

County of Modoc

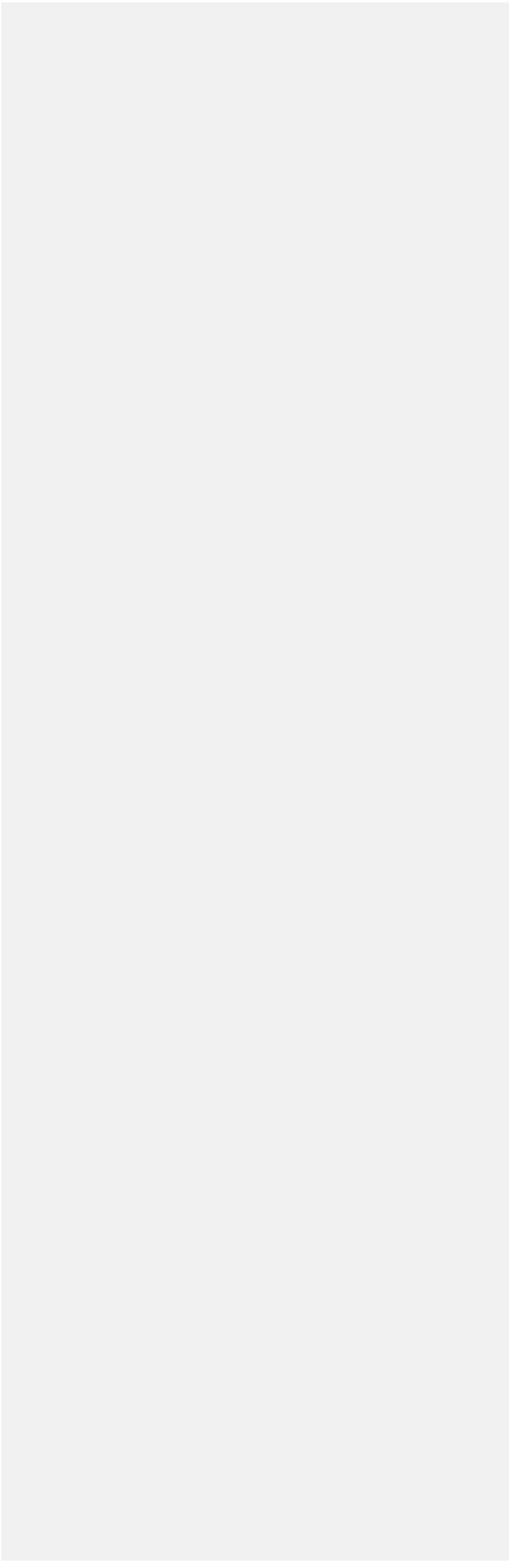
Credit Card Program Policies and Procedures

Issued by:

Board of Supervisors

Date:

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## 1.0 INTRODUCTION

Modoc County's last credit card policy was enacted in 2015. It is the intention of the Board of Supervisors to establish policies and procedures for credit card usage with the goal ~~of keeping the number of credit cards issued to a minimum, while ensuring safeguarding public funds~~ while providing that personnel with a genuine need for a more efficient method of paying for travel, limited payment methods and immediate need purchases have access to a Modoc County credit card.

The primary means of purchasing continues to be based on an invoice being submitted on a claim form for direct payment to the vendor. Each department shall monitor their own staff to verify compliance with the written list of approved users.

Through use of ~~the \_\_\_\_\_~~, CAL-Card, Modoc County will participate in a credit card program. Authorization to use the card is restricted to the cardholder only and shall not be delegated. The card shall be used for Official Use only and may never be used for personal purchases.

The following policies and procedures have been established

## 2.0 GENERAL INFORMATION

The Modoc County credit card is a CAL-Card \_\_\_\_\_ with controls and data reporting that enable the County to streamline the traditional paper and labor-intensive procurement process for travel. The credit card allows County departments and offices, under strict guidelines, to move easily and rapidly to obtain lodging, meals, airfare, and related travel expenses. The procurement use of the card is designed to be a cost effective method to purchase on behalf of the County while assuring appropriate documentation for purposes of classification, documentation of expenditure, use tax requirements, and other related tax issues. Because the card cannot be used for services and only for purchase of goods, it will not be necessary to get the IRS required W-9 for these vendors who accept the credit card.

## 3.0 CONTROLS

The Card can be used only with the limit determined by each department head, the County Auditor and the County Administrative Officer. These limits are established for each cardholder and can be modified by approval of the Auditor and County Administrative Officer when necessary to meet changing needs of the cardholder and the County. Unless otherwise authorized, ~~the limit~~ will not exceed \$1,500 per card. When a merchant seeks authorization from the bank for a purchase, the system will check the cardholder's credit limit, and, if the established limit is exceeded, the purchase will be denied.

The cards are issued to the employee who accepts full responsibility for the use and security of their card. All original receipts relating to card usage must be kept and attached to statement.

~~As determined by Department Heads and tracked by fiscal staff, a~~ A more limited number of employees will be allowed procurements rights within a department and for specific types of purchases. Full documentation of all purchases will continue to be required and submitted with the credit card statement for payment.

Each cardholder is required to provide proof of all purchases with additional verification performed by the designated approving official before payment is made to the bank. All credit

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card purchases are subject to the terms and conditions of Modoc County's Travel and Purchasing Policies. Charges on a hotel bill that will not be 100% covered by the travel policy (i.e. phone charges, meals, etc.) are not allowed. Any purchase of personal items is not allowed.

The cardholder shall be personally liable to the County for the amount of any non-approved purchases. Payroll deductions may be used to collect funds that are due to the County.

#### 4.0 DEFINITIONS

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

**Approving Official:** The Approving Official shall be the department head, or his/her authorized designee as approved by the County Administrative Officer. The Approving Official reviews the monthly statements to verify that all assigned cardholder's purchases are necessary and for Official Use Only. The Approving Official must be familiar with Modoc County travel and purchasing reimbursement policies. The Approving Official must also have knowledge of the job responsibilities of the designated cardholder.

**Prohibited:** If goods or services are listed in the Travel Policy as non-reimbursable, the credit card shall not be used for such purchases. Purchases of any item that is not a travel reimbursement item shall not be purchased with the credit card except where the individual has procurement authority and meets the appropriate guidelines for items purchased.

#### 5.0 PROCUREMENT PROCESS FOR TRAVEL

Use of the Modoc County credit card does not relieve the cardholder from adherence to all State, County and Department regulations, policies and procedures. The following conditions must be met when using the credit card:

- 5.1 The card can be used for travel related purchases ~~only~~ (registration, lodging, airfare, etc.).
- 5.2 All travel authorization requirements per the Modoc County Travel Policy must be adhered to.
- 5.3 Cardholders shall ensure that sufficient funds have been budgeted and are available prior to making any purchases. A supervisor or Approving Official can assist in verifying that funds are available. Also, a properly approved travel authorization would indicate fund availability.
- 5.4 The card shall not be used for purchases when the cardholder has a personal interest or knowledge that creates an appearance of conflict of interest. ~~(e.g. buying from a relative)~~

#### 6.0 PROCUREMENT PROCESS FOR GOODS

6.1 Goods can be purchased using the Credit card for the following types of items:

- 6.1.1 Items for the immediate need of any individual taken into custody by a County department (i.e. Sheriff Arrests, Juvenile Hall and CPS custody, 5150 holds, Tax Collector seizures)

6.1.2 Internet purchase of software downloads and one-time emergency support service needs.

6.1.3 Books and publications

6.1.4 Supplies not covered under a specific office supply contract

~~6.2 All purchase order requirements must still be in place before the purchase is made.~~

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~~6.36.2~~ Items purchased must be less than \$~~250-500~~ (see section 8.0 for items in excess of \$~~500~~250).

~~6.46.3~~ Under no circumstances shall services be charged using the Credit card. (Numerous contractual issues exist with this type of purchasing arrangement)

~~6.56.4~~ E-Oscar, Lexis-Nexis, Accurint and other approved electronic searches may be charged within authorized limits with written approval from the County Auditor's Office and the County Administration Office.~~COUNTY ADMINISTRATION OFFICE.~~

## 7.0 CARD RESTRICTIONS

The Modoc County credit card is intended for travel purposes and limited purchasing of non-personal goods only. The county credit card shall not be used for any of the following without prior approval by the Auditor and the County Administration Office (this is not an all-inclusive list):

- 7.1 Fixed Assets;
- 7.2 Cash advances;
- 7.3 Personal services and gratuities;
- 7.4 Construction, improvements and maintenance of facilities;
- 7.5 Telecommunications equipment;
- 7.6 Printing jobs done within the County;
- 7.7 Road projects;
- 7.8 Safety equipment;
- 7.9 Purchase of vehicles;
- 7.10 Consultants, instructors, and speakers;
- 7.11 Personal telephone calls
- 7.12 Alcoholic Beverages;
- 7.13 Entertainment (including related transportation costs);
- 7.14 Violations of legal requirements;
- 7.15 Cleaning;
- 7.16 Fines;
- 7.17 Bails;
- 7.18 In-room movies;
- 7.19 Laundering;
- 7.20 Barbering;
- 7.21 Gasoline purchases for personal vehicle;
- 7.22 Any items for which budgeted funds are not available to pay for the expenditure;

7.23 Any purchases where the cardholder has a personal interest or knowledge, which creates an appearance of a conflict of interest (e.g. buying from a relative).

~~7.23~~7.24 Ammunition and guns

Credit cards can be used for the following:

- All lodging expenses
- Parking
- Registration fees
- Telephone calls related to County business
- Fax charges for County-related business
- Taxi/Bus fare (no tip)
- Car Rental
- Air Travel
- Other common carrier
- Commuter bus fare
- Captive meals
- Meals/tips as outlined in the travel policy
- Tolls
- Petty Cash purchases
- Office supplies

If there is misuse of the Credit card the Auditor or the County Administrative Officer may impose additional restrictions, up to and including terminating individual Credit card privileges. Questions regarding the appropriate use of a credit card ~~shall~~ be referred to the Approving Official and/or to the Auditor-~~Controller~~. All transactions are subject to audit. The Auditor ~~Controller~~ shall notify the approving official when an expense does not qualify for reimbursement. The Approving Official may refuse approval of payment when a purchase does not qualify as a reimbursable expense.

#### 8.0 TELEPHONE, MAIL ORDER & INTERNET PURCHASES

Authorized individuals may use the Credit card for purchases of up to \$250-500 meeting all other guidelines of procurement use. For any items over \$250-500 where payment options are limited, notification of the Auditor's office in writing with ~~COUNTY ADMINISTRATION OFFICE~~ County Administration Office approval is necessary specifying the item to be purchased. The "in writing" document may be a printed email from the County Administration Office ~~COUNTY ADMINISTRATION OFFICE~~ to the department indicating approval of the purchase.

#### 9.0 UNAUTHORIZED USE OF COUNTY CREDIT CARD

Employees of the County of Modoc hold a public trust. Employees' conduct must meet the highest ethical standards. Disciplinary procedures may be initiated for unauthorized use of a county credit card. Any employee who engages in the unauthorized use of the county credit card may be subject to disciplinary action, up to and including termination and any unauthorized use of a County credit card may be referred to the District Attorney, by the County Administrative Officer.

#### 10.0 PROCEDURES FOR OBTAINING A CREDIT CARD

The Department Head shall forward a written request to the ~~COUNTY ADMINISTRATION OFFICE~~ County Auditor's Office for each employee designated to have a credit card. The written, signed request shall include a recommendation for the employee's single and monthly transaction limits. ~~The maximum allowable limit is \$2,500 for a single transaction and \$5,000 for total monthly transactions.~~ After approval of the written request, the County Auditor's Office ~~COUNTY ADMINISTRATION OFFICE~~ will forward a credit card application to the credit card company. Any department or agency requesting and utilizing credit cards may have internal instructions supplementing these policies, tailored to the individual needs and controls of the department or agency.

#### 11.0 CREDIT CARD ACTIVATION

Upon verification and approval by the ~~COUNTY ADMINISTRATION OFFICE~~ County Auditor's Office, ~~\_\_\_\_\_~~ Cal-Card will provide the requested County credit card. The card is mailed to the ~~COUNTY ADMINISTRATION OFFICE~~ County Auditor's Office for delivery to the cardholder. The cardholder will be notified when the ~~COUNTY ADMINISTRATION OFFICE~~ County Auditor's Office receives the credit card. Once notified the credit card applicant can make arrangements for pick up. ~~If they are unable to do so, then the department can appoint an authorized individual to pick up the credit card on the applicant's behalf. The authorized individual will be expected to sign that they have received the card on behalf of the cardholder.~~

The cardholder is responsible for calling the credit card company to activate their card once they receive it from the ~~COUNTY ADMINISTRATION OFFICE~~ County Auditor's Office. The reverse side of the card includes a space for the cardholder to sign, and the cardholder shall sign it upon issuance to prevent unauthorized use. The toll-free number to contact a bankcard customer service representative is on the back of the card.

#### 12.0 CREDIT CARD MODIFICATIONS

To modify a credit card account to change the credit limit, or the name and address, a written and signed request from the Department Head shall be submitted to the ~~COUNTY ADMINISTRATION OFFICE~~ County Auditor's Office.

#### 13.0 CANCELLATION OF CREDIT CARD

The County Administrative Officer, the County Auditor or the Department Head has the authority to authorize a cancellation ~~cancel~~ of cards issued to a Modoc County employee if a card is misused in any manner. The County Administrative Officer or Department Head shall notify the Auditor-Controller of any cancellation and forward the cancellation in writing to the ~~COUNTY ADMINISTRATION OFFICE~~ County Auditor's Office for processing. The ~~Treasurer~~ County Auditor's Office will notify both the County Administration Office and Auditor-Controller ~~and~~ the Department Head in writing confirming the cancellation.

#### 14.0 REQUESTS FOR REPLACEMENT CARDS

Cardholders shall apply to the ~~COUNTY ADMINISTRATION OFFICE~~ County Auditor's Office to replace worn out or defective cards.

## 15.0 LOST/STOLEN CREDIT CARDS

The cardholder is responsible for the security of the credit card. If an employee loses or has his or her credit card stolen, the employee ~~will~~shall, within two hours of discovering the loss:

- 1) Notify Credit card at \_\_\_\_\_ and be prepared to provide the following information:
  - a. Cardholder's complete name
  - b. Account number
  - c. Circumstances surrounding the loss of the card
  - d. Any purchases made on the day the card was lost or stolen
  - e. Details of last purchase amount and location
- 2) Contact their Department Head;
- 3) The Department Head will immediately notify the ~~COUNTY ADMINISTRATION OFFICE, County Auditor's Office~~ -by telephone (530-233-~~62047660~~) and follow-up with a written notification within two (2) business days of loss to ~~the both the COUNTY ADMINISTRATION OFFICE and to the County Auditor's Office~~Auditor. The notification ~~shall~~should include the account number; date, time and location the card was lost or stolen; and any transactions made on the day the card was lost or stolen. The ~~Treasurer-Auditor~~ will contact the bank to obtain a replacement card. Credit card will mail replacements cards to the County Auditor's Office ~~Treasurer~~. A new account number will be assigned to the replacement card.

If the card is suspected stolen, a police report shall be filed in the jurisdiction where the theft occurred. A copy of the report shall be provided to the County Administration Office-Treasurer. A cardholder may be personally liable if the reporting requirements for a lost or stolen card are not met.

#### 16.0 EMPLOYEE DEPARTURES/TRANSFERS – NEED TO LOOK INTO

Credit cards are issued to individual employees and/or departments. If an employee leaves a department, the Department Head shall notify the ~~COUNTY ADMINSTATION OFFICE~~County Administration Office and ~~the Auditor-County Auditor's Office~~ immediately and return the employee's credit card. The card, when returned, shall be cut in half. If a cardholder is transferred to another department within the County, the new department shall contact the ~~COUNTY ADMINSTATION OFFICE~~ County Auditor's Office if the employee is to receive a credit card.

#### 17.0 SALES TRANSACTION PROCEDURES

A description of the transaction, quantity, price per item, and the total amount including sales tax, should be included on the itemized receipt. The authorization number, obtained by the merchant, should also be written on the sales receipt. If the receipt or invoice is not itemized, the cardholder shall provide such information.

#### 18.0 STATEMENT PROCEDURES

##### 18.1 Cardholder Procedures

Upon receipt of the monthly statement from the Auditor's Office, the Travel Coordinator or designated staff member shall:

1. Review the statement for accuracy.
2. Reconcile the statement with the original itemized receipts.
3. A copy shall be kept of any travel related receipt and filed with the employee's travel expense claim.
4. Attach all corresponding receipts and invoices in the same order as they appear on the statement.
5. Review each purchase for compliance with County policies and procedures, and discuss any issues with the card user. Purchases that are not in compliance shall be reimbursed by the card user. A copy of the reimbursement shall be attached.
6. An Order to Draw shall be prepared and submitted to the Auditor's Office on or before the deadline.

##### 18.2 Approving Official Procedures

The Approving Official is responsible for ensuring that all cardholders' Statements of Account are forwarded to him/her in the required time frame. Within three (3) working days of receipt of all cardholders' Statement of Account and supporting documentation (but no later than the end of the month), the approving Official will be responsible for the following:

- Review each cardholder's Statement of Account and supporting documentation.
- Review each cardholder's purchases and determine if the items are allowed in accordance with County policies and procedures.
- Discuss any questionable purchase with the cardholder. If the cardholder cannot justify that the purchase was necessary and "For Official Use" then the cardholder must reimburse the County for such purchase. Resolution of improper use of the credit card will be the responsibility of each department.
- Be sure there is a written explanation for items where the amount on the claim differs from the amount on the statement.
- After reviewing each cardholder claim for completeness and accuracy, sign and forward the entire package to the Auditor's Office no later than the \_\_\_\_ day of each month.
- The Approving Official shall review that all appropriate reports and verify receipts are attached. If a particular cardholder's statement certifications are delayed due to unusual or unforeseen circumstances, the remaining statements ~~shall~~ be delivered to the Auditor with an explanation regarding any missing statements.

### 18.3 Auditor Procedures

- Receive and review the master statement from Credit card.
- Match departmental statements received from Approving Official against the master statement.
- Audit statements for receipts, accounting and required documentation.
- Process master statement for payment.

### 19.0 STATEMENT RECEIVED LATE

If statements are received late from the Credit card company, cardholders shall provide the date received with the information provided.

### 20.0 LATE SUBMISSION OF STATEMENTS

The current plan for payment of statements should prevent late payments. Timely payment to \_\_\_\_\_ is a condition of participation in the Modoc County Credit card Program. Failure to submit timely reconciled statements and documentation to the Auditor-Controller by the \_\_\_\_ of the month may result in the loss of Modoc County credit card privileges.

Each department will be charged back for any late fees are incurred, the Department(s) responsible for those late charges will be responsible for the entire late fees.-

### 21.0 DISPUTES

The cardholder may be responsible for unauthorized charges on the credit card and must follow established procedure on any item charged to the card that is not appropriate.

The cardholder has ~~thirty days~~ ten days (10) from the statement date to dispute an item with the Auditor's Office, otherwise the transaction is treated as an authorized purchase and the department is responsible for payment.

~~All disputes shall be resolved between the cardholder and the credit card company. After disputing an item, the cardholder should receive an "Acknowledgement of Dispute" letter from the bank. If not, the cardholder shall contact their toll free number to inquire as to the status of the letter. Once a dispute is resolved, the cardholder will also receive a "Resolution of Dispute" letter from the bank.~~

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It is the responsibility of the cardholder/Department to appropriately cancel room reservations where the credit card has been used to hold the room. Charges will be paid if the Department Head indicates the circumstances were beyond the employee's control and the Department Head signs such written statement.

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