

# City of Arcata Credit Card Policy

---

## Administrative Policies and Procedures

Subject:	Credit Card
Effective Date:	April 1, 1999 / Revised April 1, 2007
Originating Department:	Finance

### I. PURPOSE

The purpose of this administrative policy is to establish the City of Arcata's conditions for: (1) the issuance of credit cards to identified employees; (2) the restricted use of credit cards; and (3) the procedures for payment of charges.

This policy shall replace any and all formal policies and/or informal practices concerning credit card use previously in effect. Departmental policies that may exist to carry out overall City policy shall be revised to be consistent with the procedures contained herein. This policy is subject to modification as needed by the City Manager.

### II. DEFINITION

For the purposes of this policy, the following definitions will be used:

- 2.1 "Employee" is any person who receives a paycheck from the City of Arcata.
- 2.2 "Credit Card" refers to the VISA procurement cards issued to certain City employees through Rocky Mountain BankCard System.
- 2.3 "Single Purchase Limit" restricts the total amount of any single purchase made by the cardholder.
- 2.4 "30-Day Purchase Limit" determines the maximum dollar amount that will be authorized for a cardholder within a 30-day billing cycle.
- 2.5 "Merchant Classifications" refers to 98 merchant categories that have been defined for the procurement card program. (Attachment A)
- 2.6 "Approving Official" is the employee who is responsible for managing and monitoring the credit card activity of a group of cardholders.

### III. GENERAL

3.1 The purpose of the credit card program is to improve access to supplies and materials needed to perform jobs, and to improve the efficiency of processing payments to suppliers by reducing paperwork and staff time. It is the intent of this policy to ensure that credit cards are readily available to all full time employees for use in conjunction with their official duties as an employee of the City.

3.2 Credit cards will be issued to certain employees as approved by the City Manager. Generally, cards will be issued to the following employees:

3.2.1 City Council members

3.2.2 City Manager, Department Heads and Division Heads

3.2.3 Police Captain, Lieutenant and Drug Task Force Officer

3.2.4 Deputy Director of Environmental Services

3.2.5 Assistant City Engineer

3.2.6 Public Works Superintendents

3.2.7 Water/Wastewater Superintendent

3.2.8 Other employees as requested by Department Heads and approved by the City Manager and Finance Director, for the purpose fulfilling the intent described in Section 3.1 above.

3.3 Each card will have a single purchase limit and a monthly purchase limit. These limits will be determined by the Department Head and will be approved by the City Manager or Finance Director. In addition to these limits, cards may have a merchant classification restriction so that purchases can be limited to specific categories.

3.4 The use of the credit card for any purpose other than that of the City of Arcata is prohibited. In addition, capital equipment items and professional services are restricted from purchase with a credit card:

3.5 Each cardholder is responsible for the security of the card and for all purchases made with the card.

### IV. PROCEDURES

4.1 Each cardholder may purchase goods and services in person or by telephone.

4.2 A receipt/invoice is required to substantiate every purchase made using the credit card. This must contain the following information:

- 4.2.1 Description of commodities/services purchased
  - 4.2.2 Quantity purchased
  - 4.2.3 Price per item
  - 4.2.4 Amount of sales tax and shipping charges, if applicable
  - 4.2.5 Total purchase amount
- 4.3 The employee is required to review and attest to the accuracy of each monthly statement. The cardholder must also indicate on the statement the account number to which an item will be charged. The statement along with the associated receipts/invoices must be forwarded to the Approving Official within 3 days of receipt.
- 4.4 The Approving Official is required to review each cardholder's purchases to determine: (1) each purchase is a valid City purchase; (2) each purchase is supported by a receipt/invoice; and (3) the item is being charged to the correct account. The approved statements and attachments must be forwarded to the Finance Department within 5 days of receipt of the statement from the cardholder.
- 4.5 If an error in cardholder billing occurs, or if a problem with merchandise or services billed to the cardholder cannot be resolved, the cardholder should notify the Finance Department as soon as possible so that the appropriate paperwork can be completed to notify the credit card company of a disputed item.
- 4.6 Lost or stolen cards must be reported to the Approving Official within one (1) working day of discovery.
- 4.7 Each cardholder must surrender the card immediately upon retirement, termination, or upon the request of the Approving Official. Use of the card after privileges are withdrawn is prohibited.

**V. POLICY VIOLATIONS**

Employees who violate the work rules outlined in this policy are subject to disciplinary action per Chapter XI of the City's Personnel Rules and Regulations.