

SUBJECT: Credit Card Policy
Procedure

DATE ISSUED March 4, 2015; REVISED: August 21, 2018

SECTION: C

SECTION 1: PURPOSE

The City of Tracy uses a variety of methods for the purchase of goods and services, including petty cash, purchase orders, blanket purchase orders, and direct pay (payment requests), along with credit cards, which are overseen by the Finance Department. Processing purchase orders is not cost effective for low dollar value goods. Occasionally suppliers do not accept a purchase order which makes the use of a credit card more efficient. In addition, credit card allows Cardholders to take advantage of short-term sale discounts and to make purchases and/or reservations by phone and the internet. The purpose of this policy is to identify which employees would be eligible to be Cardholders to make these types of purchases for the City, as well as the proper use and documentation required when the U.S. Bank CalCard Purchasing Card and gas cards are used for City business.

SECTION 2: OVERVIEW

A City of Tracy credit card will only be issued to specifically identified employees who, because of their job duties, have been approved to be Cardholders by their Department Heads. Only those employees who make specific purchases allowable under this policy for their Department will be issued credit cards. The City credit card program allows oversight of such purchases by Department Heads. There are built-in controls for specific categories of purchases, monthly dollar limits per credit card, as well as a stringent process for the verification of credit card charges. Verification of all purchases is required by each Cardholder, with signature approval performed by the Cardholder's Supervisor and/or Department Head. All credit card purchases are reviewed monthly by the applicable Department Head as well as the Finance Department.

This Policy provides instruction on the proper use of the City of Tracy credit cards for purchases of supplies, materials and equipment and identifies the not to exceed limits established by the Finance Director and each Department Head.

SECTION 3: PROCEDURE

A. AUTHORIZED CARDS

1. CALCARD

U.S. Bank Corporate Payment Service is the credit card contractor that issues the City's Visa CalCards¹. This card has been specifically designed to look different from personal credit cards and bears the City of Tracy name and the Cardholder's name. The bank will have no individual Cardholder information other than the Cardholder's work address. No credit records, social security numbers, etc., are maintained by U.S. Bank. Use of a CalCard or gas card will not have any impact on the Cardholder's personal credit. CalCards can only be used by the individual to whom it has been issued. All Cardholders will receive their CalCard from the City of Tracy Finance Department's credit card coordinator.

2. GAS CARDS

Gas cards will be issued to authorized Public Works and Police Department staff by the Finance Department's credit card coordinator. Depending on the vendor, these cards may be issued in the

¹ In the event the City contracts with a different vendor, these same procedures will apply to the new credit card contractor and its purchase card.

City’s name or in the specific name of an employee. Use by anyone other than the authorized Cardholder is prohibited.

B. CARD ELIGIBILITY

Under the guidance of the Finance Director or authorized designee, Department Heads are responsible for identifying which regular employees should be issued a CalCard, gas card, or gas cards. The number of employees identified to receive cards should be minimized and should be strictly limited to those who are required as part of their job duties to make purchases for their Department pursuant to this policy. Limited service temporary employees cannot be assigned a CalCard, but may be authorized to use a gas card by their Supervisors and Department Head if necessitated by their job duties. Designated Cardholders must be employees authorized and required by their Department Heads and Supervisors to:

1. Make purchases for work units.
2. Keep accurate itemized receipts and transaction records for all purchases.
3. Submit transaction records to Accounts Payable in a timely manner.

C. OBTAINING A CREDIT CARD FOR IDENTIFIED ELIGIBLE EMPLOYEE

1. Department Heads, or their authorized designees, shall obtain a *Credit Card Holder Account Form* (Appendix A) from the City of Tracy Intranet (go to: Documents/Finance/Credit Card Holder Account Form).
2. Department Heads or their authorized designees shall complete and the Department Heads shall sign the form if supportive of the issuance.
3. The completed *Credit Card Holder Account Form* shall be forwarded to the Finance Department’s credit card coordinator for processing and bank notification, including obtaining approval from the Finance Director or authorized designee.
4. Once the credit card coordinator receives the new card from the bank (usually within three to four business days) the new Cardholder will be contacted and scheduled for training.
5. Upon completion of training the prospective Cardholder will be asked to sign a *Credit Card User Agreement* (Appendix B) acknowledging receipt of the credit card and that they have read and fully understand the Credit Card Policy.
6. The card will be issued if all required signatures are obtained and requirements met.

D. CARD ACTIVATION

Credit cards require activation. When the card is received, a sticker on the card prompts the Cardholder to call for credit card activation. Once the mandatory credit card training has been done with the cardholder, the Finance Department’s credit card coordinator will provide the cardholder the instructions for card activation specific for the organization. Once activated, the credit card is ready for use. Activation is required only once for each credit card received.

E. DOLLAR AMOUNT MONTHLY LIMITS²

Unless otherwise authorized in writing by the Finance Director or authorized designee, the cardholder’s monthly credit card usage will be dictated by the following limits:

	Per Month Maximum	Single Transaction
Department Heads ²	\$10,000	\$3,000
Non-Department Heads ²	\$ 5,000	\$3,000
Executive Assistant to City Manager ²	\$25,000	\$3,000
Police Support Services Technician ²	\$25,000	\$3,000

² Unless otherwise authorized in writing by the Finance Director; or if the limit is less per the card issuer.

F. ACCEPTABLE PURCHASES AND USES

The credit card may only be used to purchase items or services that are for the City of Tracy's use. It may be used for NON-CONTRACTED items, which do not exceed the total dollar limit per month, and/or the single purchase amount of \$3,000. Gas cards may be used to purchase fuel for City of Tracy vehicle use only.

1. Credit Card - Acceptable purchase items include, but are not limited to³:
 - a. Books and subscriptions
 - b. Supplies and products
 - c. Repairs and repair parts
 - d. Printing
 - e. Services (e.g., coffee, pastries, cookies etc., for workshops)
 - f. Training Seminars⁴
 - g. Travel related expenses⁵ (e.g. airfare, rental cars, shuttle service, meals, lodging)
 - h. Business meals
 - i. Professional dues (professional and membership)
 - j. Expenses for City programs and/or events (e.g., Family Movie Night on the Plaza)
2. Gas Card – Acceptable uses include:
 - a. Purchasing premium grade fuel (92 octane or higher) for Tracy Police Department motorcycles and Waste Water Treatment Plant boats when such fuel is not available at the City of Tracy fueling facility (i.e., Boyd Service Center)
 - b. Fueling City of Tracy vehicles while outside the City of Tracy when attending training, conferences, investigations, or on other authorized City business purposes
 - c. Fueling City of Tracy vehicles and equipment if the Public Works Director verifies the City's fueling facility is not operational and only until such time that the City's fueling facility is once again operational.

G. UNACCEPTABLE PURCHASES AND USES

1. Unacceptable credit card purchases include, but are not limited to:
 - a. Personal items
 - b. Contract items
 - c. Items that can be purchased with a purchase order
 - d. Goods, supplies and /or services that exceed the applicable Department's budget
 - e. Alcohol
 - f. Gift cards and gift certificates unless otherwise authorized by the City Manager and Finance Director
 - g. Entertainment
 - h. Products and services where a potential liability may exist and an indemnification agreement, insurance and/or bonds are required
2. In addition, use of the credit card is prohibited for:
 - a. Cash advances
 - b. Money orders
 - c. Travelers checks
 - d. Cashier's checks
 - e. Purchases split in order to remain under the single transaction dollar limit
3. Unacceptable gas card purchases include, but are not limited to:
 - a. Personal vehicle (non-City issued) fuel or other purchases
 - b. Fuel when appropriate vehicle fuel is available at the City of Tracy's fueling facility and the City issued vehicle is within city limits.
4. Use of the credit card and gas card for personal purchases is strictly prohibited and may result in the revocation of credit card privileges and disciplinary action, up to termination. If the credit

³ If purchase category is not listed, please confirm with Department Head and Finance Director credit card coordinator that the proposed purchase is permitted.

⁴ The travel/training request must be approved by the Department Head prior to use of the credit card for these expenses.

⁵ Ibid (i.e., same as previous footnote)

card is inadvertently used for a personal purchase, Cardholder shall immediately contact Cardholder's Supervisor, Department Head, and the Finance Department's credit card coordinator. If the Cardholder is a Department Head, he or she shall submit a memorandum explaining the occurrence to the City Manager. If the Cardholder is the City Manager, he or she shall submit a memorandum explaining the occurrence to the Finance Director.

H. CARDHOLDER RESPONSIBILITIES

Cardholders have the following responsibilities:

1. Attend the mandatory credit card training provided by the Finance Department's credit card coordinator (cards will not be issued to anyone who has not completed training).
2. Upon completion of required training, sign the *Credit Card User Agreement* (Appendix B), provided by the Finance Department's credit card coordinator, to acknowledge receipt and understanding of the Agreement; sign the back of the credit card in the signature panel if required, or write "see ID" on back of card.
3. Activate card based on instructions provided by Finance Department's credit card coordinator. Keep a record of the card issuer's 24-hour telephone number listed on the back of the card in case your card is lost or stolen.
4. Maintain card security to prevent unauthorized charges against the credit card account and keep card in a secured location when not in use.
5. Obtain an itemized receipt at the point of purchase and verify it for accuracy. A receipt may be signed by a person other than the Cardholder if it is being used as a delivery receipt for a phone or Internet order. In this case, the receipt should be signed "Received By" followed by the employee's name accepting the delivery.
6. Reconcile receipts and documentation to the monthly Cardholder Statement using the City of Tracy *Voucher Request/Credit Card Transmittal Form* (Appendix C).
7. Process documentation of purchases to the Finance Department's Accounts Payable Division per Section 3. §§ U. PAYMENT OF CHARGES and V. PURCHASES WITHOUT RECEIPTS.
 - a. Each Cardholder is responsible for keeping his/her own documentation and processing the Statements for payment.
 - b. In the absence of the Cardholder, the Supervisor is responsible for processing payment.
 - c. Each Cardholder is responsible for informing the Supervisor of the location where their receipts and documentation are kept.
8. Notify US Bank, or the gas card issuer, the Finance Department's credit card coordinator, and your supervisor immediately if your card becomes lost or stolen.
9. Notify US Bank, or the gas card issuer, and the Finance Department of any billing discrepancies posted on the Cardholder Statement that cannot be resolved with the merchant.
10. CalCards and other authorized credit cards are strictly for City business and cannot be used for personal use under any circumstances. Credit cards issued by the City may only be used by authorized City employees (i.e., by those whom have authorization from employee's Department Head and the Finance Director). CalCards can only be used by the individual to whom it has been issued.
11. Comply with all City of Tracy Purchasing Policy and Procedures for the purchase of commodities.

Violations in any of the above areas are grounds for revocation of all card privileges and appropriate discipline, up to and including termination.

I. DEPARTMENT HEAD AND SUPERVISOR RESPONSIBILITIES

1. Complete the *Credit Card Cardholder Account Form* (Appendix A) for employee whom credit card is to be issued if requesting a new credit card account and/or canceling, or changing an existing account. This form requires the signature of the Supervisor, Department Head, and the Finance Director.
2. Confirm that employees read and understand the City's Credit Card policy and procedure manual.
3. Ensure that cards are kept in a safe and secured location when not in use.

4. Ensure that a list of employees authorized to use cards is updated and provided to the Finance Department's credit card coordinator by December of each year.
5. Ensure that a record of all gas card activities are kept by the Department and include the name of the card user, type of card used, and date and time card was checked out and returned. The record log must be maintained daily and is subject to audit by the Finance Department at any time.
6. Review the monthly Cardholder's Statement and City of Tracy *Voucher Request/Credit Card Transmittal Form* (Appendix C), submitted by the Cardholder with receipts, prior to the end of the payment cycle. Review procedures include the following:
 - a. Ensure that all purchases are an appropriate use of City funds.
 - b. Ensure that the credit card is not used to make personal purchases.
 - c. Confirm itemized receipts and written explanations (where receipts are not available), are copied and attached to the Cardholder's Statement for each item listed on the Statement.
 - d. Sign any written explanations of "Lost Receipts."
 - e. Ensure purchases over the dollar amount control limits (see Section 3. § E. "DOLLAR AMOUNT MONTHLY LIMITS") have received written pre-approval from the Department Head (if cardholder is a Department Head, written preapproval must be received by one's Supervisor; or for City Manager and City Attorney, by Assistant City Manager) and Finance Director; and that the *Credit Card Cardholder Account Form* has been updated and approved prior to the purchase (Appendix A).
 - f. Ensure Cardholder Statements are received in a timely manner to meet payment processing deadlines (see Section 3 § U. "PAYMENT OF CHARGES").
 - g. Ensure that the credit card is used and receipts are signed only by the authorized Cardholder. A receipt may be signed by other than the Cardholder if it is being used as a delivery receipt for a phone or Internet order. In this case, the receipt should be signed "Received By" followed by the employee's name accepting the delivery.
 - i. Ensure that employees who may be in a position to receive delivery receipts for a phone or Internet order are familiar with this procedure.
 - h. Contact the Cardholder to address and correct any variation with the monthly Statement and receipts.
 - i. Sign the Cardholder Statement (Department Head/Supervisor).
 - j. The Department Head shall sign and approve the City's transmittal form in verification of, and only after all the above actions have been taken. This action certifies that the credit card purchases and required forms are in compliance with City's Credit Card Policy.
 - k. Once approved, ensure that the Cardholder Statement and transmittal forms are forwarded to the Finance Department's credit card coordinator. The Cardholder's Statement, transmittal form, and attachments must be received by the Finance Department **by the 10th day of the month.**
 - l. In the absence of the Cardholder, the Supervisor is responsible for processing payment. The Supervisor shall process his/her monthly Cardholder Statement and *Transmittal Form* (Appendix C), including the attachment of all receipts, and forward to the Finance Department's credit card coordinator. Indicate on the transmittal form that the Cardholder was not available for signature and provide a signed copy when the employee returns.
 - i. Each Cardholder is responsible for informing the Supervisor of the location where their receipts and documentation are kept.
7. If a Notification of Exception Memo (Appendix D) is sent by the Finance Department, take action with the Cardholder to correct the exceptions identified on the monthly Cardholder's Statement.
8. The Supervisor will refer any irregularities to the Finance Department's credit card coordinator in writing.
9. Credit card charges made by the City Manager and City Attorney will be reviewed by the Assistant City Manager and will be subject to the approval of the Finance Director.
10. Contact the credit card coordinator immediately, and copy the Finance Department Budget Officer and Finance Director if a noted violation requires revocation of the card.

J. FINANCE DIVISION RESPONSIBILITIES

1. The Finance Department will administer the credit card program and be responsible for accumulating, reporting, coordinating, and evaluating all aspects of the program, including maintaining a list of all employees that have been authorized for use of cards and issuance of cards.
2. The Finance Department's credit card coordinator will
 - a. Develop and administer a Credit Card Training Program.
 - b. Verify that all proper documentation is attached to the monthly credit card Statement and review all charges for appropriateness, prohibited items, and correct budget codes.
 - c. Verify that the Cardholder's Statement is signed and dated by the appropriate personnel.
 - d. Process requests for new cards and ensure appropriate department approval and signatures are obtained.
 - e. Process requests to increase or decrease limits to an existing Cardholder's Account.
 - f. Verify that all purchases comply with the City's Credit Card Program and with the City's Purchasing Policy and Procedures.
 - g. Report improper use of a credit card, which may result in the revocation of card privileges and/or disciplinary action, up to and including termination.
3. The Accounts Payable Unit will be responsible for issuing final payment upon correct and complete submission of the Cardholder's Statement by Cardholders (see Section 3 § U).

K. FRAUD/MISUSE

U.S. Bank (CalCard) Fraud Prevention Unit continually monitors accounts and transactions to prevent and halt fraud activity. If fraud is suspected, the U.S. Bank Fraud Prevention Unit may contact Cardholders by telephone to inform them about the use (or attempted use) of their card in a fraudulent manner. Cardholders can help to prevent fraud by carefully reviewing the Cardholder's Statement. If the Cardholder discovers a fraudulent transaction, the Cardholder should immediately report suspected fraud to the Finance Department's credit card coordinator and the U.S. Bank.

L. AUDITS

All cards are subject to audits on card activity, including retention of receipts/sales slips, improper/fraudulent use, and inappropriate use. Audits will be conducted by the City's contracted auditors and/or City Finance staff. Consequences range from suspension of cards and appropriate discipline up to, and including, termination for improper use of the credit card.

M. ETHICS

Cardholders shall always maintain a high degree of ethics when using a City issued credit card. Cardholder actions, which include the types of purchases made, are a reflection of the City. The appropriateness of all credit card purchases is to remain a significant consideration. If there is doubt as to the appropriateness of a proposed purchase, contact the City's Finance Department's credit card coordinator for confirmation.

N. CHANGING THE DOLLAR AMOUNT CONTROL LIMIT

A *Credit Card Holder Account Form* (Appendix A) must be completed indicating the changes desired and submitted to the Finance Department's Credit card coordinator for processing and for approval by the Finance Director. Changes go into effect within approximately 72 hours from the time they are received by the credit card issuer.

O. INTERNET, PHONE, AND FAX PURCHASES

1. When purchasing over the Internet, phone, or FAX the supplier will request the Cardholder's credit card number and expiration date.
2. For security reasons, ensure others do not overhear or view this information.
3. A user should never enter credit card information into a website that does contain "https" in the URL.
4. The Cardholder needs to ensure the supplier includes an itemized cash register tape, paid invoice and delivery slip with the order. The Cardholder may also have the supplier mail the

documentation to them prior to receiving the orders.

P. PROHIBITED SHARING OF CREDIT CARDS

1. The only person entitled to use a CalCard is the person whose name appears on the face of the card. Allowing another employee or individual to use a City issued credit card without the written consent of the cardholder, Department Head and Finance Director or authorized designee, is prohibited.
2. Cardholders may make City business-related purchases for any employee who reports to the same Department if such purchases are approved by the Department Head. The credit card coordinator and the designated Finance Department staff may make City business-related purchases for any Department with the Finance Director's written authorization. Use by anyone other than the authorized cardholders or Finance Department staff is prohibited.
3. A receipt may be signed by a person other than the Cardholder if it is being used as a delivery receipt for a phone, FAX, or Internet order. In this case the receipt should be signed "Received By" followed by the employee's name accepting the delivery.
4. If a Cardholder wishes to authorize another user, a City of Tracy Credit Card User Authorization Form must be completed and approved by appropriate Department Head and Finance Director or authorized designee.

Q. PARTICIPATING VENDORS/SUPPLIERS

1. The CalCard is a VISA product. Any supplier or merchant who accepts VISA can accept the credit card for purchases allowed under this policy.
2. If a specific needed supplier currently does not accept VISA, notify the Finance Department's credit card coordinator who will work with U.S. bank in an attempt to enroll the vendor in the acceptance program.
3. Gas cards can only be used at the applicable place of business.

R. REQUIRED DOCUMENTATION FOR PURCHASES

1. Each Cardholder is responsible for maintaining a *Credit Card Transmittal Form* (Appendix C) for his/her credit card. This form will contain:
 - a. A credit card form (e.g., the bill one signs⁶), received from the vendor, on which each purchase is recorded.
 - b. All credit card forms and cash register receipts supporting each purchase.
 - c. A signed *Credit Card Transmittal Form* and copies of cash register receipts are required as the supporting documentation for a purchase. Copies of the original receipts must be submitted with the monthly Statement and transmittal form.
 - d. If a merchant provides only a credit card receipt, the Cardholder must attach a written explanation describing each item or service purchased.
 - e. If the cash register receipt provides no detail or description of the purchase, the Cardholder must attach a written explanation, describing each item or service purchased, the date of purchase, card and card number used, vendor name (if CalCard used), justification for purchase, why receipt is not available; and have the explanation signed and approved by the Cardholder's Supervisor and Department Head (If the case of the City Manager or City Attorney, the explanation must be signed by the Assistant City Manager and approved by the Finance Director).
2. Meals, that would otherwise be reimbursable, also require the names of individuals in attendance, and business purpose, i.e. nature of business discussion. This written confirmation must be submitted along with the credit card form and cash register receipt.

S. PAYMENT OF CHARGES

1. All transactions processed during a monthly cycle will be reflected on a monthly Statement of account.

⁶ As an example, if one was dining in a restaurant, it would be the bill or "check" the customer signs; at a store, it is the customer copy that one signs for a credit card purchase.

2. Each Cardholder (gas cards or CalCard) will receive a copy of their monthly Statement of account from the vendor at the end of the monthly cycle. If the Cardholder made no purchases during the month no Statement will be issued.
 - a. During the cycle, Cardholders are responsible for retaining the original copy of all the transaction receipts.
3. Cardholders are to review each monthly Statement of account for accuracy, including transactions, amounts, and vendors and sign the Statement verifying the purchases and amounts.
4. Cardholders must complete:
 - a. A *Voucher Request/Credit Card Transmittal Form* (Appendix C) detailing each purchase on the monthly Statement of account to be paid.
 - b. The budget account numbers to which purchases are to be charged for each transaction.
5. Cardholders are to copy itemized receipts (including electronic receipts) on to an 8 ½ x 11” sheet of paper, in the same order as listed on the monthly Statement, and attach them with a paper clip or other clip (not stapled or taped) to the Statement and *Voucher Request/Credit Card Transmittal Form*. Multiple receipts can be put on a single sheet of paper. If no receipt is available, follow instructions in Section 3 § V “PURCHASES WITHOUT RECEIPTS.”
6. The monthly Statement of account, transmittal form, and copied receipts shall then be submitted to the Cardholder’s Supervisor and Department Head for review, approvals and signatures and forwarded to the **Finance Department’s credit card coordinator by the 10th day of the month.**
7. Cardholders are to keep a record (duplicate copies) of all receipts, written explanations, Statements and forms submitted.
8. Charges will be expensed to the Cardholder’s department by the Finance Department using the account information listed on the monthly Cardholder’s Statement of Account.
9. The Finance Department’s credit card coordinator will review each monthly Statement and, if an exception is identified, will return a *Notification of Exception Memo* (Appendix D) to the Department Head, Supervisor and Cardholder for correction. The Finance Department’s credit card coordinator shall be notified of the exceptions.

Violations noted may lead to card revocation and disciplinary action, up to and including termination.

T. PURCHASES WITHOUT RECEIPTS

For mail, phone, FAX or Internet purchases in which a receipt is not available, use a copy of the completed application, flier or order form as the receipt. It should clearly indicate the total dollar amount, description of the product or service ordered, Cardholder’s name, and that payment was made using the credit card.

1. In all other instances, if the receipts are unavailable, the Cardholder must submit a written explanation (signed by Cardholder’s Department Head and Supervisor) to the Finance Department’s credit card coordinator describing the transaction in detail.
2. If the cash register receipt or the signed credit card form is lost, the Cardholder must submit a written explanation, entitled “Lost Receipt,” describing the transaction in detail. The Cardholder’s Supervisor and Department Head must review and sign the written explanation before it is provided to the Finance Department’s credit card coordinator or Accounts Payable staff.

U. INCORRECT BILLING

If a Cardholder has a problem with a billing, he/she should try to reach a resolution with the providing merchant. The merchant should issue credit for a billing correction. This credit may not appear until the next monthly Statement.

1. The Cardholder must notify in writing (e-mail is acceptable), the Finance Department’s credit card coordinator of impending credit.
2. The Cardholder should not remove or cross out the item on the current monthly Statement or delay processing the payment because of credits or disputes.

3. If an agreement cannot be reached with the merchant, the Cardholder should contact US Bank Customer Service Department, or gas card issuer, listed on the back of the credit card to dispute the charges.
 - a. Prior to contacting US Bank Customer Service Department or gas card issuer, the Cardholder must contact the Finance Department's credit card coordinator and Accounts Payable staff to inform them of the discrepancy for which the Cardholder will be contacting US Bank.

V. LOST OR STOLEN CREDIT CARD

1. If the credit card is lost or stolen, the Cardholder shall immediately call the credit card issuer's 24-hour telephone number (see Section 3. § I.3.).
 - a. The Cardholder must keep a written record of this call, which includes the date, time, and name of the person contacted at the credit card issuer and summary of conversation.
 - b. The Cardholder must immediately notify US Bank, his/her Supervisor, his/her Department Head, and the Finance Department's credit card coordinator.
 - c. The Cardholder must always keep the credit card in a secure location. It should only be accessible to the Cardholder.
2. The Cardholder's Department will be liable for charges made with a stolen card. The liability on a stolen card is in effect until the credit card issuer has been notified and completes a thorough investigation.

W. CHANGE IN DEPARTMENT OR EMPLOYMENT STATUS

If a Cardholder has changed departments or is no longer employed with the City, and the card may not be reissued to a different employee in the Department, the account for the credit card must be closed.

1. The Cardholder's Department Head, or the Department Head's authorized designee must notify the Finance Department's credit card coordinator as soon as notice of departure or resignation is given by the employee. The Department Head will obtain and forward the credit card to the Finance Department's credit card coordinator for processing.
2. A new card can be applied for if the employee changes jobs within the City and his/her new Supervisor and Department Head provides the required written approval (refer to Section 3 §§ B and C).
3. Cardholders who take a requested leave of absence from work that is anticipated to last for 30 days or more, or where the length of the leave is uncertain, must turn in their individual credit card to the Department Head who will hold the card until the employee returns to work. The Finance Department's credit card coordinator must be immediately informed that the card will not be used and a decision may be made whether or not to cancel it.
4. A Cardholder must immediately turn it into his or her Department Head any time the employee is placed on involuntary paid administrative leave pending an investigation into potential misconduct, or for any other business-related reasons. The Finance Department's credit card coordinator must be immediately informed that the card will not be used and a decision will be made regarding its cancellation.
5. If a Cardholder is the City Manager or a Department Head, the credit card shall be forwarded to the Finance Department's credit card coordinator who will close the credit card.
6. When business practice requires, the Finance Director may authorize the Cardholder to keep the same card account while changing departments.

X. CARD INACTIVITY

Card activity is reviewed annually by the Finance Department's credit card coordinator. The Department Head, in consultation with the Finance Director and Finance Department's credit card coordinator, will determine whether or not a card should be canceled because of lack of or minimal use.

Y. CARD REVOCATION

1. Failure to comply with any Policy and procedural requirements may result in immediate revocation of credit card privileges. The City Manager, Assistant City Manager, Finance Director,

Department Head, Supervisor, and the Budget Officer have the right to revoke the use of the credit card with or without cause. This includes, but is not limited to, any of the following:

- a. Loaning the card to an unauthorized employee for use.
 - b. Allowing purchases to be signed for by anyone other than the Cardholders. The exception being a delivery receipt, explained in Section 3 § Q “SHARING CREDIT CARDS.”
 - c. Failure to submit receipts for charges.
 - d. An inadvertent personal purchase occurring for a second time.
 - e. The second time that the monthly Cardholder Statement is submitted to the Finance Department after the 10th day of the month and interest penalties are accessed by the credit card issuer.
 - f. The second time that the attached receipts do not match the item descriptions or dollar amounts listed on the monthly Statement of account.
 - g. Lack of, or minimal, use.
 - h. Extended or uncertain leave of absence of Cardholder
 - i. Cardholder being placed on paid administrative leave
 - j. Termination of employment of a Cardholder.
 - k. Any use contrary to this or any other City Policy.
2. If reported violations constitute revocation of card privileges, the Finance Director and/or credit card coordinator will contact the Cardholder’s Department Head. Information will be provided regarding exceptions to the established policy or requirements that justify the cancellation of the card.
 3. The Department Head shall respond to the Finance Director in writing, either justifying the exceptions or violations, or recommending revocation.
 4. The final decision regarding whether the cardholder’s card should be revoked shall be made jointly by both the Department Head and Finance Director in consultation with the City Attorney.

Z. WHOM TO CONTACT WITHIN CITY

If a Cardholder has questions or experiences problems that are not resolvable by following the procedure outlined in this policy, the Cardholder should contact the following persons:

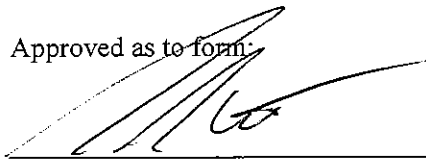
Primary Contact:

City of Tracy, Finance Department, Credit Card Coordinator (Accounting Technician)
333 Civic Center Plaza
Tracy, CA 95376
Phone: (209) 831-6821 Email: finance@cityoftracy.org

Secondary Contact:

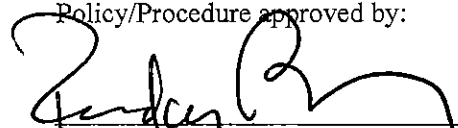
City of Tracy, Finance Department, Finance Division Manager
333 Civic Center Plaza
Tracy, CA 95376
Phone: (209) 831-6840 Email: finance@cityoftracy.org

Approved as to form:



Thomas Watson, City Attorney

Policy/Procedure approved by:



Randall Bradley, City Manager

Attachments:

1. Appendix A
2. Appendix B
3. Appendix C
4. Appendix D

APPENDIX A
CITY OF TRACY
CREDIT CARD HOLDER ACCOUNT REQUEST FORM

FOR : _____
First Name Last Name Position/Title
Department _____ Work Phone No. _____
E-mail Address _____

Job Duties Requiring Credit Card Issuance:

I. NEW CARD REQUEST - CalCard Gas Card (Specify Vendor) _____

II. CHANGE TO CARD [Complete only if requesting change for existing card or requesting special spending limit beyond \$10,000 per month for Department Heads; \$25,000 per month for the Executive Assistant to City Manager and Police Support Services Technician; and \$5,000 per month for all others]

Change Account # (Card compromised/Reissue new card) _____

Change Account Information to: _____
 Name Monthly Limit \$ _____
 Single Transaction Limit \$ _____ Other _____

Requested Monthly Limit Change from City's Standard Amount (**written explanation justifying change in purchase limit must accompany form**)

III. Delete Account # _____

IV. Approvals

Supervisor Approval _____ Date _____
Printed Name (Signature)

Department Head Approval _____ Date _____
Printed Name (Signature)

Finance Director Designee Approval _____ Date _____
Printed Name (Signature)

For Finance Use Only

Card No. _____ Expiration Date _____
Single Transaction Limit \$ _____ 30 Day Limit \$ _____
Card Authorized and Issued By _____ Date _____

I certify that I received the credit card listed above and a copy of the City of Tracy Credit Card Policy, and I understand and agree to the terms set forth therein. I agree that I will relinquish my credit card to the City when requested to do so or upon termination of employment. I understand that failure to use this credit card in accordance with all rules and regulations may require relinquishing the card and may result in disciplinary action up to and including termination.

Employee Signature _____ Date _____

APPENDIX B

Credit Card User Agreement

In connection with my employment, I am being entrusted with a City of Tracy credit card. Upon my acceptance of any such card, I agree to the following conditions:

1. I agree to use the City of Tracy credit card issued to me, or any other City of Tracy card which comes into my possession, only for legitimate, official purposes according to the City of Tracy Administrative Policy and Procedure for use of City issued Credit Cards; for and on behalf of the City of Tracy. **UNDER NO CIRCUMSTANCES WILL I USE A CITY OF TRACY CREDIT CARD FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.** I further understand that the use of a City of Tracy credit card to procure goods or service for other than legitimate, official purposes is fraudulent use. A "legitimate, official" use of a card is defined as using said card to procure goods or services authorized and necessary and ordinary purposes in connection with the operations and activities of the City of Tracy. **AN EMPLOYEE GUILTY OF FRAUDULENT USE MAY BE SUBJECT TO DISCIPLINE UP TO, AND INCLUDING, TERMINATION, AND MAY BE SUBJECT TO CRIMINAL PROSECUTION.**
2. I understand that the use of the credit card will be closely monitored and audited and any discrepancies will be immediately handled with the appropriate action.
3. I understand that the City of Tracy will pay for all authorized and legitimate charges made on this card on behalf of the City of Tracy as determined by the City's Finance Department.
4. I will follow established procedures for the use of the card and said procedures that have been provided to me. I will not allow a third party to use the credit card. Any purchases made with my card will be considered made by me for which I will be accountable.
5. I will be responsible for the safe keeping of the City of Tracy's credit card issued to me. If this card becomes lost or stolen, I will immediately report this to US Bank, and then to my Supervisor, Department Head, and the Finance Department's credit card coordinator.
6. I understand and agree that should I leave employment with the City of Tracy, it is my responsibility to return any card in my possession to the City of Tracy prior to my last day of employment. I further agree to return any cards in my possession to the City of Tracy upon request my Supervisor, Department Head, or the Finance Department's credit card coordinator.
7. I understand that my personal credit will not be affected by the use of the City of Tracy's card for legitimate, official purposes.
8. I certify that I have received, read, and thoroughly understand the Credit Card Policy.

I have read, understand and agree to the conditions above:

Employee Name (PRINT)

Employee Number

Employee Name (SIGNATURE)

Date

