MEETING DATE: December 10, 2007

AGENDA ITEM: Adoption of a Resolution Approving a Revised Purchasing Card Policy with Enhanced Guidelines and Controls for the Use of City Issued Credit Cards and Rescinding Resolution No. 2002-R028.

ATTACHMENTS

		Pages
1.	Current Council Policy No. 4209	1 - 18
2.	Proposed Resolution (including revised Policy No. 4209.....	19 - 39

CITY OF CULVER CITY
COUNCIL POLICY STATEMENT

Policy Number **4209**

General Subject: **Purchasing and Procurement**

Date Issued: 3/25/02

Specific Subject: **Executive/Purchasing (Credit) Cards**

Effective Date: 3/25/02

Resolution No.: **2002-R**

PURPOSE

The purpose of this policy/procedure is to establish those guidelines under which City programs shall control the use of Executive/Purchasing Cards that will be assigned to and utilized by selected City employees to purchase goods and services, on behalf of the City.

This policy/procedure is intended:

1. To provide a convenient method of buying that reduces the need for purchase orders.
2. To ensure that the purchases made with the executive/purchasing card are accomplished in accordance with the City's ordinances and procedures.
3. To ensure appropriate internal controls are established.
4. To ensure that the City bears no legal liability from inappropriate use of executive/purchasing cards.

SCOPE

This policy/procedure will be applicable to those City Departments that have selected employees to use executive/purchasing cards to purchase goods, services or for specific expenditures incurred under the conditions approved by this policy.

BACKGROUND

The City has used various methods to accomplish the purchase of goods and services. To promote vendor acceptance and operational efficiency, the Purchasing Division of the City Treasurer's Office initiated the purchasing card program.

Executive/purchasing cards differ from traditional credit cards in the unique controls which have been developed for this program. These controls ensure that the executive/purchasing card can be used only for specific purposes and within specific dollar limits. In addition, certification of all purchases is required by each cardholder, and there must be verification by the Approving Official before payment is made.

CARD TYPES

Executive Cards – The executive card, a credit card, is for the purpose of procuring goods and services. This card may have a higher single purchase limit and/or broader scope of goods and services.

Purchasing Cards – The purchasing card, a credit card, is issued to selected employees for the purposes of purchasing goods and services.

GENERAL INFORMATION

1. Bank

   The bank is the executive/purchasing card contractor who will issue the cards, supply billing reports, and other billing information as needed.

2. The Executive/Purchasing Card

   The executive/purchasing card will have the individual's name, City's account number and expiration date.

3. Purchasing Division

   Under the delegation of authority of the City Treasurer, the Purchasing Division will administer the purchasing card program and will be responsible for determining the need for individual cards. The Purchasing Division will also be responsible for accumulating, reporting and coordinating all reports to the Departments, Accounting Division, Chief Administrative Officer and City Council.

4. Cardholder

   The cardholder is responsible for ensuring the executive/purchasing card is used appropriately. At a minimum, all purchases must be within all applicable policies and procedures. Improper or illegal use will result in termination and possibly criminal prosecution. All cardholders will be responsible for their executive/purchasing card. The cardholder is responsible for notifying the bank and City should an executive/purchasing card become lost or stolen.

5. Responsible Official

   The Chief Administrative Officer, Department heads, department level staff, City Clerk and City Treasurer are "Responsible Officials". The Responsible Official will approve each request for executive/purchasing cards. The Responsible Official may act as or appoint an Approving Official(s).

6. Approving Official

The Approving Official is responsible for reviewing the charges to ensure that the purchases are appropriate, comply with all applicable policies and are properly documented.

7. Cardholder spending limits

a. The delegation of authority that has been provided to each cardholder sets the maximum dollar amount for each single purchase (single purchase limit), and a total for all purchases made with an executive/purchasing card within a given billing cycle (30-day limit). Each time a cardholder makes a purchase with his/her executive/purchasing card, these limits will be checked, and the authorization request will be declined should they be exceeded.

The general limits are as follow:

Executive Card:
Single Purchase Limit – Not to exceed $5,000
30-day Limit – Not to exceed $20,000

Purchasing Card:
Single Purchase Limit- Not to exceed $500
30-day Limit - Not to exceed $15,000

b. The limits may be lowered at the request of the Responsible Official with the concurrence of the Purchasing Officer.

c. Occasionally, a unique situation may require a purchase over a cardholder's established limits. When a cardholder makes such a request, it must be approved by the City Treasurer with the concurrence of the Purchasing Officer. The City Treasurer will contact the Bank to temporarily increase the cardholder's spending limit(s).

8. Use of the Executive/Purchasing Card

a. The executive and purchasing cards are to be used for City purchases **ONLY**. It has a broad range of acceptance by retailers.

b. Cardholder Responsibility: The executive/purchasing card that the cardholder receives has his/her name embossed on it and may be used only by that cardholder. No other person is authorized to use the card.

c. Conditions for use: Use of the card must meet the following conditions:

(1) Except for authorized use on City business travel for transportation, accommodations and meals, the total single purchase to be paid for using the card may be comprised of multiple items and cannot exceed the authorized single invoice limit. Purchases will be denied if the authorization single purchase limit is exceeded. Payments for purchases are not to be split in order to stay within the single purchase limit.

(2) All items purchased over the counter to be paid for, using the card, must be immediately available. No back ordering is allowed.

(3) All items purchased by telephone order that will not be confirmed with a written order and be paid for using the card must be delivered by the merchant within the 30-day billing cycle. The order should not be placed without this assurance.

(4) All items purchased during one (1) telephone transaction that will not be confirmed by a written order must be delivered in a single delivery. If an item is not immediately available, no back ordering is allowed.

d. Telephone Order Procedures

(1) "Telephone Orders", as used in these instructions, means an agreement that is made by telephone. No written purchase order or contract is issued by the City. The supplies or services are provided by the vendor and payment is made using the executive/purchasing card.

(2) Oral procedures may be used to acquire supplies or services that can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being ordered.

(3) When placing a telephone order to be paid using the executive/purchasing card, cardholder will:

(a) Confirm that the vendor agrees to charge the executive/purchasing card when shipment is made so that receipt of supplies may be certified on the monthly Statement of Account.

(b) Instruct the vendor to include the following information on the shipping document or packing slip. This information will alert the receiving clerk, that the supplies have been purchased with the executive/purchasing card:

Cardholder name and division
Street address, City and State
Cardholder Telephone Number
The term "Purchasing Card"

(4) A log should be used to document or record telephone executive/purchasing card orders (see Attachment 3). The documentation should be held until the monthly billing statement is received and then attached to the statement when it is submitted to the Approving Official.

e. On Line Purchase Procedures

(1) "On Line Purchase", as used in these instructions, means a purchase made over the World Wide Web. No written purchase order or contract is issued by the City. The supplies or services are provided by the vendor and payment is made using the executive/purchasing card.

(2) Typically these purchases are made by filling out a form on line which describe what is being ordered.

(3) When placing an order on line to be paid using the executive/purchasing card, cardholder will:

(a) If possible, include the following information in the special instructions section of the on line order form:

Cardholder name and division
Street address, City and State
Cardholder Telephone Number
The term "Purchasing Card"

(b) Confirm that the vendor has accepted the charge to the executive/purchasing card so that receipt of supplies may be certified on the monthly Statement of Account.

(c) Print out the on line invoice, if provided by the vendor. If an on line invoice is not available, print out the order confirmation or invoice sent via e-mail by the vendor.

(4) On line invoices and/or e-mail confirmations must be retained and be submitted as attachments to the monthly billing statement when it is submitted to the Approving Official.

f. Documentation, Reconciliation and Payment Procedures

(1) Documentation: Any time a purchase is made that will be paid using the card, whether it's done over the counter or by telephone, a document must be retained as proof of purchase. The documents will later be used to verify the purchases shown on the cardholder's monthly statement.

(a) When a purchase is made over the counter the cardholder is to obtain a customer copy of the charge slip, which will become the accountable document (make sure all carbons are destroyed).

(b) When making purchases by telephone, the cardholder is to document the transaction on a log (see Attachment 3) and attach any shipping documents associated with the order.

(2) Missing Documentation: If for some reason the cardholder does not have documentation of the transaction to send with the statement, he/she must attach an explanation that includes a description of the item, date of the item, date of purchase, merchants name and reason why there is no supporting documentation.

9. Card Restrictions

The following list covers purchases for which executive/purchasing card use is prohibited:

- Cash advances through bank tellers or automated teller machines.
- Purchase of personal items.
- The purchase of alcoholic beverages.
- Fixed or controlled assets.

10. Payment and Invoice Procedures

a. Purchases made by employees will be paid by Accounts Payable once the cardholder certification and Approving Official verification has been completed, and account coding assigned for each transaction.

b. The Bank will provide one (1) copy of the billing statement to the cardholder and one (1) copy to the Purchasing Officer at the end of the billing cycle. The copy of the statement will be mailed to the individual cardholder. This is called a "Statement of Account" and will have a listing of all items processed in the previous thirty (30) days.

c. The "Statement of Account" requires the cardholder to review the statement and to note any errors on the bill. The cardholder attaches to the statement copies of the receipt(s) (sales drafts) received at the time of purchase. He/She signs the statement certifying items purchased, assigns account numbers to each item and forwards them to the Approving Official within three (3) working days after it is received.

d. The Approving Official reviews statements from cardholders and verifies approval of purchases. The Approving Official signs the statement and forwards it to Accounts Payable within one (1) working day.

e. The Bank will issue the "Statement" the same day each month. It will be the responsibility of the cardholder to provide the Approving Official with the receipts for that month should they be on extended leave and not able to complete the statement. The Approving Official will complete the copy of the statement for the absent employee and the statement will be forwarded to Accounts Payable with the rest of the cardholder statements. The original cardholder statement will be signed by the employee at the time he/she returns.

f. The Approving Official will be responsible for receiving completed statements from all cardholders assigned to them, reviewing the statement resolving any or all questions on the purchases, signing the statements, and forwarding complete cardholder statements with all attachments to Accounts Payable within one (1) working day after receipt from the cardholders. Should the Approving Official not receive all of the statements, it will be their responsibility to contact the cardholders and have the statement completed at once. All Statement of Accounts should be received by Accounts Payable at the same time. If, however, one or more statements are for some reason not received, the remaining statements should not be held while that one or more is being verified.

Note: If a cardholder had no purchase activity on his/her executive/purchasing card for a particular billing cycle, no Statement of Accounts will be generated for that cardholder (unless adjustments for the previously billed transaction are processed during that cycle).

11. Approval

Approval of the transactions that cardholders have made using the executive/purchasing card will not be totally defined in this Council Policy. Approving Officials, because of their knowledge of the job responsibilities of cardholders are required to look at each cardholder's purchases and at the merchant who made the sale in order to determine if these items were for official use, and if they were items allowed to be purchased in accordance with the instructions provided. If for any reason the Approving Official questions the purchase(s), it is their responsibility to resolve the issue with the cardholder. If they cannot be satisfied that the purchase was necessary and for official use, then the cardholder must provide a credit voucher proving items had been returned for credit of the purchase. Resolution for improper use of the executive/purchasing card will be the responsibility of the Approving Official; disciplinary action for misuse will be the responsibility of the Responsible Official.

12. <u>Disputes</u>

a. If items purchased with the executive/purchasing card are found to be defective or the repair or service faulty, the cardholder has the responsibility to return item(s) to the merchant for replacement or to receive a credit for faulty or defective service. If the merchant refuses to replace or correct the faulty item, then the purchase of the item will be considered to be in DISPUTE.

b. A disputed item should be noted on the cardholder's Statement of Account. In addition, a "cardholder's statement of questioned item(s)" (see Attachment 1) must be completed by the cardholder with appropriate documentation attached, if necessary. This form shall be forwarded with the statement through the Approving official to Accounts Payable for adjustment with the Bank. Once the Bank has been notified, Accounts Payable will notify the cardholder and Approving Official of the action taken on the disputed item(s).

c. It is essential that the time frames and documentation requirements established by the Bank be followed to protect the cardholder's rights in dispute. Dispute policies and procedures by the Bank will be provided at the time the executive/purchasing cards are issued to the cardholders.

13. <u>Request for Initial, Additional or Changes to Executive/Purchasing Cards</u>

a. All requests for new executive/purchasing cards will be made by submitting a "Request for Executive/Purchasing Card" form (see Attachment 2). The form will be processed through the Purchasing Division who will forward it to the City Treasurer who in turn will submit the request to the Bank.

b. All requests for executive/purchasing cards must be approved by the Responsible Official.

c. When the Purchasing Division receives the executive/purchasing card from the Bank, it will require the cardholder to personally sign for their executive/purchasing card. The Purchasing Division will notify the appropriate Approving Official and Accounts Payable of the issuance of an executive/purchasing card to an employee.

14. Semiannual Inventory of Executive/Purchasing Cards

On a semiannual basis, the Purchasing Division will provide a list of executive/purchasing cards issued to employees for each Department. The Departments will conduct a physical inventory of executive/purchasing cards and report the results to the Purchasing Division.

15. Lost or Stolen Executive/Purchasing Cards

a. Should any employee lose or have his/her executive/purchasing card stolen, it is the responsibility of the cardholder to immediately notify the Bank and the Purchasing Officer of the loss. The telephone number of the Bank will be provided when the executive/purchasing card is issued to the cardholder.

b. In addition to notifying the Bank, the cardholder must notify their Responsible Official and Purchasing Officer **WITHIN ONE WORKDAY** after the discovery of the loss or theft of the card. The Responsible Official will be required to submit a written report to the City Treasurer **WITHIN 5 WORKDAYS** that will include the complete information on the loss, the date the loss was discovered, the location where the loss occurred, if known, the purchases that the cardholder made prior to the loss, and any other information that may be considered as needed.

16. Terminating Employee

a. Executive/purchasing cards are issued to individual employees. If an employee leaves the City, their card must be collected and destroyed. The Approving Official will be responsible for collecting the card and turning it over to the Purchasing Officer who in turn will turn the card over to the City Treasurer. The City Treasurer will destroy the card and notify the Bank.

b. Should a cardholder be transferred within the City to another department/division, the Responsible Official of the new department will determine if the executive/purchasing card is still warranted. If so, the cardholder will be assigned to an Approving Official within the new department/division.

c. In the event the Approving Official is not able to collect the executive/purchasing card when the employee leaves the City, the Approving Official will notify the City Treasurer immediately. The City Treasurer will contact the Bank and void the card. The Approving Official will also notify the Purchasing Officer and the employee to prevent any purchases after the employee leaves.

ATTACHMENT 1

CITY OF CULVER CITY

Cardholder Statement of Questioned (Disputed) Item

TO: Accounts Payable

THRU: (Approving Official)

FROM: (Cardholder)

SUBJECT: Questioned Item on Executive/Purchasing Card Statement

The following item(s) listed on Statement of Account is disputed.

Date of Statement of Account:

Item(s) Disputed:

Reason: Provide information as to why item(s) does not meet your requirements. Indicate actions requested of merchant, reasons merchant refused to correct dispute, and any other information that is available to assist the Purchasing Division to negotiate dispute.

Action Requested: Return item and obtain credit

Exchange for same item

Exchange for different model, brand, etc. w/applicable reduction/increase in cost. (This action will require prior approval from cardholder if cost increase is required.)

Other Comments:

______________________ ______________________

Date (Cardholder's Signature)

CCLP4209

ATTACHMENT 2

CITY OF CULVER CITY

Request for Executive/Purchasing Card

DATE: ____________________

TO: Mark Ambrozich, City Treasurer

FROM: ____________________

SUBJECT: Request for Executive/Purchasing Card

Request the following employee be authorized for an Executive/Purchasing Card.

Full Name: (PRINT) ____

Signature: ____

Title: ____

Phone Extension: ____

Last four digits of Social Security Number: ______________________________

Cardholder Conditions:

Executive Card:
Single Purchase Limit (not to exceed $5,000)
30-day Limit (not to exceed $20,000)

Purchasing Card:
Single Purchase Limit (not to exceed $500)
30-day Limit (not to exceed $15,000)
Annual Fee of $35.00 (maximum amount)

____
Name of Responsible Official - (please print)

____
Signature of Responsible Official

CCLP4209

CITY OF CULVER CITY

EXECUTIVE/PURCHASING CARD
CARDHOLDER INSTRUCTIONS

1. PURPOSE: To provide general instructions on the proper use of the City Executive/Purchasing Card.

2. BACKGROUND:

   a. The City has used various methods to accomplish the purchase of goods and services. To promote vendor acceptance and operational efficiency, the Purchasing Division initiated the City Executive/Purchasing Card program.

   b. A number of unique controls have been developed for the Executive/Purchasing Card program that do not exist in a traditional credit card environment. These controls ensure that the card can be used only for specific purchases and within specific dollar limits. In addition, certification of all purchases is required by each cardholder, with verification performed by the Approving Official, within the cardholder's department/division, before the bill is submitted to Accounts Payable for payment.

3. GENERAL INFORMATION

   a. The unique Executive/Purchasing Card that you receive has your name embossed on it and the City of Culver City. No member of your department/division/section, your family, or anyone else may use this card. It has been specially designed to avoid confusing it with your personal credit cards. In all other respects, this is considered a regular credit card. **HOWEVER, THIS CREDIT CARD MUST NOT BE USED FOR PERSONAL PURCHASES!**

   b. It is MANDATORY that you attend training on the use of the cards.

   c. The City limit for executive card is $5,000 per single purchase and $20,000 within 30 days and for purchasing card is $500 per single purchase and $15,000 within 30 days (except as may be specifically authorized for some Management officials).

   d. The Request for Executive/Purchasing Card is forwarded to the Purchasing Division in order to obtain the Executive/Purchasing Card. Each card will be charged an annual fee of $35.00.

e. When the Executive/Purchasing Card is received by the Purchasing Division, you will be called to personally sign for the card.

f. Each time you use the Executive/Purchasing Card, the merchant may check via a telecommunications system to verify your dollar limit of your single purchase and monthly purchases limit. You will receive a statement of your purchases on the same date each month.

g. The Executive/Purchasing Card is a supplement to departmental purchase orders. As with the other purchasing methods, the following conditions must be met when using the Executive/Purchasing Card.

   (1) Each single purchase may be comprised of multiple items, but the total cannot exceed the single purchase dollar limit on your credit card.

   (2) The least expensive item that meets your basic needs should be sought.

   (3) Cardholders must follow their department's procedures to ensure that sufficient funds are available prior to making purchase.

h. The Bank will not request any personal information from cardholders, nor should any personal information be furnished to the Bank.

i. Use of the Executive/Purchasing Card does not relieve the cardholder from complying with City purchasing policies and procedures. If you have questions about procurement regulations, please contact the Purchasing Division.

j. Use of the Executive/Purchasing Card is not intended to replace effective procurement planning.

k. Purchases must not be split to circumvent purchasing regulations.

l. If your Approving Official questions a purchase made with your Executive/Purchasing Card, you must be able to explain the nature of the purchase. If you cannot substantiate that the purchase was necessary and for official use, your department will address improper use of the Executive/Purchasing Card and resulting disciplinary action will be handled directly with your Responsible Official.

m. Questions regarding your account or specific Executive/Purchasing Card procedures should be directed to the Purchasing Division.

4. PROCEDURES

a. You will be notified by the Purchasing Division when your Executive/Purchasing Card is received. You will be required to sign for the Executive/Purchasing Card.

b. Activate the card by removing CCRV (Credit Card Receipt Verification). Instructions are on the back of the card.

c. You may use your Executive/Purchasing Card at any merchant which accepts credit cards for payment of purchases. You may find that some of the suppliers, especially wholesalers, do not currently accept credit cards.

d. Once you have selected your purchases, present them and your card to the merchant.

e. The merchant will complete a sales draft, which includes the following information:

   (1) Imprint of your card, including card number expiration date, and your name.

   (2) Date and amount of purchase.

   (3) Brief description of item(s) purchased.

   (4) Imprint of merchant name and identification.

f. As the sales draft is being completed, the merchant will obtain authorization for the transaction via either a telephone call or direct telecommunication link to the credit card authorization network. The merchant will obtain an authorization number (as long as the purchase is within the limits established for your card).

g. The merchant will request that you sign the draft. Before you do, verify that the dollar amount is correct and that sales tax has been included.

h. You will be provided one copy of the signed sales draft. This copy should be kept and verified against your monthly Statement of Account, and attached to your certified Statement of Account when forwarded to your Approving Official.

i. The remaining copies the sales draft are used by the merchant, one copy to retain for records, and one copy to deposit with their financial institution to receive payment for the purchase amount.

5. TELEPHONE ORDERING INSTRUCTION

   a. If you are making a telephone order with your purchasing card, you must log all orders on the Record of Telephone Executive/Purchasing Card Orders form.

   b. When placing a telephone or mail order, you will be asked to provide your name, card number, expiration date on the card and an address.

   c. Telephone back ordering is not allowed.

6. CARD RESTRICTIONS

   The following list covers purchases for which Executive/Purchasing Cards use is prohibited.

   - Cash advances through bank tellers or teller machines
   - Purchase of personal items
   - Purchase of alcoholic beverages

   Department specific regulations, or City travel policy, may add further restrictions to this list.

7. PROCEDURES AFTER PURCHASE

   a. At the close of each billing cycle, you will receive a "Statement of Account." The statement will itemize each transaction which was charged to your Executive/Purchasing Card account. Upon receipt of the Statement, complete each of the actions listed below:

      (1) Review the Statement for accuracy

      (2) Indicate the accounting code for each transaction on the Statement.

      (3) Attach copies of the sales receipts to the Statement.

      (4) Submit completed statement to the Approving Official within three (3) days. The Approving Official must submit the Statement to Accounts Payable within one (1) day.

   b. If you have returned an item purchased, attach the credit voucher to the Statement on which the credit appears.

   c. If an item is found to be unacceptable, try to resolve the problem with the merchant first. It is the responsibility of the cardholder to make the first contact with the vendor in order to resolve any problem. If the merchant refuses to issue a credit voucher, the form "Cardholder Statement of Questioned Item" must be completed and forwarded to the Purchasing Division.

d. If you are charged for an item incorrectly, provide a complete explanation of the error on the Statement. Also, complete the form "Cardholder Statement of Questioned Item." Your Approving Official will forward this form through the Purchasing Division to the Bank for adjustments.

e. Please note that there are specific time frames established in which reversals of charges may be processed. If conditions occur as noted in items C and D (above), the "Cardholder Statement of Questioned Item" must be forwarded to Purchasing Division as soon as possible to ensure compliance with these time frames.

   In addition to these time frames, Executive/Purchasing Card regulations often require certain written documentation from you before a reversal can be processed. Information on the "Cardholder Statement of Questioned Items" form will assist you in identifying the specific documentation that is required. For additional information regarding individual transaction reversal requirements, please contact the Purchasing Division.

   If you have questions regarding the information on the "Cardholder Statement of Questioned Item" form, or if you have any problems regarding the reversal of a transaction, please contact the Purchasing Division staff at Extension 6450.

f. If you will not be available to sign your Statement of Account because of leave or travel, forward all sales receipts and credit vouchers to your Approving Official. The Approving Official will forward a copy of your Statement of Account to the Purchasing Division.

8. <u>LOST OR STOLEN CARDS</u>

Immediately notify your Approving Official, City Treasurer, and the Bank. If appropriate, the Police Department should be notified depending on the situation, i.e., Robbery, Burglary, etc. The following telephone number may be used for the credit card issuer:

24 HOURS - ANY DAY OF THE WEEK
1-800-305-7735

Provide the following information to your Approving Official and City Treasurer: your complete name, card number, and the date reported to the police, Bank was notified, and any purchase(s) made on the day the card was lost or stolen. A new card will be reissued by the credit card issuer within five (5) business days from the time that you reported the loss or theft. A new account number will be assigned to your new card.

It is important that you notify the Bank, your Approving Official and the Purchasing Division of the loss or theft of a card immediately.

9. CHANGES TO CARDHOLDER INFORMATION

a. Changes to a cardholder's name, address or department/division, should be immediately reported by memo to the Purchasing Division through your Approving Official. The Purchasing Division will request the card issuer to issue a new credit card if needed.

b. If you move to another department/division within the same City, you should check with your Approving Official before moving to see what changes may be required.

VI. Consultant Evaluation and Selection

Submittals will be evaluated by staff on technical merits, experience and cost consideration criteria with an award to the Consultant whose proposal is most advantageous to the City. The successful Consultant shall enter into a contract with the City for the services contemplated under this RFP.

Estimated Schedule:	Timing/Deadline
RFP mailed/emailed to Qualified Firms	Monday, December 10, 2007
Submittal Due (by 3 p.m.)	Thursday, December 27, 2007
Staff Review of Proposals and Negotiation	December 31 – January 11, 2007
Award of Contract by City Council	Monday, January 21, 2007

RESOLUTION NO. 2007-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, ADOPTING COUNCIL POLICY STATEMENT NO. 4209 AS AMENDED TO MODIFY THE PROCEDURES RELATING TO PURCHASING CARDS AND RESCINDING RESOLUTION NO. 2002-R028.

WHEREAS, the City Council, by Resolution No. CS-4992, adopted a procedure relative to the issuance of Council Policy Statements in series on various subjects concerning the internal affairs of City government; and

WHEREAS, at the City Council meeting of March 25, 2002, the City Council, by Resolution No. 2002-R028, approved and adopted Council Policy Statement No. 4209 relating to Purchasing Cards; and

WHEREAS, the City Council desires to modify the procedures related to Purchasing Cards as set forth in Council Policy Statement No. 4209.

NOW, THEREFORE, the City Council of the City of Culver City, DOES HEREBY RESOLVE as follows:

1. The City Council hereby amends City Council Policy Statement No. 4209, modifying the procedures relating to Purchasing Cards, which is attached as Exhibit "A";

2. Resolution No. 2002-R028 is hereby rescinded.

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...

...

3. The effective date of the amended Council Policy Statement No. 4209 is the adoption date of this resolution.

APPROVED and ADOPTED this _____ day of __________, 2007.

____
ALAN CORLIN, MAYOR
City of Culver City, California

ATTEST:

____
CHRISTOPHER ARMENTA, City Clerk
A07-00758

APPROVED AS TO FORM:

____
CAROL A. SCHWAB, City Attorney

CITY OF CULVER CITY
COUNCIL POLICY STATEMENT

General Subject: **Purchasing and Procurement**	Policy Number: **4209**
Specific Subject: **Purchasing (Credit) Cards**	Date Issued: **3/25/02**
	Date Revised: **12/10/07**
	Effective Date: **12/11/07**
	Resolution No.: ________

PURPOSE:

To provide general instructions on the required procedures for use of a City Purchasing Card.

POLICY:

The City of Culver City has adopted a Purchasing Card program. The intent of the program is to reduce total cost and centralize acquisitions for the City as well as streamline several business processes, and thereby increase operational efficiencies.

PROGRAM BENEFITS:

- Provides for faster delivery service of low value items to departments resulting in fewer warrant requests, blanket PO's and usage of petty cash.
- Allows oversight of purchases by Directors.
- Provides for built in controls (can control specific categories of purchases), as well as single transaction and monthly dollar limits per Card.
- Provides a tool for Purchasing staff to identify repetitive purchases for possible consolidation into new price agreements and contracts.
- Reduction in labor and related expenses by reducing number of mailed warrants.

BACKGROUND:

To promote operational efficiency, the Purchasing Division of the Finance Department will oversee the City Purchasing Card program.

A number of unique controls have been developed for the Purchasing Card program that does not exist in a traditional credit card environment. These controls ensure that the card can be used only for specific purchases and within specific dollar limits. In addition, verification of all purchases is required by each cardholder, with approval performed by the appropriate Department Director or designee before the statement is submitted to Accounting for review and posting to the General Ledger. **The**

cardholder is responsible for all use of the card and for compliance with this policy.

GENERAL INFORMATION:

A. Each Cardholder receives a unique Purchasing Card with both the Cardholder's name embossed on it and the "City of Culver City." This card has been designed to avoid confusing it with personal credit cards and must not be used for personal purchases. The named cardholder is the only person allowed to use the card.

B. It is mandatory that Cardholders attend training on the use of the card prior to P-card issuance and sign a City Purchasing Card Agreement (See Attachment 1).

C. All Purchasing Cards will be restricted to certain categories of purchases, as well as single transaction and monthly dollar limits (see Exhibit A).

D. All requests to participate in the Purchasing Card program shall be submitted by the Department's Director to the City Manager or Designee, by completing a Request for Purchasing Card form (see Attachment 2).

E. Each time the Cardholder uses the Purchasing Card, the merchant will check via the Purchase Card telecommunications network to verify the single purchase dollar limit and monthly purchase limit. When an approval code is received, it will appear on the sales receipt. The Cardholder will receive a statement of his/her purchases around the same date each month from the Purchasing Division.

F. The following conditions must be met when using the Purchasing Card:

1. Cardholders must ensure that there are sufficient funds in their budgets prior to making any purchases.

2. Each single purchase may be comprised of multiple items, but the total, including tax and shipping, cannot exceed the single purchase dollar limit on the Purchasing Card; or exceed the cumulative maximum expenditure limit for the month. If either of these limits is exceeded, the transaction will be declined at the time of attempted purchase by the Bank.

3. Purchases must not be split to circumvent single purchase limit restrictions. Doing so may result in disciplinary action and/or loss of card use.

4. Cardholders must obtain a detailed, itemized receipt for all purchases, including sales tax where applicable. For all purchases, the itemized detail receipt is required, rather than the receipt showing only the total.

5. Sales or use tax must be paid for all purchases of tangible goods (not for services) in accordance with State law. In the event that the receipt shows that tax was not charged, then the Cardholder should flag the line item on the Monthly Purchasing Card Transaction Log, so that Accounting can charge your budget for the appropriate sales/use tax and pay it at the appropriate time.

6. Cardholders must follow their department's procedures in addition to these general procedures prior to making a purchase. Neither the Purchasing Division nor the Accounting Division will be responsible for monitoring compliance with individual department procedures.

G. Cardholders must comply with this policy when using the Purchasing Card, as well as City's General Purchasing Policies. The Purchasing Card is NOT to be used to override the City's Purchasing Policy. The Purchasing Officer should be contacted with any questions concerning purchasing-related policies and procedures. Budget or Accounting questions should be forwarded to those respective areas.

H. Directors or designees are responsible for overseeing the Purchasing Card program in each department. The Purchasing Officer will maintain a list of authorized signatories (directors and/or designees), and will disseminate an updated list to the Accounting Division.

I. Each Department Director should assign a **Purchasing Card Coordinator** who will be responsible to assist the Director by assuring that all statements, approvals and receipts are submitted to Accounting by the due date each month.

J. Purchasing Card procedures shall be updated as needed by the Purchasing Division and the most recent procedures will be forwarded to the respective users along with training as appropriate.

PRACTICES:

Obtaining a Purchasing Card

To obtain a Purchasing Card, the following procedures shall be followed:

A. Send a completed "Request for Purchasing Card Form" (see Attachment 2) to the City Manager or designee. Both the Department Director and the City Manager or designee, must sign this form.

B. The approved "Request for Purchase Card Form" will then be sent to the Purchasing Officer who will submit the credit card order to the Bank.

Once the Purchasing Officer receives the new Purchasing Card, the employee will be contacted to arrange for mandatory training and issuance of the Purchase Card. Once trained, the employee must sign a Purchasing Card

C. Agreement in triplicate (see Attachment 1). The original signed agreement will be placed in the employee's personnel file, the second copy will be retained by the Purchasing Officer in the central Purchasing Card file, the final copy will be given to the employee for his/her records and the card will be issued to the employee.

D. The employee must activate the new card by following the instructions on the front of the card.

Using the Purchasing Card

The Purchasing Card is intended for low value purchases (generally under $500.00 for the total order including sales tax and shipping) that meet the requirements for approved purchases per the "Allowable and Non-Allowable Chart" (see Attachment 3). The Purchasing Card may also be used as a business expense/travel card for staff members who have a business need for travel (generally management staff).

EMERGENCY PURCHASES:

In the event of an emergency where a purchase needs to be made that is either restricted or beyond the dollar limits set by this policy, the card holder will obtain approval from the City Manager or designee/or Department Director prior to making the purchase. The City Manager or designee will send a request to allow the purchase or increase the dollar limit for a particular card holder to the Purchasing Officer.

WHEN PLACING A TELEPHONE, FAXED OR MAILED ORDER, THE CARDHOLDER SHOULD:

- Provide name, card number and expiration date on the card.
- Instruct merchant to deliver to 9770 Culver Blvd., Culver City, CA 90232.
- Instruct merchant to enter "PC–(your Cardholder name), (your Division number)" in the Purchase Order number field.
- (If the merchant's Purchase Order number field is not large enough to accommodate all the required information, then instruct merchant to include your Division number in the body of the packing slip).
- Request that a packing slip or receipt be sent with each order, to include the line item price(s), tax and shipping costs, if applicable.
- Include receipt document with the Monthly Purchasing Card Transaction Log (reference Attachment 4) for reconciliation purposes.

When a Cardholder is required to make a purchase in person from a merchant who accepts the Purchasing Card, the following procedures shall be followed:

- The merchant will complete a charge receipt which includes the following information:
  - Imprint of your card, including card number expiration date, and your name.
  - Date and amount of purchase.
  - Brief description of item(s) purchased.
  - Imprint of merchant name and identification.

- As the charge receipt is being completed, the merchant will obtain authorization for the transaction via either a telephone or direct telecommunication link to the credit card authorization network. The merchant will obtain an authorization number (as long as the purchase is within the limits established for the card).

- The merchant will request that the Cardholder sign the charge receipt. Before signing the charge receipt, verify that the dollar amount is correct and that sales tax has been included. *The Cardholder will be provided one copy of the signed charge receipt.
- The remaining charge receipt copies are used by the merchant for records retention and to obtain payment from their financial institution.

Card Restrictions

The Purchasing Card shall not be used for the following (failure to comply may result in card cancellation):

<u>Allowable and Not Allowable (See Attachment 3 for more details)</u>

- A purchase, including tax and shipping, which exceeds that Cardholder's single purchase limit or monthly limit;
- The purchase of items available in the City's central warehouse;
- The purchase of items that have been identified as requiring special approval (e.g., educational expenses/professional development);
- Computer hardware, peripherals, software and services;
- Purchase of personal items;
- Chemicals or other hazardous materials;
- Purchase of items for resale;
- On-line auction purchases (e.g., eBay, etc.);
- Cash advances through bank tellers or teller machines;
- *Any product or service normally considered as an inappropriate use of City funds;*
- *Cash or Gift Cards; and*
- Categories of certain goods and services as provided in Attachment 3, "Allowable and Non –Allowable Chart".

Purchasing Card Payment

At the close of each billing cycle, the Purchasing Officer will provide each Department's Purchasing Card Coordinator or designee with a Statement of Account (Statement) for all of that Department's Cardholders. After review, the Purchasing Card Coordinator or designee will distribute to each Cardholder his/her Statement for reconciliation. If the Cardholder has purchased an item on the date the billing cycle closes (typically mid-month), the purchase may not be listed on the statement but will show on the next month's statement.

The Statement will itemize each transaction that was charged to the Cardholder's Purchasing Card account. Upon receipt of the Statement, the Cardholder is to complete each of the actions listed below:

A. Verify all charges for accuracy. If there are any errors, see Disputed Transaction procedures below.

B. Allocate each charge line item to the appropriate expense account, using the Monthly Purchasing Card Transaction Log (see Attachment 4). **Check the box to the right of each item if Sales Tax was not paid.**

C. Make sure that all charged items on the Statement are listed on the Monthly Purchasing Card Transaction Log.

D. Attach the Statement with original supporting documents to the Monthly Purchasing Card Transaction Log. Required supporting documents include: detailed and itemized sales receipts, packing slips, Restaurant and Food Purchase Forms (see Attachment 5), and any other explanatory material needed to demonstrate compliance with the City's Purchasing Card Policy.

***Reminder: If a sales receipt only shows a total amount without a specified sales tax, the employee will be required to tag the item because the City is legally required to pay sales and use tax. If sales tax is NOT paid as a part of the invoice, Accounting will be required to remit the sales and use tax payment to the State Board of Equalization. This amount will be charged against your budget.**

E. Sign the completed Statement and the Purchasing Card Log and then forward to the Director or Designee for review of P-Card compliance and for signature approval. The Department Director Transaction Logs require City Manager or designee approval.

26

F. Completed and Department approved Statements and Transaction Logs, along with all detail supporting documents, must be placed in a large Red envelope labeled "Purchasing Card transactions from Department Name", and then submitted to Accounting within five business days from receipt of statement. Failure to comply with this requirement may result in loss of Cardholder's privileges.

G. The Accounting Division will be responsible to:

- Review supporting documentation and backup for approvals and request additional documentation, if needed, to demonstrate compliance with the P-Card Guidelines.
- Notify Department Director and Purchasing Officer of P-Card user violations of Guidelines as soon as is reasonably practicable (including but not limited to late submittals, missing or insufficient backup and documentation, any detected misuse of P-Card etc.).
- Make sure account numbers for each transaction on cardholder's statement are completed and recorded in the City's financial records in a timely manner.
- Work with P-Card holders and Purchasing Officer to maintain list of disputed items and that the City is appropriately credited upon resolution.
- Review submittals and guidelines to ensure that proper treatment for sales and use tax is applied. Also, that the City is in legal compliance and that all required reporting is met.
- Identify, correct, resolve and report 1099 transactions pertaining to P-Card.

If the Cardholder has returned an item, the Cardholder is to include the credit voucher with the Statement on which the credit appears.

If the Cardholder does not have a receipt or packing slip for a purchase, they are to make reasonable efforts to obtain a duplicate copy from the vendor. If this is not possible, include a signed memo with the Statement and the monthly Purchasing Card Transaction Log directed to Accounting explaining the circumstances, signed by the Cardholder, and signed as approved by the Director or designee and the City Manager or Designee.

If the Cardholder will not be available to sign the Monthly Purchasing Card Transaction Log and Statement because of leave or travel, the Cardholder is to forward, in advance of due date, all signed and approved charge receipts and credit vouchers to the appropriate Director or designee (Purchasing Card Coordinator). The Director or designee will approve, sign and forward the Transaction Log and Statement to Accounting. If the cardholder is absent, the department is responsible for forwarding the approved monthly statement to Accounting. Any discrepancies would be handled in the department when the employee returns, not later than 10 days after the employee returns to work.

Disputed Transactions

It is the Cardholder's responsibility to try to resolve disputed items with the merchant. The Cardholder must also notify the **Bank**, the **Purchasing Officer** and **Accounting** when an item is in dispute. The Bank will send a "Cardholder Statement of Disputed Item" form (see Attachment 6) to the Cardholder. This form must be completed and faxed to the Bank and Purchasing Officer as soon as possible, but no later than 30 days after the date of transaction.

If the Cardholder has questions regarding the information on the Statement of Disputed Item form, or problems regarding the reversal of a transaction, the Purchasing Officer should be contacted for assistance.

Cancellation

Should the Cardholder terminate employment with the City, the Cardholder must submit the completed Monthly Purchasing Card Transaction Log and Purchasing Card to the appropriate Director or designee. The Director or designee will be responsible for forwarding the Purchasing Card to the Purchasing Officer for card cancellation.

Human Resources Department will maintain a checklist for all items that need to be returned to the City and supervisor shall collect all these items prior to the employee leaving the department or the City.

If the employee fails to turn in the Purchase Card and receipts, the final paycheck will be held until the issue is resolved to the City's satisfaction.

Lost or Stolen Cards

If the card is lost or stolen, or if there are fraudulent charges, the Cardholder is responsible for immediately notifying the Purchasing Card **Bank**, his/her **Director** or designee and the **Purchasing Officer**. If appropriate, the Police Department should be notified depending on the situation (e.g. robbery, burglary, etc.).

The Cardholder is responsible for any fraudulent and unresolved charges.

The Cardholder is to provide the following information to the appropriate Director or designee and Purchasing Officer: complete name, card number, date reported to the police, if the bank was notified, and any purchases made on the day the card was lost or stolen. A new card will be issued by the Purchasing Card Bank within fifteen (15) business days from the time the card was reported lost or stolen. A new account number will be assigned to the Cardholder's new card.

Changes to Cardholder Information

Changes to a Cardholder's name should be immediately reported by memo to the Purchasing Officer through the Director or designee. The Cardholder will then turn in his/her obsolete card once the Purchasing Officer receives a revised card and sign all required new card paperwork, including Cardholder Purchasing Card Agreement.

If a Cardholder transfers to another department within the City, the Cardholder must immediately return his/her card to the Purchasing Officer for cancellation. The Cardholder must forward all Purchasing Card receipts and the current Log to his/her supervisor for final reconciliation. In the event that the new department requires the employee to be issued a Purchasing Card, the procedure for obtaining a new card must be followed.

GLOSSARY:

Approving Official – The Approving Official is the Department Director or designee. The Approving Official is a critical checkpoint for internal control purposes. The Approving Official reviews the monthly statements and all purchases to verify they are necessary and for official City purposes only.

Cardholder – A City employee whose name is on the Purchase Card. The cardholder is authorized to make purchases of commodities on behalf of their department and should be familiar with city procurement policies and procedures. The cardholder reconciles his/her monthly bank statement and forwards it along with all receipts to the Approving Official.

Cardholder Statement – The monthly statement of account received at the end of the billing cycle which lists transactions for that period.

Purchasing Card - *A City issued and controlled credit card administered by the City's Purchasing Officer.*

Purchasing Card Coordinator – A staff member assigned by each Department Director who is responsible for assuring that all approvals, documentation/ receipts and statements are consolidated and forwarded to Accounting by the due date each month.

PROCEDURAL GUIDELINES:

Exhibit A – Purchasing Card Limit
Attachment 1 – Cardholder Purchasing Card Agreement
Attachment 2 – Request for Purchasing Card Form
Attachment 3 – Allowable and Non-Allowable Chart
Attachment 4 – Purchasing Card Statement
Attachment 5 – Restaurant/Food Items Form

Attachment 6 - Sample - Cardholder Statement of Disputed Item Form

30

EXHIBIT A

PURCHASING CARD LIMITS

Executive Card Holder (City Manager and Department Heads)

- Single Purchase Limit: Not to exceed $5,000
- 30-day Limit: Not to exceed $20,000

Purchasing Card Holder (City Staff other than City Manager and Department Heads)

- Single Purchase Limit: Not to exceed $500
- 30-day Limit: Not to exceed $15,000

ATTACHMENT 1

CITY OF CULVER CITY
CARDHOLDER PURCHASING CARD AGREEMENT

The **City of Culver City** (the "**City**") is pleased to present you with this Purchasing Card. It represents the **City's** trust in you and your empowerment as a responsible agent to safeguard and protect the **City**'s assets.

I,______**Name Here**__________, hereby acknowledge receipt of **City** MasterCard Purchasing Card No. ______**P Card Account Number**_____. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the Purchase Card procedures.

I acknowledge receipt of this Agreement and a copy of the **City**'s Purchasing Procedures; and I confirm I have read and understand their terms and conditions.

I agree to use this card only for **City**-validly approved purchases and agree not to use it for any other reason, including to charge personal purchases or any other personal purpose. I understand my use of this card will be audited and any discrepancies will be reported to proper authorities.

I further understand improper use of this card can result in criminal and civil penalties and in disciplinary action, up to and including termination of employment. If I fail to use this card in any way other than as permitted, then I, hereby, authorize the **City** to deduct from any money otherwise due to me from the **City**, including wages an amount equal to the total amount, including any applicable interest, resulting from my unauthorized use. I also agree to allow the **City** to collect, by all legal or equitable means available, any and all amounts due as a result of my inappropriate use of this card, even if I am no longer employed by the **City**.

I understand the **City** may terminate my right to use this card at any time with or without any cause, notice or warning. I agree to return the card to the **City** immediately upon the request of the City Manager or designee, or upon termination of my employment.

Cardholder

Signature:____ Date:____________________________

Print name:_______________________________________ Dept.____________________________

Approval

Signature:____ Date:____________________________

Print name:____Margarita Lee, Purchasing Officer_____ Phone:______(310) 253- 6552______

Original: Personnel File   Copy: Purchasing Officer   Copy: Employee

Return card to Purchasing:

Signature: ____Date:___________________

32

ATTACHMENT 2

CITY OF CULVER CITY
REQUEST FOR PURCHASING CARD

DATE: ______________________

TO: Purchasing Officer

FROM: ______________________

SUBJECT: Request for Purchasing Card

TYPE OF CARD: ______________________________________
(Executive or Regular)

I request the following employee to be authorized for a Purchasing Card.

FULL NAME (print): ______________________________________

TITLE: ______________________________________

EMPLOYEE ID NUMBER: ______________________________________

PHONE #: ______________________________________

DIRECTOR (print): ______________________________________

JUSTIFICATION FOR CARD (explain in detail why the name of the employee listed above should be assigned a Culver City Purchasing Card and the benefit to the City. The justification will warrant the issuance of a card.)

____

____

Approved by: ________________________ ________________________
Department Director City Manager or Designee

B of A: Send news card to: Margarita Lee, Purchasing Officer
City of Culver City
9770 Culver Blvd.
Culver City, CA 90232

ATTACHMENT 3

CITY OF CULVER CITY
ALLOWABLE AND NON-ALLOWABLE CHART

PURCHASE TYPE	DESCRIPTION	
BUSINESS MEALS	Only City Council, City Manager, Assistant City Manager and Department Heads are authorized to use credit cards to purchase meals for official business meetings. All other staff may use credit cards for meals when on approved authorized travel. Also, complete and submit the Transaction Log (Attachment 5), indicating the names and affiliations for all members of the party whose meals are paid for using the Purchasing Card, and then state the business purpose for the expense. You must include an itemized receipt showing food and beverage items purchased, rather than the receipt showing only the total. **Alcohol and personal entertainment are not authorized to be charged to a city credit card.**	ALLOWABLE *
BUSINESS TRAVEL	The Purchasing Card may be used for all travel related purchases including airline tickets, hotel accommodations, car rentals, business meals, etc. **if it complies with this P-card Policy and the Travel Section of the City's General Purchasing Procedures and Polices.** EXCEPTION: The employee should use his or her own credit card for any personal expenses, such as personal phone calls, video rentals, etc.	ALLOWABLE *
GENERAL SUPPLIES	General departmental supplies, including office supplies, fax/computer supplies, first aid supplies, and miscellaneous departmental expenses. **Check the Warehouse Catalog first.**	ALLOWABLE
INTERNET PURCHASES	Use secure sites only. Do not send card number via email except internally. (No on-line auction purchases allowed such as eBay.)	ALLOWABLE
MAINTENANCE/REPAIRS SUPPLIES	Maintenance and repair supplies, including maintenance tools and equipment. However, a record of all purchases will be kept in the cardholders Departmental personnel file.	ALLOWABLE

34

PURCHASE TYPE	DESCRIPTION	
SEMINARS, ETC. (USING DEPT. BUDGET)	Seminars, training, books etc. that have been budgeted for within the department, and that are NOT funded through the City's Education Reimbursement/Professional Development Program.	ALLOWABLE
CAPITAL EXPENDITURES		NON-ALLOWABLE
CHEMICALS and HAZARDOUS MATERIALS	Any chemical purchase that required the City to keep on file a Material Safety Data Sheet (MSDS) should not be purchased with the Purchase Card.	NON-ALLOWABLE
CLUB DUES AND CONTRIBUTIONS		NON-ALLOWABLE
COMPUTER	Hardware, peripherals, software, services and rentals except Information Technology designated personnel.	NON-ALLOWABLE
CONSULTANT FEES		NON-ALLOWABLE
CONTRACT SERVICES	Any service contracts that require insurance and/or bonds (includes all **Personal /Professional Contract Services**).	NON-ALLOWABLE
EDUCATION REIMBURSEMENT AND PROFESSIONAL DEVELOPMENT	The Purchasing Card may NOT be used to purchase goods or services when Education Reimbursement/Professional Development Program funds will be charged. A special form requiring your supervisor's and the department director's written approval is required. The approved form is submitted to Human Resources for processing.	NON-ALLOWABLE
ON-LINE AUCTIONS	On-Line auction purchases are not allowed (such as eBay).	NON-ALLOWABLE
LEASES		NON-ALLOWABLE

PURCHASE TYPE	DESCRIPTION	
ON-SITE SERVICES	Any Professional Service, maintenance or repairs performed on City property.	NON-ALLOWABLE
UNIFORMS	Uniform rental and/or cleaning. Linen services.	***NON-* ALLOWABLE**
UTILITIES	Telephone*, power, gas, water	NON-ALLOWABLE

*Allowable with Department Director approval

36

ATTACHMENT 4

Purchasing Card Statement @ 00/00/07

CARDHOLDER ACTIVITY							
Employee Name:					**PCard Number #**		
Cardholder Signature ____________________							
TOTAL ACTIVITY							
JDE Account Number	Charge	Credit	Supplier Number	Transactions	Posting Date	Sale Date	No Tax Paid
Approving Signature ____________________							
Date __________							

ATTACHMENT 5

Restaurant/Food Items
Purchased with
Purchasing Card

Employee Name: ______________________________ Transaction Date: _____________

Department: _________________________________ Transaction Amount: $ ___________

Dept. Approval: ______________________________

Client Name	Name of Business

Explain purpose of meal:

____

____

____

____

____

____

____

____

38

ATTACHMENT 6

SAMPLE

CITY OF CULVER CITY
CARDHOLDER STATEMENT OF DISPUTED ITEM

Commercial Card Bank of America

Statement of Disputed Item

Instructions: Your company should first make good-faith efforts to settle a claim or dispute for purchases directly with the merchant. If assistance from Bank of America is required, please complete this form, and mail or fax with required enclosures within 60 days from the billing close date to: Bank of America- Commercial Card Services Operations

P.O. Box 53142
Phoenix, AZ 85072-3142
Phone (800) 352-4027 Fax (888) 678-6046

Company Name: ____________________
Account Number: ____________________
Cardholder Name: ____________________

This charge appeared on my statement:

Billing close date: ____________________
Transaction date: ____________________
Reference Number: ____________________
Merchant Name: ____________________
Merchant Location: ____________________
Posted Amount: ____________________
Disputed Amount: ____________________

*****Please check only ONE of the following*****

☐ **Unauthorized Transaction**
I did not authorize, nor did I authorize anyone else to engage in this transaction. No goods or services represents by the above charge were received by me or anyone I authorized. The card was in my possession at the time of the transaction.

☐ **Charge Amount Does Not Agree With Order Authorizing The Charge**
The amount entered on the sales slip was changed from $_______ to $_______. I have enclosed a copy of the unaltered sales slip.

☐ **Merchandise or Services Not Received**
I have not received the merchandise or services represented by the above transaction. The expected date of delivery or services was _______. (On your business letterhead, please describe your attempt to resolve this matter with the merchant, the date(s) you contacted them and their response).

☐ **Disputed Transaction**
I did engage in the above transaction, which I am now disputing. I have contacted the merchant, but I have been unable to return the merchandise and/or I have been unsuccessful in reaching an acceptable resolution with them. (On your business letterhead, please describe your attempt to resolve this matter with the merchant, the date(s) you contacted them and their response).

☐ **Defective or Wrong Merchandise**
I returned the merchandise on (date) _______ because it was:(please choose one):
__defective __wrong size __wrong color __wrong quantity

☐ **Recurring Charges After Cancellation**
On _____ (date), I notified the above merchant to cancel our monthly/yearly agreement. Since then, my account has been charged ______ time(s). (Please enclose a copy of the merchant's response to confirmation of your confirmation of your cancellation).

☐ **Items Charged Already Paid by Other Means**
I already paid for the goods and/or services represented by the above charge by means other than my card. (We must have a copy of the front and back of the canceled check, money order, cash receipt, credit card statement, or other documentation as proof of purchase/payment. On your business letterhead, please describe your attempt to resolve this matter with the merchant, the date(s) you contacted them and their response).

☐ **Credit Appears as a Charge**
The enclosed Credit Voucher appeared as a charge on my card account.

☐ **Credit From Merchant Not Received**
issued to me by the merchant shown above.

☐ **Hotel Reservation Canceled**
I did make a reservation with the above hotel which I then canceled on ______ (date) at ______ (time). At that time, I asked for a cancellation number which is _________. (Please check one if applies):
__I was not given a cancellation number
__I was not told at the time that I made the reservation that my account would be charged for a "No Show"

☐ **Double or Multiple Charges**
My account has been doubled charged. The first charge appeared on my ______ (date) billing.

Cardholder's Name (Printed) | Cardholder's Signature | Date | Phone Number