

AGENDA REPORT



Meeting Date: February 21, 2012

Agenda Item # _____

City Manager Approval:

TO: Honorable Mayor and Members of the City Council

FROM: Sandy Ryan, Finance Director

SUBJECT: CAL-card Policy and Agreement

RECOMMENDED COUNCIL ACTION:

Staff recommends that City Council approve the CAL-card Policy, and authorize the City Manager to sign the “Addendum to State of California Purchase Card Program Master Services Agreement”.

SUMMARY:

The City of Red Bluff is in need of a credit card program that does not require personal guarantee of compliance. US Bank and the State of California have entered into an agreement that allows for credit card services without the personal guarantee of an employee, and allows governmental agencies to participate in the program. To comply with State of California Purchase Card Program Master Services Agreement requirements, the City of Red Bluff will implement a procedure when obtaining and using the CAL-card credit card system to ensure compliance with the agreement.

The City Attorney will review the agreement and the City Manager will sign the agreement, with approval of council.

PREVIOUS COUNCIL ACTION:

None

DISCUSSION:

Currently the City of Red Bluff has one credit card through Umpqua Bank. That card is currently guaranteed by staff. Umpqua Bank does not issue credit cards without a personal guarantee. US Bank, in conjunction with the State of California, has an agreement to provide government agencies with credit cards guaranteed by the City.

Staff would like to participate in the agreement, with the restrictions stated in the CAL-card policies and procedures.

This program will allow staff to cancel the Umpqua Bank credit card that is currently personally guaranteed by staff. Credit cards are necessary for certain on-line purchases, hotel reservations, and travel.

Last year, City departments were successful in reducing their costs for supplies and services. One factor in that cost reduction was the ability to purchase supplies and equipment on-line, which required a credit card for the purchase. This program will aid in the ability to purchase supplies and equipment at the lowest cost, while saving staff time. Currently, departments are required to contact the finance department before each purchase, to determine if there is available credit on the credit card for the purchase. Also, finance department staff are required to reconcile and pay the credit card every two weeks, due to the low credit limit. The CAL-Card program will allow each department to manage their account, saving staff time for all departments.

CITY FISCAL IMPACT:

No Fiscal Impact at the current time.

ATTACHMENTS:

AP& P18-24 CAL-Card Policy

Addendum to State of California Purchase Card Program

The City of Red Bluff is an equal opportunity provider

CITY OF RED BLUFF
AP&P 18-24 CAL-Card Policy

Subject: CAL-Card Policy		Number: 18-24
		Effective Date:
Departments Affected: All Departments		Supercedes (Number/Date):
Authority: Section 2.42 Red Bluff City Code	File References:	
	Approved:	

GENERAL INFORMATION

Each department head will be responsible for the CAL-cards in their department. Only department heads can request new cards or request to delete cards in their department. Requests are directed to the Finance Department in writing. Requests will acknowledge the CAL-Card Policy, and cardholders must sign that they will abide by the policy. (ATTACHMENT A)

CAL-CARD ACTIVATION

Upon receipt of the CAL-Card, the cardholder calls the toll free telephone number to acknowledge receipt of the card and activate the account.

MAKING PURCHASES

Use the CAL-Card only for authorized transactions. Ensure you obtain a receipt for each transaction. Each monthly statement is to be forwarded to the Finance Department WITHIN 5 days of receipt. Attached to the statement will be all receipts, cost coded and signed in accordance with the City Accounts Payable procedures.

AUTHORIZED AND PROHIBITED TRANSACTIONS

The CAL-Card program is only for City approved purchases. No personal transactions are allowed. The State of California prohibited purchases are:

- a. Rental or lease of land or buildings
- b. Purchase of telephone services
- c. Cash advances
- d. Gambling, betting
- e. Securities, insurance
- f. Political or religious organizations
- g. Tax payments
- h. Court costs, fines, bail, bond payments

TRANSACTION LOG

CAL-Card policy requires each cardholder to maintain and attach to the monthly statement, a CAL-Card transaction log. (ATTACHMENT B) Maintaining and submitting this log is mandatory. Use the transaction log to record all transactions. A new log should be established for each month's purchases/statement. It is the cardholders responsibility to ensure that there is a receipt for each purchase.

RECONCILIATION

Each month the cardholder will receive a Statement of Account. Upon receipt of the Statement, the cardholder must:

- a. Review the statement for accuracy
- b. Attach receipts or invoices for each transaction in the order they appear on the Statement.
- c. Validate all purchases by attaching a copy of your monthly transaction log to the Statement
- d. Ensure that all purchases on the Statement agree with your transaction log.
- e. Sign the certification statement on the back of the Statement.
- f. Forward your Statement with receipts/invoices and transaction log to your department head for their approving signature.
- g. Department Heads must sign and forward the Statement with attachments to the Finance Department within 5 days of receipt of Statement.

PERSONAL CREDIT RATING

The Program does not affect your personal credit rating in any way. The CAL-Card Program carries corporate liability.

ERROR AND DISPUTE RESOLUTION

You may find an entry on your Statement that does not correspond to your purchases. It is your responsibility to contact the merchant, and correct the transaction. For unresolved disputes, complete a "Cardholder Statement of Questioned Item". (ATTACHMENT C) Attach a copy to your Statement packet.

LOST OR STOLEN CARDS

If the Cal-Card is lost or stolen, report it immediately to Card Services 800-227-6736, and to your department head.

TRANSFERS OR TERMINATION

The cardholder is responsible for returning the CAL-Card to their department head upon termination or transfer to another department.

ATTACHMENT A
CITY OF RED BLUFF
PURCHASING CARD PROGRAM

CARDHOLDER ACKNOWLEDGMENT

I acknowledge that a City of Red Bluff CAL-Card purchasing card has been issued to me to make City purchases in the course of my regular duties. I fully understand the CAL-Card will be used to make purchases in accordance with the City's CAL-Card policies and procedures, and the City's purchasing policies and procedures.

My signature below is verification that I have read the policies and procedures stated above, and the CAL-Card Cardholder Guide located at <http://www.dgs.ca.gov/pd/Programs/CALCard.aspx>, and I agree to comply with the requirements therein as well as the following items.

1. I understand the CAL-Card is for City approved purchases only, and I agree not to charge personal purchases to the Card.
2. I understand that improper use of the CAL-Card will be considered misappropriation of City funds which may result in disciplinary action, up to and including termination of employment and/or criminal prosecution.
3. If the CAL-Card is lost or stolen, I will immediately notify Card Services at 800-227-6736, and then notify my department head.
4. I agree to surrender the CAL-Card immediately upon request of the City, US Bank, or upon termination of employment, whether for retirement, voluntary or involuntary reasons.
5. The CAL-Card is issued in my name. I will not allow another person or employee to use the CAL-Card. I am responsible for the CAL-Card and responsible for any and all charges against the CAL-Card.
6. As the CAL-Card is City property, I understand that I may be periodically required to comply with internal control procedures designed to protect City assets.
7. I will receive a monthly Statement of Account and will, within 5 days of receipt, forward it along with all receipts/invoices and other necessary documentation to my department head. Since I am responsible for all charges on the CAL-Card, I will resolve any discrepancies in a timely manner.
8. I understand that the CAL-Card is not provided to all employees. Assignment is based on my need to make purchases for City business. My CAL-Card may be canceled at any time.
9. I understand that unauthorized or improper use of the CAL-Card may subject me to personal liability and I agree to immediately pay any such charges. If I fail to pay such charges, I expressly authorize the City to withhold from my paycheck, any charges owed by me.

Cardholder Limitations

1. Per transaction limit: _____
2. Monthly credit limit: _____
3. Responsible Department Head: _____

CARDHOLDER SIGNATURE: _____

PRINTED NAME: _____

DEPARTMENT: _____

DEPARTMENT HEAD SIGNATURE: _____

DEPARTMENT HEAD PRINTED NAME: _____

Cardholder Statement of Questioned Item

Purchasing GPP

(please print or type in black ink)

CARDHOLDER NAME (please print or type) _____ ACCOUNT NUMBER _____

CARDHOLDERSIGNATURE _____ DATE _____ (AREA CODE) TELEPHONE NUMBER _____

The transaction in question as shown on Statement of Account:

Transaction Date Reference Number Merchant Amount Statement Date

Please read carefully each of the following situations and check the one most appropriate to your particular dispute. If you have any questions, please contact us at 1-800-227-6736. We will be more than happy to advise you in this matter.

1. UNAUTHORIZED MAIL OR PHONE ORDER

I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services.

2. DUPLICATE PROCESSING-THE DATE OF THE FIRST TRANSACTION WAS _____.

The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.

3. MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF \$ _____.

My account has been charged for the above transaction, but I have not received the merchandise or service. I have contacted the merchant but the matter was not resolved. (Please provide a separate statement detailing the merchant contract, and the expected date to receive the merchandise).

4. MERCHANDISE RETURNED IN THE AMOUNT OF \$ _____.

My account has been charged for the above listed transaction, but the merchandise has since been returned.

Enclosed is a copy of my postal or UPS receipt

5. CREDIT NOT RECEIVED

I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed. (Please provide a copy of this voucher with this correspondence).

6. ALTERATION OF AMOUNT

The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ _____.

7. INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE

I do not recognize this charge. Please supply a copy of the sales draft for my review. I understand that when a valid copy is sent to me, a Statement of Questioned Item Form must be provided and will include the copy of the sales draft if a further dispute exists. If a copy of the sales draft cannot be obtained, a credit will appear in my account.

8. COPY REQUEST

I recognize this charge, but need a copy of the sales draft for my records. (Payment cannot be withheld.)

9. SERVICES NOT RECEIVED

I have been billed for this transaction, however, the merchant was unable to provide the services.

Paid for by another means. My card number was used to secure this purchase, however final payment was made by check, cash, another credit card, or purchase order. (Enclosed is my receipt, canceled check (front and back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means).

10. NOT AS DESCRIBED

(Cardholder must specify what goods, services, or other things of value were received). The item(s) specified do not conform to what was agreed upon with the merchant, (The cardholder must have attempted to return the merchandise and state so in their complaint). _____

11. If none of the above reason apply-please describe the situation: _____

(Note: Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper, if necessary, and sign your description statement).

Send To:

U.S. Bank Government Services, P.O. Box 6346, Fargo, ND 58125-6346

Fax: 701-461-3466.