

 City of Santa Ana Administrative Policies and Procedures	City Manager's Authorization	
CITY CREDIT CARD POLICY	Date	Number
	<u>Revised Sept 2021</u>	

1. Objective

To establish regulations for the administration of a credit card program for authorized users.

2. Purpose

The purpose of the credit card program is to provide an efficient, cost-effective alternative for the purchase and payment of non-repetitive expenditures related to travel, training, and goods. Transactions for goods will have a limit of \$500 per transaction; however, travel and training will not have any limits per transaction. The program is a credit card based system and will enhance the procurement process by reducing the volume of paperwork needed for handling miscellaneous transactions.

3. Definitions

Cardholder: Executive directors and employees identified by an executive director to whom a credit card is provided.

No name cards: Departmental credit cards that do not have a specific employee name on the face of the card.

Supporting documentation: Receipts to support the transaction charged on the City credit card (e.g., invoices, parking garage tickets, meal receipts, etc.).

Goods: This category includes all tangibles unrelated to travel and training, memberships, and subscriptions.

Authorized Approver: City staff that have been given express authorization to sign for expenditures under each Agency's signature authorization sheet.

4. Scope and Applicability

The City's credit card program is open to Executive Directors, employees identified by an executive director, and departments wishing to have a "no name" card. Buyers within the purchasing division may be issued a City credit card. Please see the Purchasing Policy for further details on the allowable uses and restrictions on buyer credit cards. Temporary employees are not eligible to obtain a City credit card nor should they be allowed to charge transactions on a cardholder's card. The only exception would be part-time or temporary Buyers whose job functions require the use of a credit card.

The Finance and Management Services Agency (FMSA) will administer the program, including coordinating with the City's financial institution providing the credit card service, issuing City credit cards, maintaining cardholder agreements, monitoring transactions through periodic internal reviews and processing the payments.

5. Implementation

5.1 To participate in the City's credit card program, the departmental executive director must complete and submit the Credit Card Request form (Exhibit 1) to FMSA for approval. The FMSA Executive Director must approve the form for any executive director wishing to obtain a card or a departmental "no name" card.

5.2 For cards issued to individuals, banking institutions require that personal information such as a home address and date of birth be provided. Individuals will not be eligible to receive a credit card if that information is not provided.

5.3 Before receiving a credit card, the cardholder must review and sign a Cardholder Agreement (Exhibit 2).

5.4 Only the credit cardholder whose name appears on the face of the card is authorized to use the card. Usage by another individual is strictly prohibited. No name cards held by departments can be used by employees only if authorized by the corresponding departmental executive director. Executive directors are responsible for providing FMSA with a list of authorized credit card users for no name cards held by the departments (Exhibit 3).

5.5 Monthly dollar limits are established and will be communicated to each employee in the cardholder agreement. Limits may vary by Department. If an increase in the monthly limit is necessary, a request shall be submitted to the FMSA executive director for approval.

5.6 Upon execution of the Cardholder Agreement, the cardholder is acknowledging receipt of the card and acceptance of responsibility for abiding by the terms and conditions of the agreement and this policy.

6. Allowable Transactions

6.1 The credit card is meant to supplement and not supplant the City's purchasing process. Using the credit card to circumvent the City's purchasing process, including requirements for bids or contracts, is strictly prohibited.

6.2 Allowable purchases shall include expenditures for travel, training, memberships, and goods. Only purchases for goods shall be limited to \$500.00 per transaction. See section 7.1 for list of unauthorized purchases. The FMSA executive director may approve expenditures outside of the aforementioned categories.

6.3 Should a cardholder need to purchase anything over the \$500.00 limit for goods, a requisition through the normal purchasing process shall be submitted unless prior written City Manager approval is obtained.

6.4 Charges for City-wide employee (open to all employees) appreciation events that go over the \$500.00 limit may be charged on the card with prior written approval from the City Manager. Along with supporting documentation, written approval must also be uploaded onto Smart Data (see description in section 8.1). Department specific employee appreciation events are not allowed to be charged on the card (i.e. retirement gifts, employee recognition events, birthday celebrations, etc.).

6.5 The following shall apply to all meal purchases:

- a) Only the City Manager's Office, Clerk of the Council, and Human Resources agencies are allowed to charge business meals on their credit cards. Meals must be in accordance with the City's Travel and Expense Reimbursement Policy. Cardholders must include the name of attendees, the purpose of the meeting/meal, and an itemized receipt as part of their documentation.
- b) All other agencies must purchase meals through current PO25 blanket purchase order contracts with outside food vendors or enter a requisition.

7. Unauthorized Purchases / Prohibited Transactions

7.1 The following may not be procured with the credit card:

- a) Purchase of goods that exceeds \$500.00.
- b) Items available through a purchasing contract or blanket purchase order contract or at the City's warehouse located at the City Yard (e.g. office supplies, equipment, furniture, etc.).
- c) Cash advances.
- d) Services.
- e) Personal expenses even if the intent is to reimburse the City at a later date (see sections 7.2 and 9.2).
- f) Alcoholic beverages.
- g) Split purchases to circumvent dollar limits.
- h) Any purchases deemed unallowable in the Purchasing and/or Travel and Expense Reimbursement Policy.

Cards may be audited or revoked at any time at the discretion of the FMSA executive director, Human Resources executive director, or City manager.

7.2 Personal expenses charged to the City credit card, whether intentional or accidental, will require a written memo signed by the employee and executive director of their respective agency. The signed memo must be uploaded to Smart Data as documentation for the charge.

- a) Cardholders must reimburse the City by making a payment to a Treasury cashier. The same GL account used to post the unauthorized transaction on Smart Data must be provided to the cashier.

8. Cardholder Responsibilities

8.1 The JP Morgan Chase Smart Data is an online tool that is available for the convenience of the cardholders and Accounts Payable staff. Cardholders are able to upload supporting documentation via the Smart Data web portal and add the account number to be charged for the transaction. Cardholders will receive a user guide at the time they receive their card.

8.2 Each cardholder is responsible for maintaining supporting documentation related to purchases made. Receipts are required for all purchases.

8.3 Cardholders must reconcile and submit documentation for processing to Accounts Payable or through the JP Morgan Chase Smart Data online tool on the 5th day of every month. Documentation must include a copy of an itemized receipt with total amount shown. Cardholders

must also submit a copy of their monthly statements signed by an authorized approver. Non-compliance may result in suspension or revocation of the City credit card at the discretion of the FMSA executive director.

8.4 Cardholders must ensure that there is sufficient budget in the accounts to be charged.

8.5 In certain cases where the documentation is vague, cardholders must also include in the description field within Smart Data the type of transaction, who it is for, and its purpose.

8.6 Violation of the City's policies related to credit card purchases may lead to suspension or revocation of the card and disciplinary action(s), up to and including termination of employment. Executive directors that wish to suspend a card must fill out a Credit Card Suspension Request form (Exhibit 4).

8.7 Cardholders must surrender credit cards to the program administrator upon extended leave (30 days or more), resignation, or termination.

8.8 All purchases must be in conformance with City policies and procedures established to manage purchases of goods and services for the efficient operations of the City, including the City's Travel & Expense Reimbursement Policy and the Purchasing Policy. Cardholder may be held responsible for purchases not in conformance with City policies.

9. Card Security

9.1 It is the cardholder's responsibility to safeguard the credit card to the same degree that the cardholder safeguards his/her personal credit card. The cardholder will not allow anyone to use his/ her credit card. A violation of this trust will result in that cardholder having their card revoked and disciplinary action taken up to and including termination.

9.2 Under no circumstance should the cardholder save the City credit card under any of the following:

- a) Personal devices.
- b) Mobile/desktop applications or websites used for personal reasons by employees (e.g., food delivery services, Amazon, Apple store, Google Play, etc.).
- c) Any other platform that an employee may use for both personal and business purposes.

10. Disputed Items

10.1 It is the responsibility of each cardholder to follow-up on any erroneous charges, returns or adjustments to ensure proper credit is given on subsequent statements.

11. Lost or Stolen Credit Cards

11.1 If the card is lost or stolen, the cardholder must immediately notify their departmental and the credit card program administrator. The card will be deactivated and a replacement will be issued. If a cardholder has an unusual amount of card replacements in any given period, the credit card may be suspended or revoked due to lack of accountability.

Exhibit 1



CITY OF SANTA ANA
FINANCE & MANAGEMENT SERVICES AGENCY
20 CIVIC CENTER PLAZA M-17
P.O. BOX 1988 • SANTA ANA, CALIFORNIA 92702

Credit Card Request Form

Requestor, please fill in the information and sign below.

☐ Individual Credit Card

Employee Name _____

Employee Home Address _____

Employee Date of Birth _____

Title _____

Department _____

☐ Department Credit Card

Requesting Department: _____

Please fill out and attach Authorized Card User Listing form

Requested Monthly Card Limit _____

Reasons for Credit Card Request: _____

I hereby request that the above employee obtain a Credit Card for the reasons explained.

Requesting Executive Director's Signature _____ Date _____

Executive Director, FMSA, Authorization* _____ Date _____

Comments: _____

*If the Executive Director of the FMSA is making the request, the City Manager should authorize.

Exhibit 2



CITY OF SANTA ANA
FINANCE & MANAGEMENT SERVICES AGENCY
20 CIVIC CENTER PLAZA M-17
P.O. BOX 1988 • SANTA ANA, CALIFORNIA 92702

Cardholder Agreement

The City credit card is to be used only to make purchases at the request of and for the legitimate business benefit of the City. Purchases shall be in conformance with the City's policies, including the Purchasing and Travel & Expense policies. Under no circumstance should the card be used to circumvent the City's purchasing process.

Cardholders are responsible for reviewing and adhering to the City's Credit Card policy. Violation of the City's policies related to credit card purchases may lead to suspension or revocation of the card and disciplinary action(s), up to and including termination of employment. Cardholder may be held responsible for purchases not in conformance with City policies.

Employee Name _____
Title _____
Department _____
Authorized Monthly Card Limit _____

By signing below, the employee hereby acknowledges they have read and understood the Credit Card Policy and agree to adhere to all City policies while using the City credit card.

Employee Signature

Date

Processed by:

Credit Card Administrator

Date

Exhibit 3



CITY OF SANTA ANA
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Authorized Card User Listing (No Name Cards Only)

Please fill in the information and sign below.

Department _____

Authorized User(s) of No Name Card:

<u>Name</u>	<u>Extension</u>	<u>Name</u>	<u>Extension</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Departmental Executive Director Signature

Exhibit 4



CITY OF SANTA ANA
FINANCE & MANAGEMENT SERVICES AGENCY
20 CIVIC CENTER PLAZA M-17
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Credit Card Suspension Form

Requestor, please fill in the information and sign below.

Cardholder Name _____

Title _____

Department _____

Credit Card Type (Check One): ☐ MasterCard ☐ Visa ☐ Discover ☐ American Express

Credit Card Number: _____ - _____ - _____ - _____

Expiration Date: ____/____

Reason for Credit Card Suspension: _____

Requestor's Signature _____ Date _____

Requestor's Name _____

Title _____

Phone Extension _____

City Manager Authorization _____ Date _____

Comments: _____

