

Title: STATE "CAL-CARD" CREDIT CARDS		Contents: P-2810
		Submitted By: Purchasing Division
		Approved By: Purchasing Agent
Effective Date: 10/22/13	Supersedes No.: 12/10/01	Page No. 1 of 5

Purpose

The purpose of the State "Cal-Card" credit card (procurement card) program is to provide an additional alternative within the existing procurement system to help support and/or expedite small-dollar-value operating requirements. The procurement card may be used as an alternative to small-dollar purchase orders and/or in lieu of petty cash purchases.

Allowable Purchases:

A County department may further restrict allowable purchases based on its individual operational requirements, but as general menu of authorized uses, cardholders may purchase:

- Small-dollar agreement or non-agreement items required to complete jobs in-progress
- Small-dollar emergency items
- Small-dollar items where a credit card is the only accepted payment method
- Materials to complete after-hours work, when normal procurement procedures would not satisfy immediate needs
- Training or seminar registration and travel/hotel reservations (in conjunction with an approved departmental training/travel request)
- Subscriptions or organizational membership dues

In all cases, purchases must comply with the County's purchasing policy and procedures, including vendor selection guidelines.

Prohibited Purchases:

Individual County departments may further restrict use of its procurement cards, but at a minimum, procurement cards may not be used for the following purchases/purposes:

- Personal (non-county related) purchases of any kind
- Cash advances
- Capital Equipment items
- Computers, computer equipment (hardware or software), tablets, Apps., etc.
- Communications equipment including cellular phones, radios, pagers, etc.
- Clothing*
- Furniture
- Personal or consulting services
- Food*, meals* or entertainment
- Alcohol or tobacco products
- Purchase of new or replacement materials not intended for work in-progress
- Pre-ordering material, supplies or equipment for non-emergency purposes in order to bypass the normal procurement process
- Stocking or re-stocking materials or supplies
- To make or pay for back-orders
- To make purchases for or on behalf of any other person
- Splitting purchases to exceed the established single-transaction-dollar-threshold amounts

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- * Unless authorized by the Los Angeles County Code (i.e., Section 5.40.097) or the ordering department is charged with the care of patients, inmates or wards and the expenditures incurred would be for their direct benefit.

Procurement Card Dollar Thresholds and Limitations

Individual County departments must establish dollar thresholds and purchase limitations according to their respective operational requirements. However, any such limit cannot exceed the below maximum standard without the written approval of the Purchasing Agent.

Maximum Transaction Limitation – the maximum amount for any one transaction is \$1,000; and total transactions must not exceed \$1,000 in any one day.

Maximum Monthly Amount – the maximum monthly amount for any one card/cardholder is \$5,000.

A department's written request for a higher dollar threshold can be sent to the attention of the Internal Services Department's Purchasing Division Manager, and must contain the proposed limit(s), and a detailed justification for the request.

Procurement Card Administration

Individual County departments are responsible to establish their own policy and procedures governing the administration and the use of the cards, including what types of items can and cannot be purchased, monthly and transaction purchase limits, proposed users, approval authority/requirements, and any other restrictions that its management requires. The policies and procedures must adhere to the requirements of the County purchasing policy covered herein, as well as those stated in the County Fiscal Manual, Section 4.4.4, Use of Credit Cards to Procure Services, and Section 4.4.5, General Internal Controls Over Credit Cards.

General Guidelines

The following are general guidelines and requirements that would be addressed in each department's procurement card policies and procedures.

Program Manager

Each department participating in the procurement card program will assign a manager to oversee the program. The program manager will be responsible to monitor and ensure compliance with program policies, maintain a central and current listing of program participants and maintain records of authorized requests and cancellations.

Cardholder's Manager – Responsibilities

Each departmental line manager who has subordinate staff to whom cards are issued will be responsible to oversee all aspects of the program within his/her respective organization. The cardholder's manager will be responsible for:

- Approving applications for all procurement cards;

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- Reviewing card receipts and invoices to verify that all associated purchases are appropriate and comply with the policy;
- After verification, approving payment for each subordinate cardholder's monthly billing transactions;
- Maintaining copies of invoices, credit card receipts and any other documents associated with procurement cards assigned to their organization; and
- Ensuring that appropriate steps are taken to properly dispose of cards that are no longer required.
- Notifying the program manager when the card is rejected or lost/stolen.

Cardholder Responsibilities:

Each Cardholder shall be responsible to:

- Sign an "Employee Acknowledgement Agreement" prior to receiving the card, and will be provided signed copies of the agreement. Note: A sample agreement that can be tailored for use by any County department is included herein (Attachment A).
- Purchase only the items shown on the Allowable Purchases list.
- Adequately secure the card in his/her possession.
- Report lost or stolen cards to US Bank immediately, and notify his/her supervisor and the Program Manager no later than the next business day.
- Prepare and attach itemized invoice (s) and credit card charge receipt(s) for each purchase transaction and submit them to his/her supervisor for approval.

Guidelines for Making a Purchase

Prior to signing the charge receipt, the employee is responsible for making sure that the quantity; full description of item(s); price, and total of any, and all items, are on the charge slip or an itemized invoice or other receipt(s) from the vendor.

Whenever a credit card purchase is made, all documentation associated with the purchase (e.g., credit card slip, itemized receipt, invoice, etc.) shall be retained as proof of purchase, and a process established where the documentation is submitted to the cardholder's supervisor for review and approval before a payment is processed.

If the procurement card is rejected at a point of sale, cardholders may make the purchase via another method (e.g., personal credit card or cash for reimbursement through Petty Cash, etc.). The cardholder shall notify his/her supervisor and the Program Manager, to report the rejection, reason for rejection, and the vendor's name.

Security of Procurement Card

Each cardholder will be solely responsible for the security of his/her credit card at all times.

Authorized cardholders must be aware of the possibility of fraudulent use and shall make every effort to keep the card secure. Cardholders should maintain the procurement card in their wallet/purse for security.

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Lost or Stolen Credit Cards

If any card is lost or stolen, it is the responsibility of the employee who is assigned the card to immediately notify the US Bank. Until the bank is notified, the County is liable for all purchases made. The cardholder's supervisor and the program manager must also be notified, as soon as possible, if a card is lost, stolen or damaged.

Non-Compliance

Failure to comply with the established policies and procedures will result in card privileges being revoked. Misuse or fraudulent use of the procurement card may result in formal disciplinary action, including discharge from County Service. Under no circumstances may procurement cards be used to purchase anything other than the items detailed in the respective department's procurement card policy.

