MEETING DATE 11/7/05

AGENDA ITEM Consideration of Adoption of a Resolution Amending Council Policy Number 4209, 'Executive/Purchasing Cards," Rescinding Council Policy Number 4205, "Use of Credit Cards, and Rescinding Resolution No 2002-R028

ATTACHMENTS

ATTACHMENT 1

CITY OF CULVER CITY
COUNCIL POLICY STATEMENT

Policy Number **4205**

General Subject	Personnel	Date Issued	1/23/95
Specific Subject	Use of Credit Cards	Effective Date	1/24/95
		Resolution No	**95-R005**

PURPOSE

To establish policy regarding the issuance of credit cards to selected City staff, and to establish policy regarding the authorized uses of credit cards

STATEMENT OF POLICY

The City may issue credit cards to certain employees to facilitate purchases relating to City business travel, lodging, meals, and miscellaneous expenditures in lieu of petty cash However, this policy shall not authorize purchases in violation of Culver City Municipal Code Section 2-53, et seq (hereafter, "the Purchasing Ordinance")

All credit card expenditures are the personal responsibility of the employee to whom the card was issued, until such expenses or purchases have been approved and accepted by the City Clerk for payment with City funds, as detailed below

The employee to whom the card has been issued may authorize use of the card for expenses incurred by subordinates, but he/she retains personal responsibility and accountability for such expenses

PROCEDURES

The Chief Administrative Officer is authorized to establish a list, to be reviewed and updated annually, of employees who may be authorized to receive credit cards The City Treasurer will issue credit cards to those authorized employees who request issuance in writing Acceptance of the credit card will be considered acceptance of the responsibility and accountability for its use and payment of charges thereon

Authorized purchases may include

1 Travel Registration, lodging, transportation, meals and related expenses pursuant to Council Policies regarding employee, Council or Commission business travel and pursuant to approved Travel Authorization forms
2 Meals Expenses incurred for meals while attending meetings on authorized City business or for the necessary entertainment of City business

guests (e g , lunches for examination raters from other agencies) Refer to Council Policy regarding authorized meal expenditures

3 Miscellaneous purchases in lieu of petty cash Generally, supply items and equipment which do not exceed $25 00 in total value However, with specific approval of the Chief Administrative Officer, this may include emergency purchases, or purchases of items otherwise planned and included in the City budget which can be acquired at a significant savings to the City by use of the credit card Appropriate purchasing documentation must be provided following the emergency or expedited purchase to conform to the requirements of the Purchasing Ordinance

Payment procedures for credit card expenses are reconciled according to the nature of the expense For example, use of the Credit card for business travel expenses is partially reconciled when the employee submits the Statement of Expenses form and **copies** of all credit card receipts, along with other supporting documentation, upon return from the authorized travel (See Council policy regarding travel expenses)

When the monthly credit card bill is received it will be forwarded to the authorized user The **original** credit card receipts must be retained and submitted to the City Clerk on a requisition for payment, with a brief report noting the travel purpose previously reconciled through the Statement of Expenses for travel The department should note the appropriate account to which the charges will be assessed

If personal expenses were incurred and paid by City credit card, the employee must repay the City He/she must submit a check to the City when he/she returns from the travel and obtain a receipt from the City Treasurer's office That cash receipt should be submitted to the City Clerk with the payment requisition for the monthly credit card expenses on which the charge appears If the personal expense appears on a credit card receipt for otherwise authorized travel expenses (e g , movie charges on hotel bill), the difference should be noted on the Statement of Expenses form submitted to Personnel as well

When the City credit card is used to pay for meeting or meal expenses on City business or for purchases in lieu of petty cash, the employee must submit the receipt with a brief report identifying the business purpose, date, the persons included in the expense, and/or the item(s) purchased and the reason for the purchase This information should be attached to the monthly credit card statement when submitted to the City Clerk

Upon receipt of the monthly credit card statement, receipts and documentation, the City Clerk will examine all required supporting information If the documentation is incomplete, it will be returned to the employee/cardholder for additional information When complete, the City Accountant will review the statements and determine that the expenses are authorized according to this and other Council policies He/she may approve for payment, contact the employee for more information, or recommend the City Clerk reject the payment for failure to comply with policy The Department Head or responsible person will be notified of a pending decision to reject payment, and may discuss that recommendation with the City Clerk and CAO

If payment is rejected, the responsible employee shall be notified and payment to the City shall be required within ten (10) business days

ATTACHMENT 2

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 <u>Bank</u>

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

2 <u>The Executive/Purchasing Card</u>

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

3 <u>Purchasing Division</u>

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 <u>Cardholder</u>

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 <u>Responsible Official</u>

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

14

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

ATTACHMENT 3

RESOLUTION NO 2005-R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, AMENDING CITY COUNCIL POLICY STATEMENT NO 4209, ENTITLED "EXECUTIVE/PURCHASING (CREDIT) CARDS," RESCINDING COUNCIL POLICY NO 4205, USE OF CREDIT CARDS," AND RESCINDING RESOLUTION 2002-R028

WHEREAS, the City of Culver City is a purchaser of goods and services, and

WHEREAS, it is necessary to establish guidelines and policy for Executive/Purchasing Cards assigned to and utilized by City employees, and

WHEREAS, there is a need to adopt amendments to Council Policy Statement No 4209, entitled, Executive/Purchasing (Credit) Cards, and

WHEREAS, amended Council Policy Number 4209 combines current Council Policy Numbers 4205 and 4209 to form one consistent policy and Council Policy Number 4205 will no longer be necessary

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

1 City Council Policy Statement No 4209, entitled, "Executive/ Purchasing (Credit) Cards," which is attached as Exhibit 'A" to this resolution, is herby adopted as amended

2 City Council Policy No 4205, 'Use of Credit Cards," is hereby rescinded

3 Resolution No 2002-R028 is hereby rescinded

(jam)

4 This Resolution and Council Policy Statement No 4209 shall be effective upon adoption

APPROVED and ADOPTED this _____ day of __________ 2005

____
ALBERT VERA, MAYOR
City of Culver City California

ATTEST

APPROVED AS TO FORM

____
CHRISTOPHER ARMENTA, City Clerk
A05 00434

____
CAROL A SCHWAB, City Attorney

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(jam)

EXHIBIT A

CITY OF CULVER CITY
COUNCIL POLICY STATEMENT

General Subject **Purchasing and Procurement**

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

Policy Number **4209**

Date Issued 3/25/02

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Date Revised / /05

Resolution No 2005-R___

PURPOSE

To establish those guidelines under which City Departments 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 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

STATEMENT OF POLICY

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

DEFINITIONS

1 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, than purchasing cards Executive cards will be eligible for use for food purchases if the employee has obtained prior authorization from the

Department Head or his/her designee The Executive card will have the individual's name, City's account number and expiration date

2 Purchasing Cards

The Purchasing card, a credit card, is issued to selected employees for the purposes of purchasing goods and services The Purchasing card will have a lower single purchase and monthly purchase limit than Executive cards Purchasing cards will be eligible for use for food purchases only if the employee has obtained prior authorization from the Department Head or his/her designee The Purchasing card will have the individual's name, City's account number and expiration date

3 Financial Institution

The financial institution is the Executive/Purchasing card contractor who will issue the cards, supply billing reports, and other billing information as needed

4 Responsible Official

The Chief Administrative Officer, Department Heads, City Clerk and City Treasurer are "Responsible Officials " The Responsible Official will review and approve the list of positions eligible to receive a Purchasing card

5 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 The Approving Official may be the Responsible Official or a manager or supervisor that has been given the authority by the Responsible Official to act as the Approving Official The City Treasurer is responsible for reviewing charges by Department Heads and the CAO

PROCEDURES

1 Purchasing Division

Under the delegation of authority of the City Controller, the Purchasing Division will be responsible for accumulating, reporting and coordinating all reports to the Departments, Accounting Division, City Controller, Chief Administrative Officer and City Council

2 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 may result in termination and possibly criminal prosecution All cardholders will be responsible for their Executive/Purchasing card The cardholder is responsible for immediately notifying the City Treasurer should an Executive/Purchasing card become lost or stolen

3 Executive/Purchasing Card Eligibility and Issuance

Department Heads are responsible for compiling a list of positions within their department that are eligible to receive a Purchasing card The list of eligible positions (Attachment 4) shall be forwarded to the Purchasing Office and City Treasurer for use during the procurement process

If an approved position is reclassified or experiences a title change, it is the responsibility of the department to forward an updated eligibility list to the Purchasing Office

Before an eligible employee is issued an Executive/Purchasing card, they must

a Submit a completed "Request for Executive/Purchasing Card" form (see Attachment 1) to the City Treasurer The City Treasurer will make sure that the requesting position is on the department's "eligibility list' before submitting the request to the financial institution

b Personally sign for their Executive/Purchasing card once the Purchasing Office receives it from the financial institution The Purchasing Division will notify the appropriate Approving Official and Accounts Payable of the issuance of an Executive/Purchasing card to an employee

4 Use of the Executive/Purchasing Card

a The Executive/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 unless in circumstances previously authorized by the Department Head 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

(3) All items purchased during one (1) telecommunications transaction that will not be confirmed by a written order must be delivered in a single delivery

(4) Police Officers assigned to the City's K9 unit are assigned Purchase Cards for purposes of maintenance and care of trained K9 animals Authorized purchases for such officers include food, supplies, veterinary care, and other necessary items

d Telecommunications Order Procedures

(1) "Telecommunications Orders," as used in this policy, means an agreement that is made by any form of telecommunications, including but not limited to telephone, cell phone, or facsimile 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 telecommunications order to be paid using the Executive/Purchasing card cardholder or designee 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 telecommunications 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 Online Purchase Procedures

(1) "Online Purchase," as used in this policy 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 describes what is being ordered

(3) When placing an order online to be paid using the Executive/Purchasing card, cardholder or designee will

(a) If possible, include the following information in the special instructions section of the online 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 online invoice, if provided by the vendor If an online invoice is not available, print out the order confirmation or invoice sent via e-mail by the vendor

(4) Online 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 done over the counter or by telecommunications, 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 telecommunications, 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, merchant's name and reason why there is no supporting documentation

5 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 follows

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

(2) Purchasing Card
Single Purchase Limit- Not to exceed $1,000
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 Executive/Purchasing cards may only be used for food purchases if prior authorization has been obtained from his/her designee

d 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)

6 Other Card Restrictions

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

- Cash advances through financial institution tellers or automated teller machines
- Purchase of personal items
- The purchase of alcoholic beverages
- Fixed or controlled assets (items costing $1,000 or more), except as otherwise approved by the City Treasurer or in an emergency situation If an emergency purchase is necessary, the respective Department Head is responsible for notifying the City Treasurer and Purchasing Officer of any fixed or controlled asset purchases as soon as possible

7 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 financial institution 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 financial institution 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 to resolve 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)

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 2) 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 financial institution Once the financial institution 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 financial institution be followed to protect the cardholder's rights in dispute Dispute policies and procedures by the financial institution will be provided at the time the Executive/Purchasing cards are issued to the cardholders

10 Semiannual Inventory of Executive/Purchasing Cards

On a semiannual basis, the Purchasing Division will provide a list of Executive/Purchasing cards issued to employees along with the list of eligible positions for each Department The Departments will conduct a physical inventory of Executive/Purchasing cards and report the results to the Purchasing Division

11 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 financial institution, the City Treasurer, and the Purchasing Officer of the loss The telephone number of the financial institution will be provided when the Executive/Purchasing card is issued to the cardholder

b In addition to notifying the financial institution immediately, the cardholder must notify their Responsible Official, City Treasurer 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

12 Terminating Employee

a Executive/Purchasing cards are issued to individual employees If an employee leaves the City, their card must be collected and destroyed No final paycheck will be issued until the card is returned 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 financial institution and the Purchasing Officer

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 Responsible Official should notify the Purchasing Officer so that a new card with the appropriate Department name and employee job title may be ordered 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 financial institution and void the card Once the financial institution has confirmed there are no additional charges on the card since the date of termination, the final paycheck can be released 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

Request for Executive/Purchasing Card

DATE __________________

TO Department Head and City Treasurer

FROM __________________

SUBJECT Request for Executive/Purchasing Card

Request the following employee be authorized for an Executive or Purchasing Card
(Circle one)

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 $1,000)
- 30-day Limit (not to exceed $15,000)
- Annual Fee of $20 00 (maximum amount)

*Executive/Purchasing cards may only be used for food purchases if prior authorization has been obtained from his/her responsible official

____
Name of Responsible Official - (please print)

____
City Treasurer – Please Print

____
Signature of Responsible Official

____
Signature of City Treasurer

ATTACHMENT 2

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)

ATTACHMENT 3

CITY OF CULVER CITY

Monthly Log of Executive/Purchasing Card Telecommunications Orders

MONTH and YEAR ____________________

CARDHOLDER INFORMATION

Full Name (PRINT) ____

Title ____

Phone Extension ____

Card Number ____

No	Purchase Date	Itemized List of Purchase(s)	Cost for Goods or Services (plus tax)	Shipping Costs (plus tax)	Total Cost (plus tax)
1					
2					
3					
4					
		Total Monthly Costs			

Attach any shipping documents associated with the orders listed above

Submit form to Approving Official and attach Executive/Purchasing card monthly statement

ATTACHMENT 4

Executive/Purchase Card Eligibility List by Department

Administration

CAO
CAO (Executive Card)
ACAO (Executive Card)
Intergovernmental Relations Officer
Executive Secretary

Budget & Finance
City Controller (Executive Card)

Purchasing
Purchasing Officer
Buyer
Warehouse Supervisor
Warehouse Worker
Warehouse Worker

Personnel
Personnel Director (Executive Card)
Deputy Personnel Director
Personnel Services Analyst

Risk Management
Safety Officer

City Attorney
City Attorney (Executive Card)
Outreach Coordinator

City Clerk
Deputy City Clerk

City Treasurer
City Treasurer (Executive Card)
Deputy City Treasurer
Administrative Secretary

Community Development

Admin
Community Development Director (Executive Card)
Associate Analyst

Planning
Senior Planner
Associate Planner

Building & Safety
Building Official

Cultural Affairs
Events Supervisor
Public Art Coordinator

RDA
Redevelopment Administrator
Redevelopment Manager (2)

Information Technology
IT Director (Executive Card)
System Development Manager
Telecommunications Analyst
Technical Services Manager
Information Technology Analyst
Microcomputer Analyst (3)
GIS Coordinator
Web Master

Graphics
Graphic Services Coordinator

Transportation
Transportation Director (Executive Card)
Deputy Transportation Director
Senior Management Analyst
Transit Operations Manager
Transportation Admin Secretary

Equipment Maintenance
Equipment Maintenance Manager
Maintenance Supervisors (4)
Management Analyst – Maintenance
Facility Engineer

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Public Works Public Works Director (Executive Card) Senior Management Analyst Associate Analyst **Engineering** Engineering Services Manager **Maintenance Operations** Maintenance Operations Manager Senior Management Analyst **Building/Electrical Maintenance** Pool Maintenance Technician Maintenance Plumber Facilities Lead Worker Maintenance Carpenter Building Engineer (2) Facilities Maintenance Worker (3) Maintenance Painter (2) Parking Meter Technician Traffic Signal Technician (2) HVAC Maintenance Worker Maintenance Electrician Street Light Technician **Street, Tree & Sewer Maintenance** Street & Tree Maintenance Supervisor Heavy Equipment Operator (3) Street Maintenance Crewleader (2) Traffic Painting Crewleader Subdrain Crewleader Subdrain Worker Pest Control Technician Street Tree Maintenance Worker Sewage Lift Station Worker **Sanitation** Sanitation Manager Environmental Coordinator Staff Assistant Sr Sanitation Supervisor Crew Supervisor (2) Heavy Truck Driver (5)	**Fire Department** Fire Chief (Executive Card) Assistant Fire Chief EMS Coordinator Fire Marshal Battalion Chiefs (3) Training Officer Communications Supervisor Associate Analyst **Police Department** Police Chief (Executive Card) Assistant Police Chief Police Captain (2) Training Lieutenant Scientific Services Lieutenant Juvenile Lieutenant LA IMPACT Officers K9 Officers **Parks, Recreation & Community Service** PRCS Director (Executive Card) Senior Management Analyst **Parks, Environmental Management** Parks Manager Park Maintenance Supervisor Park Maintenance Crewleader (4) Facilities Maintenance Supervisor Irrigation Maintenance Tech Secretary **Recreation** VMC Manager Recreation Manager Recreation Coordinator (2) Recreation Supervisor (2) **Senior Center** Sr & Social Services Manager RSVP Director Senior Center Supervisor (2) Senior Nutrition Specialist Senior Center Specialist Disability Services Specialist

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 unless in circumstances previously authorized by the Department Head and City Treasurer 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 cards is $5 000 per single purchase and $20,000 within 30 days and for Purchasing cards is $1,000 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

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 financial institution will not request any personal information from cardholders, nor should any personal information be furnished to the financial institution

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 wıll be notıfied by the Purchasıng Dıvısıon when your Executıve/Purchasıng card ıs receıved You wıll be requıred to sıgn for the Executıve/Purchasıng card

b Actıvate the card by removıng CCRV (Credıt Card Receıpt Verıficatıon) Instructıons are on the back of the card

c You may use your Executıve/Purchasıng card at any merchant whıch accepts credıt cards for payment of purchases You may find that some of the supplıers, especıally wholesalers, do not currently accept credıt cards

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

e The merchant wıll complete a sales draft, whıch ıncludes the followıng ınformatıon

  (1) Imprınt of your card, ıncludıng card number expıratıon date, and your name

  (2) Date and amount of purchase

  (3) Brıef descrıptıon of ıtem(s) purchased

  (4) Imprınt of merchant name and ıdentıficatıon

f As the sales draft ıs beıng completed, the merchant wıll obtaın authorızatıon for the transactıon vıa eıther a telephone call or dırect telecommunıcatıon lınk to the credıt card authorızatıon network The merchant wıll obtaın an authorızatıon number (as long as the purchase ıs wıthın the lımıts establıshed for your card)

g The merchant wıll request that you sıgn the draft Before you do, verıfy that the dollar amount ıs correct and that sales tax has been ıncluded

h You wıll be provıded one copy of the sıgned sales draft Thıs copy should be kept and verıfied agaınst your monthly Statement of Account, and attached to your certıfied Statement of Account when forwarded to your Approvıng Offıcıal

ı The remaınıng copıes of the sales draft are used by the merchant, one copy to retaın for records, and one copy to deposıt wıth theır financıal ınstıtutıon to receıve payment for the purchase amount

5 TELECOMMUNICATIONS ORDERING INSTRUCTION

a If you are making a telecommunications order with your purchasing card, you must log all orders on the Record of Telecommunications Executive/Purchasing Card Orders Form (Attachment 3)

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

c Telecommunications back ordering is not allowed

6 CARD RESTRICTIONS

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

- Cash advances through financial institution tellers or teller machines,
- Purchase of personal items,
- Purchase of alcoholic beverages,
- Fixed or controlled assets (items costing $1,000 or more) Executive cards are permitted to purchase fixed or controlled assets For such items, Departments must have the item delivered to the City's warehouse for proper tagging and identification as a fixed or controlled asset

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 Department Head and CAO Executive card statements are to be submitted to the City Controller 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" (Attachment 2) 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 financial institution 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 (Attachment 2) 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 LOST OR STOLEN CARDS

Immediately notify your Approving Official, City Treasurer, Purchasing Officer, and the financial institution If appropriate, the Police Department should be notified depending on the situation, i e , robbery, burglary, etc The following telecommunications 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, date the financial institution 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

<u>It is important that you notify the financial institution, your Approving Official, the City Treasurer, and the Purchasing Division of the loss or theft of a card immediately</u>

9 <u>CHANGES TO CARDHOLDER INFORMATION</u>

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