

**MEMORANDUM  
OFFICE OF THE  
COUNTY EXECUTIVE  
COUNTY OF PLACER**

**TO:** Honorable Board of Supervisors  
**FROM:** Thomas M. Miller, County Executive Officer  
**DATE:** November 23, 2010  
**SUBJECT:** Adopt amendments to the Credit Card Program Policies and Procedures Manual

---

**ACTION REQUESTED**

Adopt a resolution amending the Placer County Credit Card Program Policies and Procedures Manual.

**BACKGROUND**

To further develop and implement the Placer County Placer Administrative Manual ("PAM") as authorized by your Board, existing policies will be amended. Today staff is requesting adoption of amendments to one existing policy, the Credit Card Program Policies and Procedures Manual.

The current Credit Card Program Policies and Procedures Manual prescribes the general policy and rules for the use of credit cards for County business use. The revised policy reflects current processes and includes enhanced purchasing controls and purchasing restrictions language.

In particular, the policy establishes enhanced protocols and parameters for credit card use and transaction approvals. The amended policy outlines, among other things: (a) that Approvers of credit card use must be a County Manager and be the cardholder's supervisor, or equal or a higher level official, (b) identifies the administrative type duties for review of proper documentation, approval of credit cardholder transactions, certification of necessity of cardholder purchases, and that purchases are for Official Use Only. A general expectation is that Approvers have knowledge of job responsibilities of cardholders and cannot approve their own credit card use. Specifically, provisions are included that establish (a) Department Heads, or their designee, as Approvers within their departments, (b) the County Executive Officer, or designee, as the Approver for appointed Department Heads, and (c) the Chair of the Board of Supervisors as the Approver for the County Executive Officer, and (d) the Chair will designate the Approvers for all County Elected Officials.

**FISCAL IMPACT**

It's expected that staff adhere to the well-established policy and procedures for the proper use of County credit cards for County business to assist in mitigating potential loss to the County.

Attachment

- A. Resolution and Placer County Credit Card Program Policies and Procedures Manual

A copy of the strikeout version showing revisions of the Policy is available in the Clerk of the Board's Office

# Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: \_\_\_\_\_

A RESOLUTION AMENDING THE  
PLACER COUNTY CREDIT CARD  
POLICY

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on \_\_\_\_\_, 2010, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Kirk Uhler, Chairman  
Board of Supervisors

Attest:

\_\_\_\_\_  
Ann Holman  
Clerk of Said Board

**WHEREAS**, the Placer County Board of Supervisors authorized the County Executive Officer to develop and implement the Placer County Placer Administrative Manual ("PAM") by resolution dated September 7, 2010;

**WHEREAS**, the current Credit Card Program Policies and Procedures Manual prescribes the general policy and rules for the use of credit cards for County business use.

**WHEREAS**, the revised policy reflects current processes and includes enhanced purchasing controls language and purchasing restrictions language.

**AND WHEREAS**, the County Executive Officer, through consultation with the PAM Committee, made up of representatives of different departments, has developed an amended Placer County Credit Card Policy incorporating many existing rules, as well as new provisions for inclusion in the PAM.

**NOW, THEREFORE, BE IT RESOLVED**, that the attached Placer County Credit Card Policy is hereby adopted.



PLACER COUNTY  
**CREDIT CARD PROGRAM**  
POLICIES AND PROCEDURES MANUAL

TABLE OF CONTENTS

SECTION	PAGE(S)
1.0 Introduction .....	1
2.0 General Information .....	1
3.0 Controls .....	2
4.0 Fees .....	3
5.0 Definitions .....	3
6.0 Procurement Process .....	5
7.0 Card Restrictions .....	6
8.0 Telephone/Mail/Internet Orders .....	8
9.0 Purchase Declined .....	9
10.0 Emergency Needs .....	9
11.0 Unauthorized Use of County Credit Card .....	9
12.0 Procedures for Obtaining a Credit Card .....	10
13.0 Credit Card Activation .....	10
14.0 Credit Card Modifications .....	11
15.0 Cancellation of Credit Card .....	11

**CREDIT CARD PROGRAM POLICIES AND PROCEDURES**

16.0 Requests for Replacement Credit Cards..... 12

17.0 Lost/Stolen Credit Cards .....12

18.0 Employee Departures/Transfers ..... 12

19.0 Sales Transaction Procedures ..... 13

20.0 Statement Procedures ..... 13

    20.1 Cardholder .....13

    20.2 Approver ..... 14

    20.3 Billing Official ..... 15

21.0 Statement/Report Not Received ..... 16

22.0 Disputes..... 16

23.0 Common Dispute Reasons.....17

24.0 Information Sources..... 20

Credit Card Forms..... 20

    A. Request for County Credit Card

    B. Cardholder Account Update

    C. Approver Account Update

    D. Billing Official Account Update

    E. Monthly Credit Card Report

    F. CalCard Supplemental Sales and Use Tax Recap Sheet

    G. Cardholder Statement of Questioned Item

    H. Missing Receipt

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

### 1.0 INTRODUCTION

The Placer County Credit Card Program provides an efficient method for selected staff to make authorized small dollar purchases of items and certain services that facilitate County business. The County's vendors also benefit from reduced paperwork and faster payment. The program eliminates requisitions and purchase orders for authorized purchases of \$2,500 or less and enables the County to make one monthly payment to the bank instead of multiple individual payments to a large number of vendors.

Placer County participates in the State of California's CalCard Master Services Agreement with US Bank. The Placer County credit card has a unique appearance to distinguish it from personal credit cards. Each card is embossed with Cardholder's name and organization. Authorization to use the card is restricted to the Cardholder only and may not be delegated, except that Executive Secretaries may make travel reservations (airfare, hotel, rental car, conference fees, training registration fees, etc.) for department personnel using the traveler's Credit Card for that traveler's arrangements only. The card is strictly for Official County Use and may not be used for personal purchases.

The following policies and procedures enable authorized permanent employees to conduct business efficiently with a Placer County Credit Card and establish controls and reporting for effective program management. Used properly, the credit card program is a very efficient tool for managing small dollar purchases and travel expenditures. All Credit Card participants, including Cardholders, Approvers, Billing Officials, Department Heads and the Program Administrator must comply with this policy as well as other County regulations and policies pertaining to purchases or business travel.

### 2.0 GENERAL INFORMATION

The Placer County Credit Card is essentially a VISA credit card with greatly enhanced controls and data reporting that streamline the traditional resource intensive procurement process for small dollar purchases and travel. The County Credit Card allows County departments, under strict guidelines, to make small purchases directly, without the necessity of preparing individual requisitions for each transaction, and to pay for prior approved travel. The benefits include more productive staff time, faster product delivery, improved customer satisfaction, faster supplier payment, fewer invoices, more predictable discounts, reduced administrative costs, and bank rebates based on prompt credit card payments and overall County credit card spend.

The Credit Card is to be used as the second option for purchasing, after first verifying that the supplies or services required are not available through a blanket purchase order (BPO) or other procurement method. Cardholders should use the Credit Card where possible for low value purchases and County directed travel in order to achieve cost savings and

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

reduce processing time. If use of the credit card is not practical, then the standard delegated purchasing process or a requisition to Procurement should be used.

### 3.0 CONTROLS

U.S. Bank provides unique pre-purchase management controls that do not exist on personal credit cards. These controls ensure that the County credit card can be used only for specific purchases and within specific dollar limits. The State of California prevents inappropriate government purchases through the use of Merchant Category Codes (MCC) which prevent Cardholders from using the card for prohibited uses such as cash withdrawals and the purchase of timeshares, bail bonds, betting, etc. The County has implemented the State of California MCC controls for all County credit card accounts. Also, County Department Heads specify Single Purchase Limits and 30-day Credit Limits for each of their Cardholders. These limits are established when credit cards are ordered, and may be changed by the Program Administrator when requested by the Cardholder's Department Head. At the point of purchase, the U.S. Bank system will check the individual Cardholder's Single Purchase Limit, the Cardholder's Credit Limit and the type of merchant where the Cardholder is making a purchase before authorizing the transaction. If these established requirements are not met, the purchase will be denied.

Post-purchase management control is exercised at three levels. First, the Cardholder retains receipts at the time of purchase and fills out a Monthly Credit Card Report. At the end of the billing period, the Cardholder reconciles receipts and the Monthly Credit Card Report with the Cardholder's US Bank Account Statement which the Cardholder receives through the mail or obtains from Access Online, US Bank's website. The Cardholder then forwards the package to his/her Approver. Second, the Approver certifies that the Monthly Credit Card Reports and associated paperwork from each of the Approver's assigned Cardholders are correct and that all purchases were authorized. Following this verification, the Approver forwards all paperwork to the Department Billing Official. Third, each Department's Billing Official reviews all of the Department's Cardholders' monthly Account Statements for accuracy, reconciles them with the Corporate Account Summary received through the mail from US Bank, and then reconciles differences with the Auditor-Controller. Internal and external auditors shall also conduct random audits of credit card transactions and departmental compliance with this manual.

Intentional use of the credit card for other than "Official Use Only" will be considered as an attempt to commit fraud against the County of Placer. Proof of such fraud will result in immediate cancellation of a Cardholder's credit card, and may necessitate a referral to the District Attorney and disciplinary action against the Cardholder under applicable Departmental or County administrative procedures. The Cardholder will be personally liable to the County for the amount of any non-approved purchases. The County may use payroll deductions to collect funds that are due to the County.

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

### 4.0 FEES

There are no annual fees charged to Cardholders or the County for use of the CalCard program.

### 5.0 DEFINITIONS

The following terms are commonly referred to in this manual and their definitions are provided for clarification:

**Capital/Fixed Asset:** Tangible or intangible asset acquired for use in operations that will benefit more than a single fiscal period and has a cost of \$5,000 or more, including installation and tax. These appear on the annual Master Fixed Asset List.

**Prohibited:** If goods or services are "prohibited," the use of the County credit card is unauthorized and the card shall not be used to procure such items or services.

**Restricted:** If goods or services are "restricted," the County credit card may be authorized for use if established approvals and criteria are met through the Approver and Program Administrator.

**US Bank:** US Bank is the contractor that provides the County Credit Card Program. US Bank issues the credit cards, provides monthly Account Statements to Cardholders, and provides reports and invoices to Approvers, Department Billing Officials and the Auditor-Controller.

**Access Online:** Access Online is US Bank's web-enabled service site. Each Cardholder, Approver and Billing Official will register with Access Online in order to access their account information and obtain their Account Statements.

**Program Administrator:** The Director of Administrative Services shall designate the Program Administrator for the County. The Program Administrator will be the focal point for coordination of applications for County Credit Cards, issuing cards, modifications to existing Cardholder accounts, and the termination of Cardholder accounts. In addition, the Program Administrator establishes the County's procedures for controlling and using cards, and trains Cardholders and related personnel.

**Cardholder:** The Cardholder is a permanent, non-probationary employee whose name appears on the credit card and is responsible for its security and appropriate use. All County managers are considered non-probationary. The Cardholder is authorized to make purchases of commodities and allowed services on behalf of their department/agency. The Cardholder must be familiar and comply with County

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

procurement policies and procedures. The County Executive Officer may approve the issue of a credit card to an extra-help employee under rare circumstances, and only when the exception is specifically requested by the extra-help employee's Department Head.

**Cardholder Account Statement:** Cardholders shall configure their Access Online accounts (<https://access.usbank.com/cpsApp1/index.jsp>) so that they are automatically notified via E-mail when their Cardholder Account Statement is available. Cardholders will print their Cardholder Account Statement from Access Online. If a Cardholder does not have activity during a billing cycle, a statement will not be generated.

**Corporate Account Statement:** This statement will be mailed to Billing Officials (can be downloaded from Access Online) after the month's billing cycle closes (around the 22<sup>nd</sup> day of the month). Billing Officials use this statement to verify Cardholder reporting and to reconcile Cardholder charges with the Auditor Controller.

**Approver:** The Approver must be a County Manager. The Approver reviews and approves Cardholder transactions, certifying that all assigned Cardholders' purchases are necessary and for Official Use Only and have been documented properly. Approvers must have a working knowledge of various purchasing methods and be familiar with County procurement policies and procedures. Approvers must also have knowledge of the job responsibilities of their designated Cardholders and should be the Cardholder's supervisory chain of command or an equal or higher level official and cannot approve for their own credit card use. Ideally the Cardholder's direct supervisor should review expenditures also. A subordinate shall not be an Approver for his/her supervisor. The Department Heads, or their designee, will be the Approvers within their departments. The County Executive Officer, or designee, will be the Approver for all appointed Department Heads. The Chairman of the Board will be the Approver for the County Executive Officer and will designate the Approvers for all Elected Officials (more than one is necessary so no Approver is approving himself/herself). An Approver should have authority over no more than 12 Cardholders. Approvers will be given a user ID and password to Access Online and have the authority to download their assigned Cardholder's Account Statements.

**Billing Official:** The Department Billing Official serves as the final point of review for all department credit card activity and will be responsible for reconciling the Cardholder Account Statements and documentation received from department Approvers with the Billing Official's Corporate Account Statement, which will be received in the mail or printed from Access Online. The Department Billing Official must then reconcile this information with the County Credit Card Program Coordinator in the Auditor Controller's Office.

**Single Purchase Limit:** The maximum dollar amount authorized per individual credit card transaction. Not to exceed \$2,500. Exceptions based on emergency purchasing

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

responsibilities must be justified by the Department Head and approved by the Purchasing Manager.

**Credit Limit:** The maximum amount that may be charged on a County credit card during the monthly billing cycle. Not to exceed \$5,000. Rare exceptions based on unique job requirements or emergency purchasing responsibilities must be justified by the Cardholder's Department Head and approved by the Purchasing Manager.

### 6.0 PROCUREMENT PROCESS

The Placer County credit card is not intended to replace effective procurement planning, nor does use of the card relieve the Cardholder from adherence to all County and Agency/Department purchasing regulations, policies and procedures. As with other procurement methods, the following conditions must be met when using the credit card:

- 6.1 The credit card is to be used in accordance with current Delegated Purchasing Policy and 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, including delivery charges and tax, is within the delegated purchasing limit of \$2,500. See the Purchasing Policy Manual and Purchasing Handbook for guidance on delegated purchasing.
- 6.2 Each single purchase may be comprised of multiple items, but the total including freight, shipping, and tax cannot exceed the Cardholder's single purchase dollar limit. Purchases must not be split to circumvent procurement regulations by swiping the card twice, or making the same purchase on subsequent days, etc.
- 6.3 Some Department Heads, Emergency Managers and the Procurement Services Division staff are assigned Single Purchase limits in excess of \$2,500 and Credit Limits in excess of \$5,000. These additional single purchase limits are strictly for emergency purchases. The Purchasing Policy Manual provides procedures and reporting requirements for emergency purchases.
- 6.4 Cardholders are responsible for ensuring that the least expensive item that meets the County's basic need is bought.
- 6.5 Departments must have a process in place where all purchases with a credit card have received prior approval before a charge is made. For example, a credit card purchase of a \$200 tool (not available through a BPO) must be preapproved. Departmental approval for an overnight trip which includes a hotel and food would also be approval for use of the credit card to pay these travel expenses. The only exception to this rule is Cardholders who are required, due to the

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

nature of their position, and are thereby authorized, to make routine purchases such as fuel for patrol cars when the County Garage is closed.

- 6.6 The Departmental approval process must ensure that sufficient funds are available prior to approving Cardholder purchases. Supervisors or Approvers can assist you in verifying that funds are available.
- 6.7 The County credit card must not be used for purchases when the Cardholder has a personal interest or knowledge that would create a conflict of interest (e.g. buying from a relative or close friend).
- 6.8 Discuss data processing and software purchases with the Administrative Services/IT Division prior to purchase to address possible compatibility issues.
- 6.9 The credit card should only be carried when there is an actual requirement to use the card. Cardholders should never carry the County credit card while on vacation, or when otherwise out of the office or away from job responsibilities for an extended period.

**Note:** If you have any questions regarding procurement regulations, contact the Program Administrator.

### 7.0 CARD RESTRICTIONS

- 7.1 County credit cards are automatically restricted from the following types of purchases:
  - Wire Transfers
  - Financial Institutions' Manual & Automatic Cash Advances
  - Convenience Checks
  - Non-Financial Institutions – Foreign Currency, Money Orders, Travelers Checks
  - Security Brokers/Dealers
  - Savings Bonds
  - Time Shares
  - Betting, Casino Gaming Chips, Off Track Betting

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

- Fines
- Bail and Bond Payments

7.2 The Placer County credit card is to be used for small dollar purchases. Cards may be used to purchase simple services such as online training or simple, one-time equipment repairs at the vendor's location; however Cardholders must submit a requisition to Procurement for a purchase order if the services will be performed on County property or if they pose any risk to life or property or any risk of the County being sued for the contractor's actions. In addition, the use of the County credit card is **strictly prohibited** for the following (Ref: Purchasing Policy Manual delegated purchasing restrictions):

- Fixed assets;
- Cash advances;
- Personal services that may pose a liability risk to the County;
- Construction, improvements and maintenance of facilities;
- Copy machine rental;
- Telecommunications equipment (Does not apply to the Telecommunications Division)
- Pesticides and herbicides;
- Printing;
- Fuel charges for non-County owned/leased vehicles; (an exception will be made for rental car fuel related to documented long distance travel)
- Road projects;
- Safety equipment;
- Vehicles;
- Consultants;
- Unauthorized Merchant Category Codes;

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

- Payments against Blanket Purchase Orders and countywide contracts.
  - Purchases of supplies or other commodities for which a Blanket Purchase Order is currently in place (the complete list of active BPOs is available on iPlacer at <http://iplacer/Departments/ADM/default.aspx>);
  - Purchases which are restricted under Procurement's Delegated Purchasing Policy;
  - Other items prohibited by the Accounting Policies and Procedures Manual.
- 7.3 Additional department restrictions may be applied. If you have any questions regarding the appropriate use of your credit card, contact your Approver or the Program Administrator in the Procurement Services Division.
- 7.4 All purchases are subject to audit. The Auditor-Controller, Department Billing Official and/or the Approver may refuse payment when a purchase does not meet the established purchase criteria. In this event, the Cardholder will be responsible for returning the item(s) to the vendor for credit. Neither the Bank nor the merchant bears any responsibility for inappropriate purchases. If the Cardholder made an inappropriate purchase, the merchant will be paid and the department budget charged unless the Cardholder returns the merchandise and the merchant agrees to take it back and issue a credit. If the merchant refuses to take the item back, the Cardholder may be held personally liable for the purchase. The Internal Audit Division of the Auditor-Controller's Office will routinely review credit card purchases. The County Executive Office and the Purchasing Manager will be notified of any inappropriate purchases identified during these reviews. A consistent pattern of inappropriate charges by any individual Cardholder may result in the Cardholder's card privileges being suspended or revoked. **Cash refunds are not allowed to be received by the employee from the vendor.**

### 8.0 TELEPHONE/MAIL/INTERNET ORDERS

If you make Department authorized telephone, mail or Internet orders with your credit card, you must log these orders on the "Monthly Credit Card Report" form. When placing a telephone or mail order, ask for and verify that County discounts have been applied, if applicable. If you receive a partial shipment of an internet, phone or mail order, you must verify on your statement that only the shipped items were billed.

For all telephone, mail or internet orders, save the confirmation page, original packing slip, receipts or acknowledgements for submission at the end of the billing cycle. For

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

internet orders, the purchaser must always ensure that web-based transactions are conducted on secure sites to protect the credit card information from unauthorized purchases. Always initiate the phone or Internet order. Never provide your credit card number to someone who calls or e-mails you unless you can absolutely verify their credibility.

Billing Officials must be aware of sales/use tax requirements. The Auditor-Controller's Office has developed a form to be used to document sales/use tax for credit card purchases not taxed or taxed incorrectly by the vendor. The form: "CAL-Card Supplemental Sales/Use Tax Recap Sheet" can be found on the V-Drive/County Credit Card Policy/Form – Cal Card Sales & Use Tax.xls. Submit one recap sheet per Billing Official and Statement Date to the Auditor's Office – Accounts Payable Unit when applicable.

### 9.0 PURCHASE DECLINED

Occasionally a vendor will receive a "decline" status on a Placer County credit card. To find out why the bank declined your attempted transaction, you may call US Bank's Customer Service 24 hours after the attempted transaction at 1 (800) 344-5696. You will be required to provide: 1) account number; 2) amount of decline (total transaction amount); and 3) date the decline occurred.

### 10.0 EMERGENCY NEEDS

If an emergency arises which the Cardholder believes necessitates use of the card, and the purchase amount exceeds the Cardholder's single and/or monthly purchase limits, the Cardholder must contact his/her Approver prior to using the card. If the Approver concurs, he/she will contact the Program Administrator who can increase the Cardholder's limits temporarily. Purchasing Policy Manual guidance on emergency purchases must be followed for all emergency purchases.

### 11.0 UNAUTHORIZED USE OF COUNTY CREDIT CARD

Placer County Employees hold a public trust; your conduct must meet the highest ethical standards. Disciplinary procedures may be initiated for unauthorized use of a County credit card. "Unauthorized use" means the use of the credit card by any person, including the Cardholder, who does not have authority for such use. Unauthorized use of a county credit card can constitute: (1) fraud; (2) willful misuse of public funds; and (3) dishonesty. Any employee who engages in the unauthorized use of the County credit card will be subject to disciplinary action, up to and including termination. Repayment in full for unauthorized use must be made immediately.

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

The only person entitled to use the credit card is the person whose name is embossed on the face of the card except that Executive Secretaries may make travel reservations (airfare, hotel, rental car, conference fees, training registration fees, etc.) for department personnel using the traveler's Credit Card for that traveler's arrangements only. The card is strictly for Official County Use and may not be used for personal purchases.

### 12.0 PROCEDURES FOR OBTAINING A CREDIT CARD

The Department Head shall sign a "Request for County Credit Card" form for each employee designated to have a credit card. By signing the Request for County Credit Card, the Department Head certifies that the new Cardholder is authorized to make purchases on behalf of the County in accordance with this manual and all other pertinent guidance. The Request for County Credit Card form shall state the employee's: 1) Single Purchase Limit (not to exceed \$2,500, in increments of \$50); and 2) Credit Limit (not to exceed \$5,000 in increments of \$100). Requests for higher Single Purchase Limits shall include an explanation of the requested Cardholder's emergency purchasing responsibilities. Requests for higher Credit Limits shall be substantiated with documentation demonstrating a requirement for increased monthly purchasing activity and detailing the expected volume of business, and the need for the increased limit. Requests for limits higher than \$2,500/\$5,000 must be signed by the Department Head.

The Request for Card must name the Approver. No more than ten Cardholders should be assigned to an Approver. The Request for Card must also name the department's Billing Official. Please supply all requested information on the form – the Program Administrator shall return incomplete forms for correction and resubmission.

Forward completed Requests for Cards to the Program Administrator. **Note:** All departments and agencies requesting and utilizing credit cards shall have internal instructions supplementing this manual, and tailored to the individual needs and controls of the department/agency.

### 13.0 CREDIT CARD ACTIVATION

After the Program Administrator requests a new card through Access Online, US Bank is required to provide the requested County credit card within ten working days. The card will be mailed to the Program Administrator who will invite the Cardholder to pick up the card. At card delivery, the prospective Cardholder must present satisfactory identification. The new Cardholder will be briefed on County credit card policies and procedures and will be required to sign a "Receipt of Credit Card and Agreement Form" that will be provided at the end of the policy briefing. New Approvers and Billing Officials must also receive training from the Program Administrator prior to assuming their Credit Card responsibilities.

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

The Cardholder must contact US Bank to activate his/her card after receiving it from the Program Administrator. The activation phone number will be attached to the card. The reverse side of the card includes a space for the Cardholder to sign. Cards must be signed to prevent unauthorized use. Also, note the toll-free number on the back of the card to contact bankcard customer service representatives. Cardholders as well as Billing Officials and Approvers should have this telephone number on file in the event that a credit card is lost or stolen.

US Bank may cancel cards that have been issued and not activated in a timely manner. If this happens, contact the Program Administrator to have your card reactivated.

### 14.0 CREDIT CARD MODIFICATIONS

To cancel a credit card, or modify a credit card account to change dollar limits, Cardholder name/address, or to assign the Cardholder to a different, existing Approver, submit a "Cardholder Account Update" form, with signatures as required on the form, to the Program Administrator in the Procurement Services Division. The Program Administrator will make the change in Access Online. If the change requires the issuance of a new credit card, the Program Administrator, upon receiving the new card, will notify the Cardholder to pick up the card at Procurement. Upon receipt of the new card, Cardholder will be required to execute a new Receipt of Credit Card and Agreement Form.

To change the person designated as an Approver for a group of Cardholders, to cancel an Approver account, or to add a completely new approver, the Department Head must sign an "Approver Account Update" form and send it to the Program Administrator in Procurement. List the affected Cardholders on the Approver Account Update form. Be sure to explain which Approver will approve for each Cardholder. The Program Administrator will make the change through Access Online and the change will be effective in the next billing cycle.

To change the person designated as the Department Billing Official, the Department Head must submit a "Billing Official Account Update" form showing the outgoing Billing Official and providing complete information on the incoming Billing Official.

All forms must be filled out completely. The Program Administrator shall return incomplete forms to the submitter for correction and resubmission.

### 15.0 CANCELLATION OF CREDIT CARD

US Bank, the Program Administrator and the Auditor-Controller have the authority to cancel cards issued to Placer County employees if the County has an invoice which is not

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

paid in full within 60 days after the date of the invoice report indicating a balance for the invoice which is due (excluding valid, disputed amounts.) This action would normally be the result of the Cardholder not fulfilling his/her responsibilities regarding the resolution of improper or disputed transactions.

### 16.0 REQUESTS FOR REPLACEMENT CARDS

If a credit card needs to be replaced because it is worn out or defective, a "Cardholder Account Update" form must be completed requesting a replacement card, signed by the Department Head or Billing Official, and submitted to the Program Administrator for processing. The old card must be given to the Program Administrator when the Cardholder picks up the replacement card. The Program Administrator will cut the old card in half, make a copy for the Cardholder's file, and then shred the remains of the old card.

### 17.0 LOST/STOLEN CREDIT CARDS

The Cardholder is responsible for the security of his/her credit card. Should a Cardholder lose or have his/her credit card stolen, it is the Cardholder's responsibility to: 1) Notify US Bank immediately by calling the phone number that can be found on the back of the card or in Access Online. The 800 number is answered 24-hours per day, 7 days a week; 2) immediately notify their Approver; 3) The Approver will immediately notify the Program Administrator by telephone and follow-up with a written notification within two business days of loss. The notification should include: 1) date/time/location card was lost or stolen; and 2) any purchase(s) made on the day the card was lost or stolen. US Bank will close the potentially compromised account, open a new Cardholder account, and mail a replacement card to the Program Administrator within two business days from the time the loss or theft is reported to the bank. A new account number will be assigned to the new card.

If the Cardholder does not notify US Bank and his/her Approver of the loss or theft of the card immediately, the Cardholder may be personally liable for purchases charged on the card.

### 18.0 EMPLOYEE DEPARTURES/TRANSFERS

Credit cards are issued to individual employees. If an employee leaves a department, the Approver must notify the Program Administrator immediately and promptly return the departing employee's credit card to the Program Administrator along with a completed Cardholder Account Update form, requesting cancellation of the card. If a Cardholder is transferred to another department within the County, the new department must submit a Request for County Credit Card if the employee is to receive a credit card. Cards may be

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

transferred with Cardholders between divisions of the same Department. This will normally require a change in Approvers.

The Department Head must notify the Program Administrator immediately if an Approver or Billing Official leaves a department. If appropriate, it is important to complete an "Approver Account Update" or "Billing Official Account Update" form designating a new Approver or Billing Official so that the Program Administrator can coordinate all related changes with the bank.

### 19.0 SALES TRANSACTION PROCEDURES

The Cardholder will either go to the place of business and obtain the commodity or service, or place a telephone/mail or Internet order (if authorized). In all cases, the Cardholder will require the vendor to itemize the receipt/invoice for each item purchased. A description of commodities purchased, quantity purchased, price per item, and the total amount including sales tax and shipping charges, if applicable, must be included on the itemized receipt. If the receipt or invoice is not itemized, the Cardholder must fill out the "Missing Receipt" form. Upon completing a credit card transaction, whether by telephone, mail or in person, the Cardholder should immediately record the transaction on the "Monthly Credit Card Report." The report is to include the following information: 1) date of purchase; 2) receipt/invoice number; 3) description of purchase; 4) vendor's name and purchase amount.

### 20.0 STATEMENT PROCEDURES

#### 20.1 Cardholder Procedures

At the close of each billing cycle, each Cardholder with credit card activity during the billing period will receive an e-mail from US Bank noting that the Cardholder's Account Statement is ready to be accessed on Access Online. Statements are generally available after the 22<sup>nd</sup> of the month.

The statement will show all transactions the Cardholder made during the billing cycle. If you have questions regarding the information on your statement, or you have not received a statement, contact US Bank's 24-hour customer service at the number on the back of your card. **Note:** If no activity occurred for a Cardholder during a particular cycle, no statement will be generated.

After printing the Account Statement, complete the following steps:

**Note:** All items on your statement must be either matched or disputed.

1) Review the Account Statement for accuracy.

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

- 2) Reconcile the Account Statement with the "Monthly Credit Card Report." Attach the Monthly Credit Card Report to the Account Statement;
- 3) If an item is billed incorrectly, the Cardholder must provide a complete explanation on the monthly statement, in addition to completing and mailing or faxing a "Cardholder Statement of Questioned Item" form per instructions on the form. A copy of the completed form must be attached to "Monthly Credit Card Report."
- 4) Attach all corresponding receipts/invoices in the same order as they appear on the Account Statement. Individual receipts/invoices smaller than 4 1/2" x 5 1/2" must be taped on an 8 1/2 x 11" sheet of paper to ensure they are not lost in transit. If you have lost receipts/invoices, and a duplicate copy cannot be obtained by the vendor, attach a "Missing Receipt" form to the "Monthly Credit Card Report." Receipts should contain details of all items purchased. **If there are excessive instances of lost receipts, the credit card may be revoked.**
- 5) Attach all credit vouchers for returned merchandise;
- 6) If you incur non-allowable credit card charges, (e.g. if you exceed the daily meal per diem), attach a personal check to your completed statement submittal package that is forwarded to your Approver. The Department Billing Official will complete a Deposit Permit to accompany all reimbursable charges for the department.
- 7) Sign the Account Statement and Monthly Credit Card Report, and forward your package to your Approver within three (3) working days of statement receipt. If you are unable to review your statement within the required 3-day period, forward all paperwork to your Approver to process in your absence.

### 20.2 Approver Procedures

US Bank Account Statements for Placer County (for accounts with activity during the billing period) are available in Access Online immediately after the 22<sup>nd</sup> day of each month and will be mailed soon after.

The Approver must ensure that he/she has received all Cardholders' Account Statements by the end of the month. Within three (3) working days of receipt of all Cardholders' Account Statements and supporting documentation, the Approver will be responsible for the following:

- 1) Review each Cardholder's purchases and the merchant who made the sale to determine if these items are allowed to be purchased in accordance with County policies

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

and procedures. As the Approver, if for any reason you question a purchase, it is your responsibility to discuss such purchase with the Cardholder. If the Cardholder cannot satisfy you that the purchase was necessary and "For Official Use," then the Cardholder must return the item and provide you with a Credit Voucher substantiating such return. Departments are responsible for resolving improper use of the County Credit Card.

2) As the Approver, you are responsible for any Cardholder on leave or travel to ensure that their statement is reviewed and all appropriate reports, forms, and receipts have been attached. If a particular Cardholder's statement certifications are delayed due to unusual or unforeseen circumstances, the remaining statements should be delivered to the Billing Official with an explanation regarding any missing statements.

3) Once you have reviewed and approved each Cardholder's statement, ensuring that all documentation is properly completed and have signed each statement, forward the entire package to your Billing Official.

### 20.3 Billing Official Procedures

Each Department Billing Official will serve as the final point of review for all department credit card activity and will be responsible for reconciling the cardholders' statements and documentation received from the Approver with the department's invoice, formally referred to as the "Corporate Account Summary."

By the 20<sup>th</sup> day of the month following the billing cycle closeout, the Department Billing Official shall:

1) Review all Approvers' statement submittal packages for accuracy and completeness. Work with Approvers/Cardholders to resolve or report any differences between Cardholder submittals and the Corporate Account Summary.

- If necessary, complete the Monthly Credit Card Report.

2) Prepare a Journal (JC) Document to clear the Credit Card Revolving Trust:

- The Invoice Description field on the JC Journal must include each cardholder's name and a brief description of the purchase or attach a spreadsheet as backup with this same information.
- If required, attach a "CAL-Card Supplemental Sales/Use Tax Recap Sheet" with copies of the appropriate substantiating paperwork for each entry when credit card purchases are not taxed or taxed incorrectly by the vendor. This Recap Sheet must be signed by the Department Head or designated authority.
- As required, attach a "Missing Receipt" Form.

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

- 3) A "Cardholder Statement of Questioned Item" form should be completed by the cardholder and included with their statement submittal package when the amount paid is different than the amount invoiced. The Department Billing Official will retain a copy and send the original to the address indicated on the form.
- 4) Retain on file within the department the Corporate Account Summary with all original invoices and receipts for a period of 6 years (current Fiscal Year plus five years).
- 5) Forward the completed CAL-Card JC Journal to the Auditor-Controller's Office, Attn: Accounts Payable – CalCard.

### 21.0 STATEMENT/REPORT NOT RECEIVED

All statements and reports should be received or obtained from Access Online before the first of each month following the billing period. If such statements/reports are not received by the first of the month, Cardholders/ Approvers/Billing Officials should notify US Bank directly at 1 (800) 344-5696 and request that a copy be faxed, mailed or e-mailed immediately.

Timely payment to US Bank is a condition of participation in the Placer County Credit Card Program. Failure to submit reconciled statements/documentation to the Auditor-Controller in a timely manner will result in the loss of Placer County credit card privileges.

### 22.0 DISPUTES

If items purchased with the credit card are found defective, the Cardholder has the responsibility to return the item(s) to the merchant to obtain a replacement or receive credit on the purchase. If the merchant refuses to replace or correct the faulty item, then the purchase of the item will be considered to be in "Dispute" and will not be paid until resolved.

If a dispute exists, a "Cardholder Statement of Questioned Item" form must be completed and included with the Cardholder's Account Statement package submitted to the Approver. The Cardholder has thirty (30) days from the statement date to dispute an item, otherwise, the transaction is treated as an authorized purchase and the department is responsible for payment.

All disputes are to be resolved between the Cardholder and US Bank, not County Procurement. After disputing an item, the Cardholder should receive an "Acknowledgment of Dispute" letter from the bank. If not, contact US Bank at 1-800-344-5696 to inquire as to the status of the letter. Once a dispute is resolved, the Cardholder should also receive a "Resolution of Dispute" letter from the bank.

23.0 COMMON DISPUTE REASONS

The most common reasons for dispute are described below. These reasons correlate with those found on the "Cardholder's Statement of Questioned Item" form. If you have any questions regarding the appropriate dispute reason to reference, please contact US Bank Customer Service staff at 1-800-344-5696.

A. Unauthorized Mail/Phone Order

This reason should be used for internet, telephone or mail order transactions. If a sales slip is signed or imprinted with the Cardholder's card, this reason does not apply. If fraud is suspected, report it immediately to US Bank.

B. Duplicate Processing

This reason is used when a transaction has been multiple billed to an account. The amounts must be the same. The Cardholder should provide the transaction details or the original billing, such as dollar amounts, transaction date, etc. A copy of the monthly bank statement on which the billings occur and a copy of the original sales slip should be forwarded with the Cardholder's Statement of Questioned Item form.

C. Merchandise or Service Not Received

This reason is used when the goods were paid by other means. The Cardholder should attempt to resolve the dispute with the vendor. The Cardholder should detail this attempt and provide the date of expected delivery of service or merchandise. If the goods or services were paid by another means, a copy of the payment (copy of front and back of a check or other payment document) should be provided and a copy of the Statement of Account should be forwarded with the Cardholder's Statement of Questioned Item form.

In the event merchandise was canceled, full details should be provided, such as why the transaction was canceled and date of cancellation.

D. Merchandise Returned

In the event merchandise was returned and a credit has not yet been posted, the Cardholder should describe the reason for returning the merchandise and the date the item was returned. A copy of the reference number on the monthly statement, postal, UPS or other official receipt proving the merchandise was returned should be forwarded with the Cardholder's Statement of Questioned Item form.

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

### E. Credit Not Received

This reason may be used when the Cardholder has received a credit voucher or written refund acknowledgment from the vendor, but the credit has not been posted to the Cardholder's account within 30 days from the date on the voucher or acknowledgment. The Cardholder acknowledges participation in the transaction but the goods were returned or the service was canceled.

The Cardholder should state the amount of credit they are expecting and provide a copy of the Account Statement and credit voucher or acknowledgment letter and forward these with the Cardholder's Statement of Questioned Item form.

### F. Alteration of Amount

This reason is used when the Cardholder participated in the transaction and indicates that the amount was altered without permission. The Cardholder must acknowledge the amount before alteration and a copy of the Cardholder's copy of draft **must** be provided to support this reason. The amount of the credit would be the difference between the amount **before** and **after** alteration. The sales draft copy should be forwarded with a copy of the Account Statement and Cardholder's Statement of Questioned Item form.

### G. Inadequate Description or Unrecognized Charge

In the event the Cardholder does not recognize the transaction description, they should request that US Bank supply a copy of the sales draft due to inadequate description or unrecognized charge. This should be requested only after reviewing their supporting documentation and ensuring a merchant (vendor) description or location error has not occurred.

Check the box "request for copy", on the Questioned Item form so that US Bank will order a copy of the sales slip that is generally received within 30 days.

In the event the vendor's processing bank cannot provide a copy within Visa allotted time frames, the Cardholder's account will be credited until such time as a valid draft is received. If US Bank provides the copy and the Cardholder determines that a valid dispute exists, a **new** Cardholder's Statement of Questioned Item form should be sent to US Bank immediately. In either instance, the applicable Account Statement should be forwarded with the Cardholder's Statement of Questioned Item form.

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

If the charge or charges shown on the Cardholder's Account Statement are clearly fraudulent, immediately contact US Bank Customer Service at 1-800-344-5696 to report fraud. Follow the rest of the "reporting possible fraud" process.

### H. Copy Request

This reason should be used when the Cardholder recognizes the charge, but requires a copy of the sales draft for their records. The Cardholder should be encouraged to keep all other supporting documentation, such as catalog information, magazine ad, shipping documents, etc., as evidence of their purchase. The copy of the applicable Account Statement should be forwarded with the Cardholder's Statement of Questioned Item form.

### I. Not as Described

This reason is used when the Cardholder claims goods or services were not received as described. The written document of what was to be delivered must be different than what was actually delivered. It is important that the sales draft specifically describe what was purchased. For example, this reason could not be used when the Cardholder was expecting a Sony tape recorder, model LXX210 and when he or she got back to the office, they determined that a Sony model B640 was in the box and the sales draft simply said "tape recorder".

In a telephone order situation, the verbal description is considered the "document characterization." The Cardholder must explain in his or her letter how the verbal description was different from what was actually received.

An attempt must be made to return the goods and the attempt must be described in the Cardholder complaint. If merchandise was returned, proof of such return should be forwarded with a copy of the Account Statement and the Cardholder's Statement of Questioned Item form to US Bank.

### K. Other Dispute Reasons

In the event the reasons discussed here and identified on the Cardholder's Statement of Questioned Item form do not fit the Cardholder's dispute circumstances, the Cardholder should submit a Cardholder's Statement of Questioned Item form with the transaction detail, a copy of the applicable Account Statement, and provide a detailed letter describing the circumstances of the dispute. Reference should be made to any contact with the vendor, names, telephone numbers, etc., that would be helpful in researching the dispute.

## CREDIT CARD PROGRAM POLICIES AND PROCEDURES

**NOTE: FOR ALL DISPUTES SUBMITTED FOR CONSIDERATION, CARDHOLDER SIGNATURE IS REQUIRED.**

### 24.0 INFORMATION SOURCES

Program Contacts are listed on the V-Drive/County Credit Card Policy/Placer County Credit Card Program Contacts.doc

#### PLACER COUNTY CREDIT CARD FORMS

The following forms have been hyperlinked in the text of this manual and are available on the County Network Shared Drive at V:\County Credit Card Policy

##### Word Files:

Request for County Credit Card.doc

Cardholder Account Update.doc

Approver Account Update.doc

Billing Official Account Update.doc

Monthly Credit Card Report.doc

##### Excel Files:

CalCard Supplemental Sales and Use Tax Recap Sheet.xls

##### PDF Format:

Cardholder Statement of Questioned Item.pdf

Missing Receipt.pdf