment Charges, the DBO will charge the default budget information provided on the Cardholder Acknowledgement Form in the event a Cardholder Packet is not received timely. The Cardholder's department will be responsible for submitting appropriate documentation to facilitate any necessary budgetary corrections after payment is made. The DBO shall monthly notify the PA of AOs who submit late Cardholder packets.

#### J. U.S. Bank

U.S. Bank is the contractor who maintains all CAL-Card accounts; issues cards, monthly statements and invoices for payment; pays merchants in a timely manner; and receives payment from the county.

#### K. State of California

The State of California is a program management and training resource that does not exert any level of control over the county's CAL-Card program.

## SECTION III – PURCHASING LIMITS

### A. Permanent Card Limits

Cardholders may make individual purchases up to their single transaction limit. The county's default limit for each Cardholder is \$1,000 maximum per transaction. The Department Head shall establish the maximum allowable spend total per billing cycle for each Cardholder in increments of \$1,000 up to \$10,000. Requests for limit changes for individual Cardholders within their department shall be made by the Department Head and submitted to the PA.

### B. Transaction Limits

Each purchase may be comprised of multiple items, but the total including tax cannot exceed the Cardholder's single transaction dollar limit. For example, this means an individual can purchase 10 items in a single transaction provided the total purchase amount does not exceed their limit.

### C. Single Purchases in Excess of Single Transaction Limit

If a single purchase will exceed the Cardholder's single transaction limit, normal purchasing procedures must be followed unless a prior exception is requested and granted by the PA.

### D. Travel Arrangements and Registrations

Cardholders who will use their CAL-Card for travel expenses are encouraged to request a single transaction card limit up to \$2,000 that will adequately cover their expenses including, but not limited to, registration, training, fees, etc. Increase requests are processed using the CAL-Card Request Form.



## SECTION IV – GENERAL GUIDELINES

The CAL-Card Program is a supplement to the county's procurement process and is not intended to replace the current Purchasing Policy. In addition to other parts of this policy, the following conditions apply to use of the credit card:

### A. Submitting Purchasing Agent's Requisition

The County Administrative Office - Purchasing Team, as the CAO's designee to serve as the Purchasing Agent, has the ability to make purchases on behalf of a department using Purchasing's CAL-Cards. However, departments should use their own processes and staff as much as possible before requesting that the PA make a purchase on its behalf. When the PA's assistance is needed, departments contact PA for accommodation and submit a Purchasing Agent's Requisition to authorize the transaction.

### B. Competitive Solicitations

Competitive solicitations for the least expensive item that meets a department's basic needs should be obtained in order to purchase at the best price.

### C. Ensuring Sufficient Funds in Department Budget

Cardholders should ensure that sufficient funds are budgeted and available prior to making any purchase in accordance with their departmental procedures.

### D. Replacing Existing Contracts, Volume Discounts

Use of the Card is not intended to replace negotiated commodity contracts (office supplies, janitorial supplies) or effective procurement planning which enables volume discounts.

### E. Fixed Assets and Utilities Prohibition

Using the Card to purchase fixed assets and utilities (includes telephones, cell phones and pagers) is prohibited. This exclusion does not apply to single use cell phones purchased for client use or for emergency use.

#### F. Splitting Purchases

Purchases may not be split to circumvent any purchasing threshold or competitive solicitation requirement.

#### G. Cardholder Substantiation

If a purchase made by a Cardholder is questioned, the Cardholder must be able to explain the nature of the purchase. If a Cardholder cannot substantiate that the purchase was necessary and for official use, the situation will be addressed in accordance with this and other applicable county policies.

### SECTION V – CARDHOLDER GUIDELINES

Neither Humboldt County nor U.S. Bank will conduct a personal credit or background investigation of past credit history of those individuals selected as Cardholders. The Cards are issued based on the full faith and credit of Humboldt County, not the individual employee.

The Cards are issued to authorized individual county employees and cannot be issued with departmental names. Cardholders are responsible for the physical security of their card, the card number and all charges appearing on their monthly statement. Although no other individual may use the card, the cardholder may choose to have merchandise delivered to or picked up by another person.

After receipt of a CAL-Card, the Cardholder is required to acknowledge receipt of their Card by completing the Cardholder Acknowledgement Form. **CAL-Card trainings are offered periodically. Attendance for Cardholders is mandatory at the first available scheduled session unless alternate arrangements are made with the PA.**

#### A. General Purchasing Procedure

Cards may be used at any merchant that accepts VISA cards for payment. Some suppliers may not currently accept VISA cards. If any of these suppliers are interested in accepting the VISA, they should be directed to their local bank or financial institution(s).

Log purchases on the Record of Orders Form and attach receipts as they are made. It is strongly recommended that this information be available for support staff or your immediate supervisor so that in the event of an unforeseen absence the

payment process it not delayed. This form is sent at the end of each billing cycle to all Cardholders with cycle activity.

#### B. In-Person Purchases

Before Cardholder signs an itemized receipt, they shall verify that the amount is correct and that sales tax has been added. Cardholder must receive one copy of the itemized receipt. Cardholder attaches original receipt(s) to their monthly Record of Order Form.

If receipts are lost or misplaced, Cardholders should request a duplicate copy from the vendor. When a duplicate copy cannot be obtained, a Missing Receipt Form is required in lieu of a receipt.

#### C. All Other Purchases

When placing a telephone, internet, or mail order card purchase, the Cardholder will be asked to provide his/her name, card number, the expiration date on the card, and the shipping address. Often the vendor will ask for the three-digit code on the back of the card as well as the billing address. The default billing address is the one provided on the Cardholder's Request for Credit Card form.

It is helpful that the vendor understands that the county pays the current county tax rate and can agree to charge the correct tax rate. Tax rate is driven by the location where the goods/services are delivered. Special attention to the tax rate of each purchase will reduce overpayment of taxes.

Cardholders should have the vendor email an **itemized** receipt which is required for your monthly CAL-Card reconciliation.

#### D. Recurring Purchases

Publication subscriptions are exempt from county Purchasing Policy. Initiation of recurring purchases should be considered carefully. Absenteeism, termination of employment, and Card expirations are factors applicable to the use of recurring payments.

## E. Procedures after Purchase

At the close of each billing cycle, Cardholders are emailed a Record of Orders Form. Cardholders download or print their monthly statement, available online after the 16<sup>th</sup> of each month. The statement will itemize each transaction that was charged to a Cardholder's account. Cardholders shall complete the steps below:

- Review the statement for accuracy;
- Provide the appropriate and complete budget number for each charge (multiple budgets may be charged with definition of the split);
- Update description to provide specific purchase detail on the Record of Orders Form;
- Attach and number sales receipts in the order they are shown on the statement;
- Sign (electronic signature is acceptable) and date the Record of Orders Form and send to the AO for review and approval;
- If a credit appears on a statement, provide the complete budget number the credit applies to along with a brief explanation of the credit. Tie back to the original purchase is preferred with a credit receipt;
- AO reviews and signs packet. AO or designee forwards complete signed packet to the DBO;
- DBO staff reviews packets and issues payment.

If an incorrect item appears on a statement, the Cardholder shall provide a complete explanation of the error in their statement packet. The form titled Cardholder Statement of Questioned Item is available on Purchasing intranet page for use to be included in the statement packet. It is the responsibility of the Cardholder and/or AO to contact the merchant to resolve the questioned transaction or notify U.S. Bank for adjustment and or dispute.

If a Cardholder is unable to review their statement within the appropriate timeframe, Cardholder shall forward all paperwork, including receipts, to their AO to process in Cardholder's absence.

## F. Misuse of Cards

PA disciplinary action procedure may be updated at its sole discretion and posted on the CAO Purchasing HumNet intranet page. Cardholder privileges may be suspended or revoked for any violation of the this policy. This includes repeat offenses such as personal purchases, failure to process statements in a timely

manner, missing or incomplete receipts, non-report of lost or stolen card in a timely manner, ordering merchandise without sufficient available funds, etc.

Disciplinary action will be treated as confidential, unless otherwise required by state and/or federal law.

## **SECTION VI – LOST OR STOLEN CARDS**

If a card is lost, stolen, or missing, the Cardholder shall:

1. Immediately notify the police (if stolen), their AO, the PA, and U.S. Bank's Government Services department at 1-800-344-5696. The Cardholder must provide the following information (recorded on individual Cardholder Acknowledgement Forms or through the PA):
  - Cardholder's complete name
  - Card number
  - Date reported to police, if stolen
  - Any purchase(s) made on the day the card was lost or stolen.

A new card will be mailed to Cardholder within two business days from the time the loss or theft is reported to U.S. Bank; request expedited shipping as needed. A new card account number will be assigned with the new card.

2. Complete a Cardholder Acknowledgement form for a replacement card and forward to the PA.

## **SECTION VII – PROHIBITED PURCHASES**

The following high-risk or cash-related transactions are excluded and prohibited by account set up through U.S. Bank:

- Air phone
- Alcoholic beverages
- Ammunition
- Bail and bond payments
- Betting, casino gaming chips, off-track betting, lotto
- Capital project miscellaneous purchases
- Convenience checks
- Court costs, alimony, child Support
- Dating and escort services
- Direct marketing insurance services
- Equipment loans (through departments)

- Family expenses when family members accompany County staff, department heads or Board members on official County business
- Financial institutions: annual cash advance, automatic cash advance
- Good that qualifies as a county fixed asset
- Goods included in specific county negotiated contracts
- Government loan payments
- Guns
- Hotel/motel in-room movies
- Massage parlors
- Non-financial institutions: foreign currency, money orders, traveler's checks and other security brokers/dealers
- Overpayments
- Over-the-counter medications such as Tylenol, aspirin, etc.
- Political organizations
- Religious organizations
- Savings bonds
- **Services** (restricted by 1099 reporting requirements)
- Tax Payments
- Timeshares
- Utility Payments
- Wire Transfer, Money Order

Any changes to this prohibited purchase list may be updated in the supporting CAL-Card procedures and forms available on the Purchasing intranet page.