

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Category:	Financial	Policy # 2010-092021-04
Title:	Distribution and Use of District Credit Cards	

PURPOSE

This ~~statement policy~~ is intended to provide ~~policy and~~ direction to District staff ~~regarding the use of District-issued credit cards, and protect the District including direction against~~ regarding the misuse of such credit cards, both to protect the assets of the District and to protect the District's credit.

BASIC POLICY AND OBJECTIVES

~~Credit cards will be issued to employees as designated by the General Manager. The CAL-Card is a credit card issued by U.S. Bank in the name of the cardholder and billed to the District. U. S. Bank does not conduct a credit check on youran employee's personal credit history before issuing you a purchasingCAL--card. Issued creditCAL--cards will remain the sole property of the District and will be issued in the names of both the authorized employee and the District. District issued creditCAL--cards may be used only for approved and/or budgeted District business expenditures and only by the employee to whom the credit card is issued. CAL-Cards may not be used for the payment for services, due to the complexity of IRS 1099 reporting requirements. Employees shall not give thea CAL-card credit card-issued in their name to any other employee, contractor or non-employee/person for any reason, including to make purchases. If a purchase is made by credit card, the cardholder must be able to substantiate that the purchase was necessary and for District use. Personal charges may not be made to any District issued credit card.~~

~~Credit-CAL-card spending limits and may differ from employee to employee depending on thethe employee's purchasing responsibility. Maximum single--purchase limits and maximum monthly limits are set for each CAL-card by the Director of Administration pursuant to in conjunction withthe District's Purchasing Code. The timeframe for a monthly limit is the 30-day billing cycle.~~

~~All purchases made using a CAL-card must be substantiated. For every purchase or charge, an employee shall retain and submit a receipt. Purchases and charges made with a CAL-card District credit card- that cannot be substantiated with without receipts may result in loss of creditCAL--card privileges. A CAL-Card may never be used for personal purchases or charges. Misuse of thea CAL-card District's credit card- for any personal expenses is prohibited and grounds for disciplinary action, including loss of all credit card privileges, as well as possible termination of employment. In addition, the employee placingwho uses as CAL-Card for any personal expenses on any District credit card- will be required to immediately reimburse the District.~~

~~Credit cards~~ CAL-Cards are not to be used to circumvent other established purchasing procedures. ~~They~~ CAL-Cards are not to be used to purchase materials, supplies and services that can be purchased through other established purchasing processes.

Credit CAL-card statements and supporting receipts may be subject to review by the District's Director of Administration, or Cal-Card Program Administrator.

~~It is the policy of the District that the General Manager shall determine who among the staff will hold a company credit card.~~

~~Issued credit cards will remain the sole property of the District and will be issued in the names of both the authorized employee and the District. District issued credit cards may be used only for approved or budgeted District business expenditures and only by the employee to whom the credit card is issued. Employees shall not give the credit card issued in their name to any other employee, contractor or non employee/person to make purchases. Personal charges may not be made to any District issued credit card. If a purchase is made by credit card, the cardholder must be able to substantiate that the purchase was necessary and for District use.~~

~~All purchases must be substantiated. Purchases made with a District credit card without receipts may result in loss of credit card privileges. Misuse of the District's credit card for any personal expenses is prohibited and grounds for disciplinary action, including loss of all credit card privileges as well as possible termination of employment. In addition, the employee placing personal expenses on any District credit card will be required to immediately reimburse the District.~~

~~Credit cards are not to be used to circumvent other established purchasing procedures. They are not to be used to purchase materials, supplies and services that can be purchased through other established purchasing processes.~~

~~Credit card statements and supporting receipts may be subject to review by the District's Director of Administration. Any late charges incurred by the District due to the late return of credit card receipts by cardholders will be paid by the cardholders personally.~~

PROCEDURES

~~A detailed list of cards including cardholder name, card number, expiration date, and credit limit shall be kept by the District.~~

~~Cardholders may use their District credit card only to pay for District approved expenditures. After each purchase, the detailed itemized receipt and a brief written description of the purpose of the expenditure (notated on the receipt) must be submitted to the District, to be attached to the monthly credit card statement. The credit card charge slip by itself is not sufficient documentation. The cardholder must sign or initial the receipt and give it to the Accounting Assistant, who will reconcile the receipts with the monthly credit card statement. If any receipts are missing, it will be the cardholder's responsibility to either dispute the charge or supply the necessary itemized receipt in a timely manner. You will be responsible for paying any late charges resulting from your inability to produce the required receipt in a timely manner.~~

~~Staff should submit a request for a credit card to the Director of Administration, subject to the approval of the General Manager.~~

Upon leaving the District's employ, cardholders must return their credit card to the Director of Administration.

If your credit card is damaged, lost or stolen, immediately notify the Director of Administration. A new credit card will be provided to you as quickly as is practicable.

USE OF DISTRICT CREDIT CARDS

The Cal-Card and other District credit cards are a payment mechanisms and do not preclude employee cardholders from adherence to all District procurement regulations, policies and procedures. The following conditions must be met when using a CAL-card: ~~District card cards.~~

1. ~~Each~~A single purchase transaction may be comprised of multiple items, but the total purchase amount cannot exceed the single purchase dollar limit assigned to the cardholder.
2. All methods to ensure cost effective purchases must be utilized prior to purchase.
3. Cardholders must follow their Department's administrative procedures to ensure that sufficient appropriations are available prior to making a purchase.
4. ~~The District credit card~~Government Code 1090 prohibits District employees from having a personal financial interest in any contract made by them in their capacity as District employees. To ensure that District employees do not unknowingly violate Gov. Code 1090 through use of a CAL-Card, it is the District's policy that the CAL-Card not ~~must not~~ be used for any purchases or charges when the cardholder has a personal interest, familial relationship, or other close connection to the vendor from whom the purchase or charge is made, or knowledge which would create a conflict of interest. An example is using a CAL-card to make a purchase ~~buying~~ from a relative or close friend.
5. Intentional misuse of the ~~credit~~CAL--card for any reason other than official District purposes is expressly prohibited, will result in immediate cancellation of ~~your~~an employee's ~~purchasing~~CAL--card and purchasing privileges, and may result in disciplinary action. Cardholders in violation of this policy will be personally liable to the District for the amount of the purchase.

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PROHIBITED USES:

U. S. Bank prohibits the following uses of the Cal-Card Credit Card:

- Financial institution/manual cash
- Financial institution/auto cash
- Financial institution/merchandise
- Non-financial institution/Purchase of Foreign Currency/Money Order/Travelers Checks
- Security brokers and dealers
- Timeshares
- Fines
- Bail and bond payments
- Wire transfer -- money order
- Dating and escort services
- Massage parlors
- Betting/track/casino/lotto

RESTRICTED USES:

~~Credit cards may not be used for purchasing services due to the complexity of IRS 1099 reporting requirements. The District has established the following additional prohibitions restrictions on the use of CAL-Cards:~~

- ~~Personal use~~
- ~~Ammunition and weapons~~
- ~~Cash advances~~
- ~~Fixed asset purchases and capitalized property~~
- ~~Maintenance contracts and service agreements~~
- ~~Work on District property by outside contractors~~
- ~~Splitting of purchases to circumvent the purchasing authority thresholds of either procurement rules or daily card purchase limits~~

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PROCEDURES

~~A detailed list of all issued CAL-cards shall be maintained by the District Director of Administration, or the Cal-Card Program Administrator, and shall include including cardholder name, card number, expiration date and credit limit. shall be kept by the District Director of Administration, or Cal-Card Program Administrator.~~

The cardholder is responsible for:

1. Security of the CAL-Card
2. Appropriate use of the CAL-Card
3. Compliance with established District Purchasing Policies and Procedures
4. Reconciliation of CAL-Card
5. Timely submittal (within 5 days of receipt of statement) of Cal-Card reconciliation for payment

The approver is responsible for:

1. Reviewing all charges
2. Ensuring all purchases are appropriate
3. Ensuring no prohibited items have been purchased
4. Ensuring all proper documentation is attached to the CAL-Card Statement Use

TRAVEL EXPENSES:

The CAL-Card may be used to offset approved travel expenses such as rental car, airline tickets, hotel costs and meals within per diem limits (alcoholic beverages strictly prohibited) and fuel if driving a District vehicle.

LOST OR STOLEN CARDS:

Immediately notify U. S. Bank at 1-888-344-5696 (if you are outside the United States call collect to 1-701-461-2010), the Director of Administration, or Cal-Card Program Administrator and Department Manager of a lost or stolen card or if you believe that your account number has been compromised in any way. Please provide the following information: your complete name and card number, the date U. S. Bank Customer Service was notified and any purchases made on the day the card was lost or stolen.

Under most circumstances, a new card with a new account number will be issued to you within 24 hours. The card will be delivered to the District Director of Administration, or Cal-Card Program Administrator, who will meet with you and give you the new card.

Staff should submit a request for a credit card to the Director of Administration, subject to the approval of the General Manager.

Upon leaving the District's employ, cardholders must return their credit card to the Director of Administration, or Cal-Card Program Administrator.

Approved by Rancho Murieta Community Services District's Board of Directors	August 18, 2010
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Employee Acceptance: By signing this agreement, I hereby represent that I have read, understand, and agree to the District's Distribution and Use of Credit Cards Policy #~~2010-09~~2021-04.

Date

Signature

Print name here

Approved by Rancho Murieta Community Services District's Board of Directors	
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