



San Benito County Procurement Card Policy

ADOPTED 09/22/2015
REVISED 01/14/2020, 3/24/2020
San Benito County
County Administrative Office



TABLE OF CONTENTS

PROGRAM OVERVIEW	4
Program Benefits.....	4
County Incentives.....	4
General Information: What is a “CAL-Card”?.....	5
U.S. Bank Access Online Electronic Management Program.....	5
GENERAL POLICIES	6
Eligible Employees and Card Issuance.....	6
First Purchasing Option.....	6
Competition.....	7
Ethical Use of Public Funds.....	7
Applicable Laws.....	7
Use of CAL-Card for Personal Purchases Strictly Prohibited.....	7
Discipline for Improper Use of the CAL-Card.....	8
Retention of Records.....	8
Program Updates and Changes.....	9
Failure to Comply with Laws, Policies, and Procedures.....	9
Terminated Employees and CAL-Card Deactivation.....	9
ORGANIZATIONAL RESPONSIBILITIES	10
Audits.....	11
Other Responsibilities.....	11
INTERNAL CONTROLS	12
Single Transaction Limit.....	12
Monthly Transaction Limit.....	12
Splitting Purchases.....	13
Reporting.....	13
USES AND PURCHASES	13
Prohibited Uses.....	13
Prohibited Purchases.....	14
Allowable Purchases.....	15
Travel-Related Purchases.....	15
PROCEDURES	16
Obtaining a CAL-Card.....	16
Required Cardholder Training.....	16
Receipt of a CAL-Card.....	16

Cardholder Responsibilities	16
CAL-Card Activation Steps.....	17
Procedures After Purchase / Reviewing the Statement	17
Increasing or Decreasing the Dollar Limit on a CAL-Card	19
Emergency Purchasing.....	20
Collecting Funds Owed for CAL-Card Misuse.....	20
Reporting Lost or Stolen Cards.....	20
Identifying and Reporting Fraudulent Activity – Cardholder’s Responsibility	21
Disputed (Questioned) Items	22
Missing or Lost Receipts	22
Cancellation of a CAL-Card.....	22
Merchant Responsibilities.....	23
U.S. Bank Responsibilities	23
CONTACT INFORMATION	24

PROGRAM OVERVIEW

The objective of the Procurement Card (“P-Card”) Program is to help better manage and streamline small dollar purchases. In all instances, approval to become a cardholder shall be obtained from the Department Head or, in the absence of the Department Head, the Designated Department Representative, prior to requesting issuance of a P-Card from the Program Administrator in the County Administration Office.

The Program shall be construed so that departmental purchasing agents have an alternate resource to traditional purchasing methods whenever possible to obtain materials and supplies efficiently.

It is impossible to anticipate every situation that may be encountered while making purchases during the course of County business. Each cardholder is expected to exercise good judgment when acquiring P-Card purchases.

PROGRAM BENEFITS

The P-Card Program is designed to:

- Reduce the amount of paperwork.
- Increase efficiency by reducing the number of purchase orders and change orders.
- Reduce the time involved in procuring items by obtaining low dollar goods more quickly.
- Reduce administrative costs per transaction.
- Improve customer and vendor relations.
- Expand the local vendor pool.
- Improve the purchasing procedures for certain transactions.
- Increase the usage of local businesses.
- Ensure that suppliers are paid promptly.
- Allow walk-in, telephone, fax, and e-procurements.
- Utilize validated controls for the cardholder and Program Administrator.
- Incur no membership or administrative fees or minimum card count.
- Increase department satisfaction.
- Provide VISA dispute rights, fraud protection and VISA Waiver Liability coverage.
- Streamline the accounts payable process by reducing the number of checks issued.
- Utilize incentives such as rebates.

The County participates in the state of California’s “CAL-Card” procurement card program. Throughout this policy, the P-Card is referred to as the CAL-Card.

COUNTY INCENTIVES

The CAL-Card Participating Addendum 7-14-99-22 includes multiple incentives. Further information about the incentives and how they are calculated can be found in the Participating Addendum and subsequent amendments, located at https://caleprocure.ca.gov/PSRelay/ZZ_PO.ZZ_CTR_SUP_CMP.GBL?Page=ZZ_CTR_SUP_P&Action=U&SETID=STATE&CNRCT_ID=7-14-99-22

GENERAL INFORMATION: WHAT IS A “CAL-CARD”?

The “CAL-Card” program is one of the payment methods used by the County of San Benito for the purchase of goods.

The State of California has a master service agreement (Participating Addendum Agreement 7-14-99-22) with U.S. Bank to provide VISA bankcard services. This Participating Addendum is amended periodically and current participants are automatically enrolled in the new contract, unless they notify US Bank that they wish to exit the program. The CAL-Card is a cost-free payment mechanism available to government agencies such as the County.

During the last decade the P-Card has become one of the most successful modern procurement programs at all levels. The federal government first used it to free up time in the procurement office as some low-dollar transactions required as much paperwork as the larger dollar purchases.

CAL-Cards are P-Cards, not credit cards. The balance must be paid each billing cycle. These cards work just like a VISA charge card with the exception of a number of unique controls that have been developed specifically for the P-Card program.

CAL-Cards are not meant to replace traditional procurement methods such as contracts for services. However, CAL-Cards are essential when placing orders over the Internet. They simplify the purchase and payment of low-dollar value goods. More merchants, especially those out-of-state, do not accept a purchase order but will take a VISA payment. Additionally, it is almost impossible to make airline or hotel reservations without such a card.

CAL-Cards improve merchant relations by making it easier to do business with the County. First-time merchants do not have to send in a credit application. The purchaser does not need to wait for the application to be filled-out, returned, and approved before a purchase can be made.

By using the CAL-Card to make a purchase, the merchant is paid immediately for the purchase. The County has up to 45 days to make payment to U.S. Bank on all of their purchases during the previous month. As detailed above, there is a rebate for prompt payment.

The CAL-Card is issued in the name of the cardholder and billed to the County of San Benito. Graphics make it easy to distinguish a CAL-Card from personal cards. U.S. Bank will have no cardholder information other than their name, work address, and phone number. U.S Bank does not collect the cardholder’s social security number and they do not perform a credit check on the cardholder.

U.S. BANK ACCESS ONLINE ELECTRONIC MANAGEMENT PROGRAM

U.S. Bank Access Online is a web-based electronic program management tool that provides cardholders quick access to their account information. It enables cardholders to view their account activity and billing statements online. In addition, it aggregates the purchasing information for the County into one comprehensive database. **Utilizing this system is required for cardholders.**

To register, visit <https://www.access.usbank.com>. Click on the “Register Online” link. Self-

registration is intuitive. Enter the requested information. Type in the CAL-Card card number when asked for the “Account Number”. When asked to enter the “Organization Short Name”, please use BENITO.

The site also offers tutorial lessons so that a cardholder can feel comfortable when using the website. A cardholder should contact the Program Administrator if they have difficulties registering with the site.

GENERAL POLICIES

This handbook is intended to establish policy guidelines for the County of San Benito CAL-Card Program. These guidelines establish basic policies and procedures regarding how to properly use the card. **Use of the card is a privilege that may be revoked at any time.**

County officials and employees seeking to learn more about the CAL-Card program should visit the State of California Department of General Services website at:

<https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/CAL-Card-Program>

ELIGIBLE EMPLOYEES AND CARD ISSUANCE

Individuals normally involved in the day-to-day purchasing function for the Operating Unit, which are identified by the Department Head as critical users, may be issued CAL-Cards. The County Administrative Office, Department Head, and authorized administrators within Operating Units retain the authority to impose limits on, suspend, or revoke CAL-Card privileges at any time.

CAL-Card responsibilities will be assigned to County employees only. Based on liability concerns, and since County personnel have no direct supervisory or disciplinary authority over contractor employees, CAL-Card responsibilities will not be assigned to non-County employees. An exception may be made for consultants hired by the County to act in place of County staff; however, this requires review and approval by the County Administrative Officer or County Program Administrator, the County Auditor, and the Board of Supervisors. CAL-Card responsibilities will not be assigned to temporary employees, volunteers, uncompensated persons on boards, commissions, committees and task forces, or retirees. **No other County employee, family member, or person may use a CAL-Card other than the individual named on the card.**

FIRST PURCHASING OPTION

For purchases that are allowable under the Procurement Card Policy and other applicable County policies, the CAL-Card should be used as the first option, before other methods to obtain and pay for authorized supplies. As detailed in this policy, such purchases must be less than the specific card’s limits and the applicable maximum single transaction limits detailed on page 19. If the use of the CAL-Card is not possible, such as when the supplier will not accept credit cards and no other supplier can be located, then the requisition, purchase order, or other applicable process shall be used.

COMPETITION

When required by the Purchasing Policy, cardholders are required to obtain quotes to show that the price paid is fair and reasonable.

The following stores consistently offer fair and reasonable pricing and are sufficiently competitive with each other across similar lines of merchandise. The chains are:

- Lowes
- Ace/True Value Hardware
- Target
- Home Depot
- Fry's Electronics
- Wal-mart
- Costco (memberships may not be paid with the CAL-Card, only certain online purchases that do not require a membership are allowable)

Departments are required to track commodity purchases that will exceed \$10,000 from the same supplier in one fiscal year, so that the department can review the items purchased for possible competition and establishment of a contract to support a competitive purchase.

ETHICAL USE OF PUBLIC FUNDS

All participants of the Program are to follow the County of San Benito Ethical Standards for Purchasing Activities located in Chapter 1 of the County of San Benito Purchasing and Contracting Manual.

Additionally, since CAL-Card purchases represent public funds, cardholders and their Approving Officials must be continually reminded that their purchases represent the County's interest and reputation for ethical and prudent dealings. Each transaction must be one that the cardholder and Approving Official could easily explain or defend as a prudent use of public funds, since all transactions are a matter of public record accessible to scrutiny from all members of the public and the media. Additionally, written policies cannot be established to cover every eventuality of CAL-Card use. All program participants must use their best judgment when expending public funds with a County CAL-Card. In those instances where a reasonable person might question an expenditure of public funds and use of a CAL-Card to procure a good, the cardholder should refrain from making the purchase without first consulting the Unit CAL-Card Administrator or Program Administrator.

APPLICABLE LAWS

Use of the CAL-Card must comply with applicable County policies and laws regarding the particular purchase. Cardholders shall comply with policies and laws applicable to the kind of purchase the card is being used for. For example, when using the CAL-Card for travel purposes, cardholders must comply with all applicable policies, including, but not limited to, the County Travel Policy, as well as compliance with facilities and fleet car rental policies, etc.

USE OF CAL-CARD FOR PERSONAL PURCHASES STRICTLY PROHIBITED

Under no circumstances is a cardholder permitted to use the CAL-Card for personal purchases,

even if the cardholder intends to subsequently reimburse the County. Using the CAL-Card for personal purchases may result in disciplinary action, up to and including termination. Misuse of a CAL-Card may give rise to a misdemeanor or felony prosecution, and civil penalties may apply. Cardholders are required to receive mandatory training and execute the **CAL-Card Form 3 -Cardholder Agreement Form** prior to the issuance of the CAL-Card for County use.

DISCIPLINE FOR IMPROPER USE OF THE CAL-CARD

Use of the CAL-Card is a privilege and not a right. CAL-Card holders are expected to maintain the highest standards of ethics when using the card. The County Administration Office has the discretion to revoke CAL-Card privileges at any time.

Depending on the severity of the violation, the following disciplinary process is in effect:

1. The first improper use of the CAL-Card will result in a review of the policy and procedures with the cardholder by the Approving Authority or the department head, and written counseling by the immediate supervisor.
2. The second instance of improper use will result in suspension of card use or termination of card use. A letter of reprimand concerning the problem will be sent to the head of the department, the Human Resources department and the County Program Administrator. If suspension is invoked, the card should not be re-instated until the cardholder has been retrained and has demonstrated an understanding of the Procurement Card Policy and what the appropriate uses are.
3. The third instance of improper use will result in termination of card use. A letter of reprimand concerning the problem will be sent to the head of the department, the Human Resources department and the County Manager. Gross negligence or fraud by the cardholder may result in additional discipline up to and including termination of employment. Improper use includes, but is not limited to, violations of the Procurement Card Policy, County Travel Policy, Purchasing Policy, or other applicable law or policy, such as the failure to retain proper backup and receipts for purchases, late submittals to the Auditor's Office, or utilizing the card for prohibited purchases.

NOTE: At the sole discretion of the County Administration Office, gross negligence or fraud by the cardholder may result in additional formal discipline up to and including termination of employment without employing steps 1 and 2 above, depending on the severity of improper use of the card. Additionally, the cardholder may be personally liable for the amount of any non-approved purchases.

RETENTION OF RECORDS

CAL-Card transactions are subject to audit for compliance with the terms and conditions of the Program. To comply with the California Public Records Act (Gov. Code § 6250 et. seq.), departments must retain CAL-Card statements for the current Fiscal Year plus five (5) years (Gov. Code § 26907).

All records must be filed in a manner easily retrieved with all supporting documentation attached. To reduce storage space, departments may scan CAL-Card statements; however, scanned records must be available within 48 hours for audit purposes. The Unit Program Administrator/Coordinator or designee will be responsible for retaining all supporting documents for all purchases made using the CAL-Card.

Missing or incomplete supporting documentation is considered misuse of the Procurement Card Program and may result in the revocation of card privileges. These receipts are the primary documentation supporting the purchase. Do NOT dispose of these items.

PROGRAM UPDATES AND CHANGES

The policies outlined in this section will be updated and changed as necessary. The County Administrative Office, Auditor's Office, and departments will jointly author and promulgate administrative changes to the policies, program procedures, and/or guidelines. All recommendations from departments must be reviewed by the County Administrative Office prior to Board of Supervisors review. Any changes that affect County policy will be submitted to the Board of Supervisors for approval.

FAILURE TO COMPLY WITH LAWS, POLICIES, AND PROCEDURES

Participation in the Program is ***voluntary***. All participants must agree to comply with all applicable laws including, but not limited to, the Government Code, Public Contract Code, Board Authority, County Code, Purchasing Authority, and Department Delegated Contracting Authority as written in Title 5, Chapter 5.09 of the San Benito County Code.

Unit Program Administrator/Coordinators, Cardholders, Approving Officials, and Billing Officials who knowingly, or through willful neglect, fail to comply with the following may be subject to disciplinary action, up to and including termination; criminal and civil penalties may also apply:

- San Benito County Procurement Card Policy
- County and internal department policies and procedures governing procurement and the ProcurementCard Program.

The County Administration Office, Program and Unit Administrators, and Department Heads have the right to immediately take action to impose limits on, suspend, or revoke all CAL-Card privileges due to a cardholder's non-compliance with applicable rules, regulations, policies and procedures, or the terms of any conditional approval.

In the alternative, the Program Administrator and Unit Approving Authorities may choose to immediately suspend the cardholder's account for any amount of time deemed appropriate by the Administrator. In determining the length of the appropriate suspension, the Administrator may take into account such factors as the need to have a CAL-Card in order to conduct County operations efficiently, the degree of the violation(s) at issue, and such other factors as the Program Administrator deems appropriate. At a minimum, if suspension is invoked, the card should not be re-instated until the cardholder has been retrained and has demonstrated an understanding of the Procurement Card Policies and what the appropriate uses are.

TERMINATED EMPLOYEES AND CAL-CARD DEACTIVATION

All employees shall return the CAL-Card to his/her department prior to the last day of employment with the County of San Benito.

ORGANIZATIONAL RESPONSIBILITIES

This Program provides a series of checks and balances to help guard against misuse. The positions described in this section are reflective of the County's organizational structure. There are three main approval levels in this Program:

Level One	County Administrative Office & Program Administrator
Level Two	Operating Units & Departmental Approving Officials
Level Three	Individual Cardholders

For purposes of this Program, Departments/Agencies/Divisions will be considered individual Operating Units. An Operating Unit may consist of individual divisions within a department or agency. Each Operating Unit may have one or more Approving Officials as necessary to run the Program. Each Operating Unit key contact personnel includes:

- A. Unit Program Authority/Coordinator:** Each Operating Unit will have one Unit Program Administrator/Coordinator. This individual acts as a liaison with the department or division head and the Program Administrator to determine which employees shall be issued CAL-Cards and the dollar limits for those cards. They also coordinate all issues regarding their Operating Unit with the Program Administrator. The Unit Administrator/Coordinator is responsible for insuring all purchases comply with the County's Purchasing and Procurement Card program policies as well as properly documenting approved authorizations in their assigned department and/or divisions.
- B. Unit Billing Office Contact:** The Unit Billing Office Contact or Accounts Payable is responsible for making sure that each Operating Unit's payments are processed on time. It is essential that the Unit Billing Office Contact submits documents for payment timely to the Auditor's Office to ensure that the final posting to the County's financial and accounting system is completed by the 10th of the month following the billing month.
- C. Unit Auditor-Controller:** Each Department/Agency Head will nominate at least one Deputy Auditor-Controller per department. Persons nominated for this position should be in a management classification. Persons in the administrative services capacity or departmental budgetary or accounting positions will be considered if there are no management classifications available.
- D. Approving Official(s):** The Approving Official shall 1) have a direct supervisory relationship with each cardholder and be assigned within the Operating Unit; or 2) be at a supervisor level or above outside the cardholder's chain of command to which they are assigned within the same department. The Approving Official is responsible for overseeing all cardholder transactions and may initiate recommendations for disciplinary action. All Approving Officials must fill out **CAL-Card Form 5 – Approving Official Designation** prior to assuming Approving Official responsibilities. Other duties of the Approving Official include:
 - Reviewing cardholder's statements to ensure that all purchases are appropriate and are being charged to the correct account (G/L String) number.
 - Ensuring that all documentation (receipts, acknowledgements, packing slips, etc.) are attached to the cardholder statement.
 - Signing and dating the cardholder statement on the "Approver" line to certify that the statement is correct.

- Reporting to the head of the department and the Unit Program Administrator/Coordinator of any gross violations made by the cardholder.
- Submitting all cardholder statements to Auditing in a timely manner.
- Resolving issues related to a cardholder's purchase.

Approving Officials shall not assume any of the aforementioned duties in regard to their own CAL-Card.

- E. Cardholder(s):** Only County employees may be designated as cardholders. Procurement cards will not be issued to departments or agencies. One or more cardholders may report to a designated Approving Official, normally within the same natural work-group. Cardholders shall not assume any other Approval Level positions within the same Operating Unit.

NOTE: Unless approved by the CAO's Office, Cardholders may not perform any accounting or approval level positions within the same Operating Unit.

AUDITS

The overall objective of the audit is to ensure proper management controls are maintained over the authorization and use of the CAL-Card, as well as compliance with these policies.

The Program Administrator and the Auditor's Office may conduct periodic reviews of the Program. Reviews take a risk-based approach and focus on the level of compliance with CAL-Card policies and procedures, and evaluation of internal controls. The audit report provides an assessment of the use of the Program, makes recommendations for improvement when warranted, and works with the Program participants to implement action plans to make corrections or other improvements to the Program.

OTHER RESPONSIBILITIES

The **County Administrative Office** in coordination with the Auditor's Office is in charge of evaluating all aspects of the CAL-Card program.

The **Operating Unit** is responsible for administering the CAL-Card program within their unit and is responsible for accumulating, reporting, coordinating, and administering a complete training program. This may include developing department specific policies and forms related to CAL-Card use if what is provided by the Procurement Card Policies does not cover specific or specialized internal controls of the department.

The Auditor's Office is responsible for issuing the final payment to U.S. Bank.

The **Unit Approving Authority** and **Unit Coordinator** notify the **Approving Authority** if statement submissions are incomplete, such as missing receipts, account numbers, or signatures.

The County Administrative Officer is the final County authority regarding who should receive a CAL-Card and what the dollar limits should be.

INTERNAL CONTROLS

Internal controls must include:

- A. Appropriate separation of duties between making transactions (Cardholders), review and approval transactions for payment (Approving Officials), and payment of the monthly billing statement (Billing Official). Inverted reciprocal approvals will be permitted by the Program Administrator only when there are no options such as when a department is so small that it is necessary. Such approvals must be audited more regularly.
- B. Appropriate hierarchical review and approval of purchases by someone with supervisory authority over the cardholder and/or with authority to question purchases if needed.
- C. Appropriate limits on the number of cardholders assigned to a supervisor or Approving Official in order to ensure adequate review of business need and documentation.
- D. Provision for an annual independent audit or review of the CAL-Card Program by the Program Administrator and/or the County Auditor's Office
- E. Program Administrator Reviews must address:
 - Adequacy of internal policies and procedures.
 - Appropriateness of cardholder spending limits.
 - Adequacy of review, reconciliation, and payment procedures.
 - Adequacy of documentation for transactions.

A number of unique controls have been developed for the CAL-Card program, which do not exist in a traditional credit card environment. These controls ensure that the card can only be used for specific purposes and within specific dollar limits (see the Prohibited Uses section on page 14).

SINGLE TRANSACTION LIMIT

The maximum cost per purchase cannot exceed the limit set per card at the time of account setup, and the maximum limits detailed on page 19 of this policy. These limits may be adjusted to a lower amount per the Department Head. Spending limits enable management to provide cardholders with the purchasing power to accomplish the needs of the job without exposing the County to unnecessary risk. Spending limits should be based on the job responsibilities of the cardholder and the need to use a procurement card to accomplish his or her duties. Cardholder spending limits must be reviewed at least annually to determine that actual usage is consistent with spending limits.

MONTHLY TRANSACTION LIMIT

The monthly transaction limit per card shall not exceed the applicable limits set forth on page 19 of this policy (though some cards may have a lower limit).

SPLITTING PURCHASES

Any attempt to split a purchase to circumvent the applicable per transaction threshold, or other requirement (including, but not limited to, statutory or codified purchasing requirements) is strictly forbidden and is considered misuse of the CAL-Card and thus subject to disciplinary action.

Examples of splitting a purchase include, but are not limited to:

- Purchasing an item costing more than the limit and having it rung up in two installments of less than the limit each.
- Splitting a list of varied items from one supplier costing over the limit into two or more lists each costing less than the limit.
- Buying the same items from one or more suppliers with a combined total exceeding the limit.
- Splitting a transaction to circumvent the assigned single transaction limit.
- Completing multiple purchases in small installments for the same project to circumvent applicable purchasing laws or policies.

REPORTING

Operating Units are required to document requests for new cardholders and will provide information to the County Administration Office, Human Resources, and/or the Auditor's Office as needed.

USES AND PURCHASES

PROHIBITED USES

The CAL-Card can be used at any merchant that accepts VISA cards for payments of purchases. However, there are some restrictions built into the CAL- Card that do not exist for personal credit cards.

The CAL-Card has a number of controls and data reporting features. These controls are based upon the International Merchant Purchase Authorization Card (I.M.P.A.C.) program. These controls ensure that the card is only used by the authorized individuals for authorized purchases by programming the card with specific tracking codes prior to initial use of the card. These codes identify which merchants will accept the CAL-Card. They also specify the maximum dollar amounts authorized for the cardholder.

The following merchant category codes are excluded from the CAL-Card program (the cardholder is **prohibited** from purchasing these items):

- A. Wire transfers and money orders
- B. Financial institutions – manual and automatic cash advances
- C. Non-financial institutions – foreign currency, traveler's checks, etc.
- D. Convenience checks
- E. Security brokers and dealers
- F. Savings bonds
- G. Timeshares

- H. Betting, casino gaming chips, off-track betting
- I. Political organizations
- J. Religious organizations
- K. Court costs including alimony and child support
- L. Fines
- M. Bail and bond payment

PROHIBITED PURCHASES

Certain types of purchases are strictly prohibited by the Procurement Card Policy and no exceptions will be granted, unless otherwise indicated. These purchases include, but are not limited to, the following:

- A. **Purchases of a personal nature** are defined as purchases of goods or services intended for non-work related use or use other than for official County business. Purchases of a personal nature include, but are not limited to, items such as: seasonal decorations, window and wall coverings, pictures, indoor plants, coffee machines, clock radios, compact refrigerators and microwave ovens. Items in this category cannot be purchased with CAL-Cards and typically are not appropriate for purchase by any other County process except for some special program needs. Any exception must be approved in advance by the Unit Approving Authority, Program Administrator, and the Auditor's Office.
- B. **Utilities** such as water, power, refuse, and gas must be processed through claim or the ERP (whichever the department is set up to complete).
- C. **Donations or gifts** such as those given to a charity, an entity, or a political contribution.
- D. **Cash cards** such as stored pre-paid cards, VISA Gift Cards, cards with MCC Codes, or similar products. Gift cards for specific retail stores are allowable.
- E. **Entertainment** (including in-room movies).
- F. **Alcoholic beverages.**
- G. **Tobacco products.**
- H. **Weapons** and related accessories, side arms, and bullets even if these are for training purposes.
- I. **Fastrak toll tags or transponders** for employees' personal vehicle.
- J. **Individual sized bottled water** for non-emergency situations.
- K. **Gasoline** for county fleet, or personal vehicles. Fuel for personal cars on County business will be compensated through mileage reimbursement.
- L. **Food and mileage reimbursement** or per-diem related to travel, or other travel related expenses.
- M. **Equipment rentals.**
- N. **Fixed Asset computers.**
- O. **Fixed Asset equipment.**
- P. **Hazardous materials** and the removal of hazardous materials.
- Q. **Chemicals.**
- R. **Food** except in certain instances that must be reasonable and pre-approved by the County Administration Office. Allowable instances that do not require pre-approval include the following:
 - a. An emergency, for personnel working in a County Emergency Operations Center, Department Operations Center, or other emergency function.
 - b. Working lunches for Board of Supervisors meetings.
 - c. Cross-jurisdictional events or trainings.

- d. Oral board examination panels that include at least one non-San Benito County panel member.
- e. County hosted public events for the principal benefit of the public.

Prohibited instances include, but are not limited to:

- a. General food purchases for employees.
- b. Short-term meetings attended only by employees.

ALLOWABLE PURCHASES

The CAL-Card can be used for small dollar purchases of supplies, materials, equipment, and travel related reservations or expenses, not including gas for County or personal vehicles, meals, or mileage, and unless otherwise prohibited or restricted. All purchases must be within cardholders' spending limits. Single and monthly transactions over applicable limits, as outlined on page 19, will not be allowable, unless significant cause can be justified for the user (i.e. threat to continuation of public health and safety services or state/federal mandates). In such cases the Department Head must receive prior written approval from the Program Administrator, using the "Authorization to Increase the Transaction Limits above the County Limits" Form.

Allowable purchases **must be from a tax-exempt or corporation entity only**. Examples of allowable purchases are:

- A. Advertising, in any media, for the recruitment of personnel, volunteers, and foster parents.
- B. Goods/products and consumables for County operations that are not covered by a contract.
- C. Books, periodicals, magazines, and subscriptions in paper, online, or electronic format with publishers, distributors, and vendors.
- D. Educational course materials.
- E. Facility and facility- related expenses.
- F. Pre-travel expenses such as those incurred for vehicle rental and lodging in accordance with the County Travel Policy.
- G. Fuel charges for rented vehicles required for official County business.
- H. Ground transportation such as train and taxi services.
- I. Airline related expenses such as baggage check-in fees, purchase of in-flight meals.
- J. Fees for participation in fairs and exhibitions.
- K. Registration for conferences.
- L. Membership fees.
- M. Postage.
- N. Emergency purchases during an emergency as defined by the California Government Code, § 8550 et seq.
- O. Client-related services (food, clothing, or personal necessities solely for clients which includes the proper reporting documentation, such as case numbers, as required by the State and other internal departmental controls).

TRAVEL-RELATED PURCHASES

As outlined in the Allowable and Prohibited Purchases sections above, only pre-travel expenses may be paid for with a CAL-Card. Transactions made during travel are not allowable. Employees may request an advance of funds from the Auditor's Office for situations in which

purchases will need to be made during travel. Please consult the County Travel Policy for further detail.

PROCEDURES

OBTAINING A CAL-CARD

To obtain a CAL-Card, an authorized requester fills out a **CAL-Card Form 2 – Request for a CAL-Card** form. This form includes information on the employee and why the employee requires a CAL-Card. This request is reviewed by the Department Head and must be signed by the applicable parties. This form must then be submitted to the Program Administrator in the County Administration Office. If approved, the Program Administrator will apply for a card for the individual through U.S. Bank. Generally, a card is issued and received in a week or less. A copy of this policy (San Benito County Procurement Card Policy) is given to the new cardholder at this time. The cardholder should keep it as a reference as it will be needed at a later date.

REQUIRED CARDHOLDER TRAINING

The new cardholder is required to read the San Benito County Procurement Card Policy and complete a training session detailing the rights and responsibilities of a CAL-Card holder, how to use the CAL-Card, and procedures and instructions for using the US Bank Access Online system.

Cal-Card training is provided through US Bank Access Online. This web-based training provides valuable information about the U.S. Bank electronic access system capabilities – including an explanation of access screens, as well as necessary key sequences and functions for reviewing purchases and disputing a transaction electronically. To access the training, visit <https://www.access.usbank.com/>

RECEIPT OF A CAL-CARD

The new cardholder must sign a **CAL-Card Form 4 – CAL-Card Receipt Acknowledgement** form that details information about the card issued, including the card number and dollar limits. This signed acknowledgement is kept in the employee's personnel file in Human Resources. The card must be surrendered when the cardholder leaves the employment of the County.

The employee must sign the form again if a new card is issued in the future. This can be because of the card wearing out or being defective or if the cardholder changes their name or other contact information. Filling out a new **CAL-Card Form 4 – CAL-Card Receipt Acknowledgement** for each new card ensures that Human Resources obtains the correct card upon the departure of the County employee.

CARDHOLDER RESPONSIBILITIES

Once training has been completed, the cardholder must sign a **CAL-Card Form 3 – Cardholder Agreement** form to acknowledge that they are familiar with, and will adhere to, the County's policies and procurement guidelines. The CAL-Card is a privilege granted by the County and this privilege can be revoked at any time and for any reason.

There are several responsibilities related to the issuance of a CAL-Card:

1. The County Code regarding purchasing and policies of the Contracting and Purchasing Manual applies to all CAL-Card purchases.
2. The cardholder must ensure that there are sufficient funds in the account that will be used to pay for the purchase.
3. The card must be signed on the back in the signature panel.
4. The cardholder must obtain a receipt at the point of purchase and verify it for accuracy.
5. The card must be kept secure at all times and is not to be used by anyone other than the cardholder.
6. The cardholder must notify U.S. Bank Customer Service of any billing discrepancies, fraudulent activity, or lost or stolen cards.
7. The cardholder must notify the Unit Program Administrator/Coordinator of name, address, telephone, or other changes to their account.
8. The cardholder must review the monthly statement for accuracy and ensure that it is submitted to their Approving Authority in a timely manner.
9. The least expensive item that suits the needs of the purchase should be what is purchased.

CAL-CARD ACTIVATION STEPS

The new cardholder should follow the steps below to activate their new CAL-Card. The following information should be on hand before the call is made:

- the 16-digit account (card) number
- the mailing address and zip code
- the business telephone number
- *the 4-digit numeric number designated by the Program Administrator*

Follow the below steps to activate your CAL-Card:

1. Call **1-800-344-5696** from a touch-tone phone.
2. Respond to each of the following prompts.
3. "Welcome to the Corporate Payment Systems Customer Service. Please enter your 16-digit account (card) number".
4. "Please enter the 5-digit ZIP code of your mailing address."
5. "To activate your account, press 1".
6. "To activate your account number, please key in the last four digits of your social security number". Do not enter your social security number. ***Use the 4-digit numeric number designated by the Program Administrator rather than your social security number.***
7. "Please enter your business telephone number, beginning with the area code."
8. "Your account has been successfully activated. Thank you."

PROCEDURES AFTER PURCHASE / REVIEWING THE STATEMENT

The cardholder should establish a routine that they follow for each purchase made on their card. After a purchase, put the receipt or email confirmation of an order into a file folder that is specifically used to hold CAL-Card receipts. Packing slips can also be put into this folder. The

cardholder should also label each receipt/confirmation/packing slip with the G/L string. The billing cycle starts on the 23rd of the month and ends on the 22nd of the following month.

U.S. Bank will send the cardholder a Statement of Account after the close of the billing cycle on the 22nd of each month. The statement should arrive in the mail on approximately the last day of the month. No statement is sent if there have not been transactions during the cycle. Cardholder statements itemize each transaction that was posted to the card during that billing cycle. Statements are also available for viewing online.

Sample Cardholder Statement of Account

 U.S. BANCORP SERVICE CENTER P.O. BOX 6343 Fargo, ND 58125-6343		ABC ORGANIZATION MEMO STATEMENT ACCOUNT NUMBER 4246-0000-0000-0000 STATEMENT DATE 01-31-07 TOTAL ACTIVITY \$758.85 AMOUNT DUE \$0.00 DO NOT REMIT															
 A TOM SMITH ABC ORGANIZATION 450 LAKE ST 144099 LOS ANGELES CA 00000-0000		4246000000000000 0000000000															
MESSAGES:																	
NEW ACCOUNT ACTIVITY																	
POST DATE	TRAN DATE	TRANSACTION DESCRIPTION	REFERENCE NUMBER	MCC	AMOUNT												
11-19	15-15	JOE'S KEY & LOCK LLC 415-000-0000 MN PUR ID: 32871 TAX: 2.98	24482796146118000100027	7399	243.08												
12-02	12-01	CFIRST *LAUNDRY SVCS 978-000-0000 IA PUR ID: LOC3800INV177646 TAX: 0.00	24692166152000130168329	5969	54.66												
12-02	12-01	CFIRST *LAUNDRY SVCS 978-000-0000 IA PUR ID: LOC3800INV177647 TAX: 0.00	24692166152000130168337	5969	64.19												
12-02	12-01	CFIRST *LAUNDRY SVCS 978-000-0000 IA PUR ID: LOC3800INV177648 TAX: 0.00	24692166152000130168345	5969	55.88												
12-02	12-01	CFIRST *LAUNDRY SVCS 978-000-0000 IA PUR ID: LOC3800INV177649 TAX: 0.00	24692166152000130168352	5969	29.40												
12-07	12-05	ABC REGRIG SPEC101 OF 01 510-000-0000 IL PUR ID: 1005-4284 TAX: 0.00	24489376157900010300162	7623	311.64												
<table border="1"> <tr> <td colspan="6">I Default Account Code: 000000</td> </tr> <tr> <td colspan="2"> J SEND BILLING INQUIRIES TO: CIO U.S. BANCORP SERVICE CENTER, INC U.S. BANK NATIONAL ASSOCIATION ND P.O. BOX 6344 FARGO, ND 58125-6344 </td> <td colspan="2"> K CARDHOLDER NUMBER 4246-0000-0000-0000 L STATEMENT DATE 01-31-07 M DISPUTED AMOUNT \$0.00 </td> <td colspan="2"> N ACCOUNT SUMMARY PREVIOUS BALANCE \$0.00 PURCHASES & OTHER CHARGES \$758.85 CASH ADVANCES \$0.00 CASH ADVANCE FEE \$0.00 CREDITS \$0.00 O TOTAL ACTIVITY \$758.85 </td> </tr> </table>						I Default Account Code: 000000						J SEND BILLING INQUIRIES TO: CIO U.S. BANCORP SERVICE CENTER, INC U.S. BANK NATIONAL ASSOCIATION ND P.O. BOX 6344 FARGO, ND 58125-6344		K CARDHOLDER NUMBER 4246-0000-0000-0000 L STATEMENT DATE 01-31-07 M DISPUTED AMOUNT \$0.00		N ACCOUNT SUMMARY PREVIOUS BALANCE \$0.00 PURCHASES & OTHER CHARGES \$758.85 CASH ADVANCES \$0.00 CASH ADVANCE FEE \$0.00 CREDITS \$0.00 O TOTAL ACTIVITY \$758.85	
I Default Account Code: 000000																	
J SEND BILLING INQUIRIES TO: CIO U.S. BANCORP SERVICE CENTER, INC U.S. BANK NATIONAL ASSOCIATION ND P.O. BOX 6344 FARGO, ND 58125-6344		K CARDHOLDER NUMBER 4246-0000-0000-0000 L STATEMENT DATE 01-31-07 M DISPUTED AMOUNT \$0.00		N ACCOUNT SUMMARY PREVIOUS BALANCE \$0.00 PURCHASES & OTHER CHARGES \$758.85 CASH ADVANCES \$0.00 CASH ADVANCE FEE \$0.00 CREDITS \$0.00 O TOTAL ACTIVITY \$758.85													

COPYRIGHT 2005 U.S. BANK NATIONAL ASSOCIATION ND PAGE 1 OF 1

This sample is not completely indicative of an actual U.S. Bank statement. Most Purchasing Card statements are several pages in length. The purpose of this sample is to demonstrate content, format and type of information displayed on a U.S. Bank statement.

The cardholder must review the statement for accuracy and create a packet of backup documentation for submittal to the Auditor's Office. Attach the receipts/confirmations/packing slips to the statement in the order listed on the statement. It is helpful to number the receipts if there are multiple purchases and list that number next to that purchase on the statement. Attach any credit vouchers or notes about returned items.

The cardholder must login to U.S. Bank Access Online to reconcile the statement. Each purchase, including credits or negative transactions, must be matched to a G/L string and a brief description of the use for the purchase must be included in the comment section. After completing these steps for all purchases, the cardholder shall submit the reconciliation to the Approving Official through the online system.

Upon receipt of the cardholder’s reconciled statement, the Approving Official will reconcile all documentation received and verify that all purchases were valid and in compliance with County policies. All documentation for each cardholder shall then be submitted to the Auditor’s Office. It is the responsibility of the cardholder to coordinate the approval process with their Approving Authority if the cardholder will be out of the office at the time that the statement needs to be reconciled. The statement with attached receipts must be submitted on time even if the cardholder is out of the office.

This completed documentation must be submitted **no later than the 10th day of every subsequent month**. For example, if a statement ended on December 22nd, 2019 then all documentation must be completed and submitted to the Auditor’s Office by January 10th, 2020.

Failure to submit documentation on time will result in disciplinary actions as outlined in the section “Discipline for Improper Use of the CAL-Card” on page 8 of this policy.

NOTE ON SALES TAX/USE TAX: Out-of-state merchants might not collect the State of California sales tax for the goods being sold. Nevertheless, the County is still liable for the payment of this tax. In the “USE TAX” column on the report, enter the amount of sales tax that should have been collected by the merchant. The County is licensed to pay this amount directly to the State Board of Equalization.

INCREASING OR DECREASING THE DOLLAR LIMIT ON A CAL-CARD

The current maximum dollar limits on a CAL-Card are:

Category	Single Transaction Limit	Monthly Transaction Limit
General Staff	\$2,500	\$5,000
Department Heads	\$5,000	\$10,000
CAO and Designees	\$10,000	\$20,000

As identified in this policy, increases to the maximum dollar limits may be approved by the County Administration Office. Additionally, certain cards may have lower limits placed on them.

The Department Head may request different limits depending upon the responsibilities of the cardholder. Limits will not exceed what is currently written in San Benito County Code Section 5.09 and other limitations identified in the Program.

Temporary changes on spending limits will be reviewed on an as-needed basis. Significant cause must be justified and approved by the Program Administrator and Unit Coordinator to request a temporary change in limits for a cardholder. The head of the employee’s department/division should fill out and submit to Purchasing **CAL-Card Form 6 – Request for a Change to CAL-Card Limits**. Temporary changes will be allowable for the day of the purchase only.

EMERGENCY PURCHASING

The County Administrative Officer has the authority to raise the Single Transaction Limit and Monthly Transaction Limit to any amount deemed necessary to mitigate any declared emergencies or natural disasters as defined by the California Government Code, section 8550 et seq., and Chapter 11.01 of the San Benito County Code. The Director of the Office of Emergency Services is granted authority to forego standard procurement requirements for needs arising from emergency activities. In cases involving the welfare of the general public, extreme weather conditions, or official declared emergencies, staff assigned to emergency operations is allowed to obtain after-the-fact approval for exceptions. Documentation for transactions must follow the guidelines established for the Office of Emergency Services.

COLLECTING FUNDS OWED FOR CAL-CARD MISUSE

If an accidental charge is made against a card, the cardholder will have thirty (30) days to write a check for the reimbursement amount to the County or U.S. Bank, as directed by the Auditor's Office. If after thirty (30) days the payment is not received, the Auditor-Controller will inform the cardholder in writing that the amount will be deducted from their payroll check.

REPORTING LOST OR STOLEN CARDS

The following information is from the CAL-Card website:

It is important to emphasize to cardholders the need to immediately notify U.S. Bank Customer Service of any CAL-Card loss or theft.

When a CAL-Card is lost or stolen, the cardholder must immediately notify U.S. Bank, their Approver, and Program Administrator.

To notify U.S. Bank call (800) 344-5696 or Outside the U.S. call collect: (701) 461-2020. These numbers are answered 24/7. U.S. Bank Customer Service will request the following information:

- Cardholder's complete name
- Account number
- Circumstances surrounding the loss of the card
- Any purchase(s) made on the day the card was lost or stolen
- Details of last purchase amount and location
- Cardholder verification information (one or all of these may be asked):
- Zip code
- Phone number
- Number that is used in lieu of Social Security number

NOTE: This information is needed to protect the agency and to prevent fraudulent use of the lost or stolen card. Once the loss or theft has been reported to U.S. Bank, a new card, with new account number, will be mailed to the agency or cardholder within two business days. To facilitate billing and account reconciliation, purchases made after the cycle date and prior to the lost/stolen date, are automatically billed under the new account number assigned to the cardholder.

Cardholders should be advised to carefully review their new Statement of Account and

immediately report any incorrect billings to U.S. Bank Customer Service at (800) 344-5696.

IDENTIFYING AND REPORTING FRAUDULENT ACTIVITY – CARDHOLDER’S RESPONSIBILITY

When a cardholder discovers third party unauthorized use of their card, he or she shall immediately contact U.S. Bank customer service to report the fraudulent activity. It is the cardholder’s duty as a San Benito County employee to report all suspected instances of fraud, waste, or abuse to the appropriate personnel, including the Program Administrator and the Auditor’s Department

Anyone can report fraudulent activity and retaliation of any sort will not be tolerated by San Benito County. It is every employee’s obligation to report instances to management, and if the employee is uncomfortable with reporting to department/division management, they have the opportunity to report it confidentially to the County Program Administrator at (831) 636-4000. The following information is from the CAL-Card website:

The U.S. Bank Fraud Prevention Unit continually monitors accounts and transactions to prevent and halt fraud activity. If fraud activity is suspected, U.S. Bank Fraud Prevention Unit may contact cardholders by telephone to verify transactions or inform them about the use (or attempted use) of their credit card in a fraudulent manner.

Cardholders can help prevent fraud by promptly responding to the Fraud Prevention Unit and by carefully reviewing their Statement of Account. If the cardholder discovers a fraudulent transaction, the cardholder should report it to U.S. Bank Customer Service, their **Approving Authority** and **Program Administrator** immediately. U.S. Bank will work with the cardholder to confirm the validity of the transaction(s) in question. An affidavit may be mailed to the cardholder if the bank deems this necessary. It must be signed and returned. It may also be necessary to close the current account to prevent additional fraud activity. To help with the investigation, U.S. Bank may also request that the the plastic card be cut up and returned to the Fraud Prevention Unit.

Direct any concerns about fraud on the CAL-Card to:

US Bank Customer Service
(800) 344-5696
Hours: 24-hours-a-day, seven-days-a-week

IMPORTANT: The cardholder must also provide the following information to the Program Administrator, who will then provide the information to the County Auditor’s Office:

- The account number on which the fraud has been detected.
- The date and dollar amount of the fraudulent transaction(s).
- The date the cardholder first contacted, or was contacted by, U.S. Bank regarding the fraud.
- The name of the U.S. Bank Fraud Representative investigating the account.
- The new account number (if established).
- The cardholder should reconcile their Cardholder Statement by circling any unauthorized item and writing “fraud” next to the items. Deduct the fraudulent charges from the total amount owed and/or process the statement as required by

agency policy.

Do not submit a cardholder Statement of Questioned Item form for fraudulent transactions. It is important for the cardholder to monitor subsequent Cardholder Statements to confirm credits are received to clear the fraud amounts and to apply the credits to clear the fraud charges from their accounts.

DISPUTED (QUESTIONED) ITEMS

The **Cardholder's Statement of Questioned Items** form is available from the CAL-Card website. It details the most common reasons for a dispute over a CAL-Card charge. Contact the merchant first on disputed charges and attempt to resolve the issue with the merchant. If unable to resolve the issue with the merchant, the next step is the Cardholder Statement of Questioned Item form.

Follow the instructions on the form and submit one copy to U.S. Bank. The cardholder should submit a second copy with their monthly CAL-Card statement.

MISSING OR LOST RECEIPTS

It is the responsibility of the cardholder to ensure that there is a receipt for each and every purchase. It is understood that, on rare occasions, a receipt might be misplaced or damaged so that it cannot be included with the statement. The cardholder should make a diligent effort to obtain a duplicate receipt from the merchant if the original is lost. If a duplicate receipt cannot be located, the cardholder should submit a **CAL-Card Form 8 – Lost Receipt Claim** form with the statement. The form should clearly detail what was purchased along with the merchant's name and address. The cardholder also certifies on the form that the purchase was made for County business and that every effort was made to obtain a copy of the receipt.

The **CAL-Card Form 8 – Lost Receipt Claim** form is a last resort and should be used if no other documentation is available. A lost receipt should be a rare occurrence for the cardholder. A habitual problem with lost receipts can result in disciplinary action for the offending cardholder including the revocation of CAL-Card privileges.

CANCELLATION OF A CAL-CARD

A CAL-Card is a privilege and not a right. A CAL-Card can be cancelled at any time and for any reason by the proper County authority. There are two main reasons for closing a CAL-Card: the cardholder is no longer employed by the County or the cardholder's duties have changed and they no longer require a CAL-Card.

The employee should turn in their CAL-Card to their Approving Authority when requested or as part of the "Exit" process when they leave employment. The card should be returned to the Program Administrator and subsequently will be destroyed. A copy of **CAL-Card Form 7 – Cancellation of Card** must be filled out when a card is destroyed. The card-destroyer attests that the card has been shredded or otherwise rendered unusable. The completed form is then turned in to Human Resources to keep in the employee's file. This form attests that the County property (the CAL-Card) has been returned to the County.

The **CAL-Card Form 7 – Cancellation of Card** form does not need to be filled out if an

employee is receiving a new CAL-Card due to the card being closed by U.S. Bank. This can be because of third-party fraud or if the old card has expired or can no longer be used. The employee needs to complete a **CAL-Card Form 4 – CAL-Card Receipt Acknowledgement** form for the new card and submit the completed form to Human Resources. An employee cannot have more than one active CAL- Card at a time.

MERCHANT RESPONSIBILITIES

The merchant, upon presentation of the CAL-card for a purchase, completes a sales draft. The card number, expiration date, cardholder name, and sometimes the three digit number on the back of the card are collected. The date and amount of the purchase are recorded along with a brief description of the item(s) being purchased. The transaction will also bear the merchant's name and identification.

The merchant will obtain authorization for the transaction via a direct link to the VISA authorization network or telephone line. The merchant will obtain an authorization number approving the purchase. The authorization will be denied if the purchase puts the CAL-Card over its limit or if the purchase is excluded by I.M.P.A.C.

The cardholder's limit can be adjusted at the point of purchase by the Program Coordinator if the purchase puts the cardholder a few dollars over their limit.

This is preferable to the cardholder making a second trip to the merchant. Call the Program Authority from the merchant's store to explain the situation.

U.S. BANK RESPONSIBILITIES



U.S. Bank has been contracted by the State of California Department of General Services to administer the CAL-Card program. This includes all of the details related to running a Procurement Card program including issuing cards, monitoring card use and correcting fraud issues, offering rebates for prompt payment, etc. U.S. Bank also makes available a website for transacting CAL- Card business.

CONTACT INFORMATION

More information on the CAL-Card Program can be found at the following websites:

<https://www.access.usbank.com>

<https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/CAL-Card-Program#@ViewBag.JumpTo>

Contact the following organization or individuals with CAL-Card questions depending upon the nature of the question:

U.S. Bank CAL-Card Customer Service:

1-800-344-5696

U.S. Bank AccessOnline Technical Support:

877-887-9260

accessonlinesupport@usbank.com

San Benito County Program Administrator:

831-636-4000