



City of Fort Bragg
Administrative Regulation No. C-5

CREDIT CARD USE POLICY

I. OBJECTIVE

The objective of this Administrative Regulation is to establish policy and procedure for the use of City credit cards. The City issues credit cards to facilitate certain minor purchases such as gasoline for City vehicles, internet purchases requiring credit card accounts, authorized out of town travel costs, and emergencies. Credit cards are an alternative to normal purchasing procedures and should be used only in warranted circumstances.

II. PROCEDURES

1. Municipal Code Section 3.20.050, **Purchase orders and credit cards**, states:
"Purchases made by credit card are limited to \$5,000"
2. Employees should indicate requested use of City credit cards when submitting normal requisition or travel authorization forms and shall only use City credit cards to the extent authorized by the City Manager or designee.
3. Employees shall obtain and submit to the Finance Department a user copy of the charge receipt with the monthly credit card statement, including account coding, with the exception of gasoline charges made for City vehicles, which shall be reported to the Public Works Director or Police Chief as appropriate. Telephone and internet charges shall be documented with a charge receipt/confirmation submitted to the Finance Department with the monthly credit card statement. A **Missing Receipt Form** (attached) may be completed and submitted to the Finance Department in lieu of an original charge receipt in the event the original charge receipt is lost. A **Missing Receipt Form** may not be completed on a routine basis and overuse may result in revocation of the employee's city-issued credit card as well as disciplinary action.
4. Employees may use personal credit card accounts for City purchases and submit documentation for reimbursement to the Finance Department.
5. Applications for new or renewed City credit card accounts, additions of new signature authority, increases of credit authority, and similar changes shall be authorized only by the City Manager or Finance Director.
6. To the extent feasible, all City credit card accounts shall be issued only to designated employees with signature authority and such individuals shall be personally responsible for full and timely coding of all charges on their accounts including any fees, penalties and interest.
7. City credit card accounts issued for general departmental use such as gasoline cards for Public Works and Police vehicles shall be the responsibility of the particular Department Manager.
8. Improper, undocumented, untimely, and over-budget charges may be subject to collection from the responsible employee.

Compliance with Purchasing Policies and Procedures

9. Cardholders must comply with the Fort Bragg's Purchasing Policies and Procedures when using City credit cards. Use of this card is not to replace effective procurement planning, and the card should never be used to split orders to circumvent established bidding and purchasing requirements. Each transaction may be comprised of multiple

items, but the total, including tax, cannot exceed the pre-established single purchase dollar limit. If the vendor does not collect sales and use tax on behalf of the State of California (CA) the total tax due should still be considered as part of the purchase price in relation to bidding and purchasing limits. Any sales and use tax not collected at the time of purchase will be paid directly to the State by finance staff and charged to the same program, fund, and object code of the purchase.

10. Reconciling Monthly Statements

A Cardholder's Verification of Monthly Statement form (log) has been developed to assist Cardholders with maintaining a monthly list of credit card purchases (available on the City's Intranet). The cardholder should enter each transaction and appropriate account number on the log after each purchase. The log is designed to help with monthly review and verification of all charges to help ensure timely processing of the Card Statement of Account.

The City has established a billing cycle that runs from **the 10th of one month through the 13th of the following month**. The day after the close of each billing cycle, the cardholder will be emailed their monthly Statement of Account.

Upon receipt of the monthly statement, the cardholder must:

- Verify the accuracy of all charges by comparing it with the Credit Card log, note the appropriate department fund, object, and project/task code (when applicable) for each transaction, print and sign the Credit Card log
- Attach all itemized receipts and packing slips to the Card log
- Note any disputed transactions and complete the Statement of Questioned Item form (see the Disputes section in the following pages)
- Submit the Credit Card log and all itemized receipts to the designated Approving Official and submit to Finance within five (5) working days

11. Departure of Employee

- If an employee terminates employment with the City, the credit card must be returned to the Approving Official before the last day of employment with the City. The Approving Official forwards the employee's Credit Card to the Program Administrator who will cancel the card and destroy the card.
- If an employee is transferred to another department, the Cardholder's Approving Official should notify the Program Administrator of this change. In consultation with the new Department Head for the transferred employee, the Program Administrator will determine if the employee will continue to use the CAL-Card in their new department. If the Department Head in the new department decides that it is appropriate for the transferred employee to continue using a CAL-Card, the Program Administrator will change the cardholder's Approving Official.

12. Spending Controls

A number of unique controls have been established to ensure proper use of the Credit Card. Spending controls are defined at both the Cardholder and the Approving Official levels and are established at account setup. Only the Program Administrator is authorized to make changes to the established spending controls.

The City of Fort Bragg uses the following spending limits:

1. Single Purchase Limit – \$5,000

2. 30-Day Purchase Limit – varies based on department needs, average of \$5,000

13. Disputes

It is the cardholder's responsibility to resolve any questionable or disputed items on the Statement of Account. If any items purchased with the Credit Card are found to be defective or unacceptable, the cardholder has the responsibility to return the item(s) to the merchant for replacement or credit. If the merchant refuses to replace the item or issue a credit, the purchase of this item will be considered to be in dispute. Any such disputes must be explained on the Cardholder Statement of Questioned Item (CSQI) form. A copy of the completed CSQI form should be retained for any follow-up with U.S. Bank Government Services, and another copy should be attached to the Statement of Account.

The Credit Card Company must receive the dispute form on or before the 60th day after the close of the billing cycle, otherwise the dispute will automatically be denied, regardless of its validity.

After disputing an item, the cardholder should receive an "Acknowledgement of Dispute" letter from the Credit Card Company. After the dispute is resolved, the cardholder should receive a "Resolution of Dispute" letter.

14. Prohibited Uses

The City of Fort Bragg prohibits the following:

- Purchase personal items
- Split purchases to circumvent purchasing dollar limits
- Alcoholic beverages
- Ammunition
- Professional/Consultant Services
- Instructors, Speakers, or Performers
- Rentals and leases

III. RESPONSIBILITY

1. The City Manager, or designee, shall be responsible for approving use of credit cards for normal requisitions or travel.
2. The City Manager or Finance Director (Program Administrator) shall be responsible for authorizing applications for new or renewed City credit card accounts, additions of new signature authority, and increases of credit authority and similar changes.
3. Department Managers shall be responsible for general department use of gasoline cards.
4. The Finance Department shall be responsible for reimbursement of personal credit card charges for City purchases.

IV. DEFINITIONS

1. "Credit card account" means any credit facility offering plastic charge cards including VISA, MASTERCARD, DISCOVERY, AMERICAN EXPRESS, petroleum company "gas cards," corporate purchasing cards such as SEARS, and any similar cards issued in the name of the City of Fort Bragg.

Approved by City Manager

(Signature)

(Date)

Made a part of the City's Administrative Regulations
binder and distributed to all City staff

(Date)



MISSING RECEIPT FORM

Date of Purchase: _____

Vendor Name: _____

Description of
Purchase/Service: _____

Quantity Purchased: _____

Method of Payment: _____

Dollar Amount: \$ _____ GL Account : _____

Reason you were unable to obtain receipt/invoice:

I understand that a Missing Receipt Form may not be completed on a routine basis and that overuse may revoke the privilege of providing a Missing Receipt Form in lieu of a receipt. I certify that the amount shown is the amount actually paid, that I have not and will not submit a duplicate claim. I understand that violation of this policy may result in disciplinary action.

Employee: _____

Date _____

Approval:

Department Head:		
Finance Department:		