



COUNTY OF EL DORADO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject: COUNTY CREDIT CARDS	Policy Number D-2	Page Number: 1 of 12
	Date Adopted: 06/12/1990	Revised Date: 03/25/2003

BACKGROUND:

It is the intent of El Dorado County to utilize credit cards to make routine purchases when the normal County purchasing process cannot be utilized to make emergency and other authorized purchases within certain constraints, or when a purchase using a credit card is more cost effective to the County. This policy is intended to be used in conjunction with the County Travel Policy and the County Purchasing Ordinance 3.12.

1. POLICY

1.1 Eligibility

A. Assigned Credit Cards

Assigned credit cards may be issued to elected officials and Department Heads. Additional credit cards and credit cards for County employees may be authorized by the Chief Administrative Officer upon approval of internal control procedures by the Auditor-Controller. Any additional credit cards and credit cards for County employees will remain as the sole responsibility of the department head in which the card resides. No individual officer or employee within an Independent/Outside Agency is eligible to use an El Dorado County credit card unless the Board of Supervisors authorizes the assignment of such credit card at a regularly scheduled Board of Supervisors meeting.

B. Pool Cards

Credit cards may be available through the Auditor-Controller for infrequent travel on a trip-by-trip basis. These unassigned cards



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may be used by any employee, but only with the express prior approval of the respective department head and the Chief Administrative Officer. Any transactions incurred with a pool card will remain as the sole responsibility of the department head for which the card was authorized for use. No individual officer or employee within an Independent/Outside Agency is eligible to use an El Dorado County pool card unless the Board of Supervisors authorizes the assignment of such credit card at a regularly scheduled Board of Supervisors meeting.

C. Department Emergency Cards

Those departments that are involved with crisis management or public protection and safety are eligible to apply for a Departmental Emergency Card. Prior to the issuance of a Departmental Emergency Card, the Chief Administrative Officer must first authorize the issuance of Emergency Cards to those departments who qualify under these guidelines. The Auditor-Controller must then approve Internal Control Procedures for use of an Emergency Card by the requesting Department. Any Emergency Card will remain as the sole responsibility of the department head in which the card resides. All procedures herein apply to these Departmental Emergency Cards. No individual officer or employee within an Independent/Outside Agency is eligible to use an El Dorado County emergency card unless the Board of Supervisors authorizes the assignment of such emergency card at a regularly scheduled Board of Supervisors meeting.



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1.2 Authorized Expenditures

Although not an all-inclusive list, acceptable expenditures on County credit cards may include:

- A. Payment of costs associated with travel on County business when savings can be achieved by use of the credit card or when there is insufficient time to utilize the normal County Travel Policy.
- B. Acquisition of specialty items or items needed immediately. Such acquisitions must be in a department's delegated authority in accordance with the County Purchasing Ordinance 3.12.
- C. Purchases over the Internet when a discount is offered. Such purchases must be within a department's delegated authority in accordance with the County Purchasing Ordinance 3.12. Prior to Departments purchasing items over the Internet, they shall establish written control procedures and submit them to the Auditor-Controller for approval.
- D. Emergency purchases as defined by the County Purchasing Ordinance 3.12.
- E. Fuel for rental vehicles. County credit cards shall **not** be used to purchase fuel for an employee's personal vehicle, nor used for County-owned vehicles when Fleet is reasonably available for fueling. Fleet would be reasonably available if the county vehicle



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needing fuel is within a reasonable distance from a Fleet yard during Fleet's normal business hours.

- F. Items within a department's delegated authority in accordance with the County Purchasing Ordinance 3.12.

1.3 Unauthorized Expenditures

Although not an all-inclusive list, unacceptable expenses on County credit cards shall include:

- A. Personal Expenses: (Note: Article XVI, Section 6 of the Constitution of the State of California specifically prohibits the County from giving loan or credit to any public official or employee.) Personal expenses charged on a County credit card are illegal expenses.
- B. Cash withdrawals
- C. Items not permitted in the County Travel Policy
- D. Inappropriate hotel charges.
- E. Items not within a department's delegated purchasing authority as outlined in the County Purchasing Ordinance 3.12.

2. CREDIT CARDS

2.1 Purchase



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The Purchasing Agent shall, at least every five (5) years, conduct a competitive solicitation for County credit cards seeking the most attractive terms available, while meeting all county's needs. Credit cards shall be issued in the name of the elected official, employee or Department Head. Emergency Department Cards and Pool Cards shall be identified as "County of El Dorado" with each account being separate. Billing shall be to the "County of El Dorado, Attention: Auditor-Controller".

2.2 CREDIT CARD LIMITS

All credit cards shall contain a limit of \$2,500.00 each. An increase in the credit limit may be requested in writing with justification to the Chief Administrative Officer. Upon approval of both the Chief Administrative Officer and the Auditor-Controller, the Auditor-Controller will request an increase from the Bank Card Center.

2.3 Obtaining Credit Cards

A. Elected Officials and Department Heads

County officials eligible under this policy may obtain a credit card in his/her name. To receive the credit card, a form provided by the Auditor-Controller shall be signed by the County official. This form shall identify a department contact and acknowledge that the card user has read and is familiar with this policy, the County Travel Policy (Board of Supervisors Policy D-1), and the County Purchasing Ordinance 3.12. The County official shall also acknowledge his/her



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understanding that he/she is personally responsible for unauthorized charges on their credit card.

B. County Employees

Department Heads may request a credit card in an employee's name by submitting a requisition in memorandum format with justification and internal control procedures attached. Both employee and Department Head must sign the requisition acknowledging that the card user has read and is familiar with this policy, the County Travel Policy (Board of Supervisors Policy D-1), and the County Purchasing Ordinance 3.12. The Department Head must also acknowledge that he/she is personally responsible for any account within his/her department, regardless of whose name is on the credit card. Request shall be submitted to Chief Administrative Officer, who upon approval will forward the request with internal control procedures to the Auditor-Controller for approval. Upon approval from both the Chief Administrative Officer and the Auditor-Controller, a credit card will be issued in the employee's name.

C. Delegating Credit Card Usage

A Department Head may request that his support staff be approved for using the credit card on behalf of the Department Head by submitting a requisition in memorandum format with justification and internal control procedures attached. Both designee and Department Head must sign the requisition acknowledging that the card user has read and is familiar with this policy, the County Travel Policy (Board of Supervisors Policy D-1), and the County Purchasing



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Ordinance 3.12. The Department Head must also acknowledge that he/she is personally responsible for any account within his/her department, regardless of whose name is on the credit card. Request shall be submitted to Chief Administrative Officer, whom upon approval will forward the request with internal control procedures to the Auditor-Controller for approval.

3. PROCEDURES

3.1 Payment Procedures

The Auditor-Controller's Office will be responsible for initiating prompt payments upon receipt of credit card billings. The Auditor's office will forward copies of the paid statement to the contact individual for each department. When an original credit card statement is erroneously delivered to a department, it is that department's responsibility to deliver the statement to the Auditor-Controller immediately to avoid late fees and/or finance charges. If such fees are incurred, the Department will be charged accordingly.

3.2.1 Reimbursement Procedures

The Auditor-Controller will utilize a revolving fund for prompt payment of credit card charges to avoid late fees and/or finance charges. The Auditor-Controller will work closely with each department to distribute the charges according to the department's prescribed accounting codes. A Journal Entry will be processed to charge each department and thus replenish the revolving fund.



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3.3 Department Contact

Each elected official and Department Head shall be the recipient of and be held responsible for all credit cards issued to his or her department. Additionally, each Department Head shall designate one individual responsible for administering all credit cards with their department. The administration tasks include: identifying the department's accounting codes for the Auditor-Controller; processing any disputed credit card charges, and ensuring that all Justification Statements will be submitted to the Chief Administrative Officer no later than 30 calendar days from the date of the billing statement.

3.4 Disputed Charges

Each department is responsible for disputing any questionable credit card charge within 30 days from receipt of credit card statement. Each dispute is required to be in letter format detailing the charge in dispute, addressed directly to the Bank Card Center. A copy of this letter shall be attached to the Justification Statement. If a department doesn't dispute a questionable credit card charge within the time required by the Bank Card Center in order to receive a credit, the charge will be viewed as an unauthorized purchase and reimbursement will be required as outlined in 3.5 D and 3.7 below.

3.5 Justification Statements

For each billing statement received from the Auditor-Controller, all cardholders shall submit a Justification Statement within thirty (30) calendar



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days to the Chief Administrative Officer for approval. Within thirty (30) calendar days of receipt, the Chief Administrative Officer, or his/her designee, shall review, sign and forward all Justification Statements to the Auditor-Controller. If a charge is deemed unauthorized by the Chief Administrative Officer, the Department Head responsible for the card shall be required to request reimbursement from the cardholder.

The Justification Statements shall list all card activity for that billing statement. If there is no activity on a billing statement, no Justification Statement is due.

The justification package must contain the following items:

- A. A signed explanation must include the following details: (1) the purpose of the expense in relation to County business including the names of each participant, (2) the date on which the expense was incurred, and (3) the exact amount of the expense.
- B. Cardholder's copy of charge slips. All charge slips must show detail of items purchased. Any user of a County credit card is responsible to obtain and retain all itemized charge slips as a record of the transaction. If the Cardholder's copy of charge slips is not available from the cardholder, the department must request a copy of an itemized receipt from the Bank Card Center. A memo justifying the reason for not having the original receipt must accompany the Justification Statement. If any service charges are incurred for obtaining a copy of a receipt, the Cardholder or responsible party,



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may be requested to reimburse the County for such service charge. Repeated abuse or violation of this portion of the policy will be cause for termination of credit card use.

- C. A copy of the letter to the Bank Card Center for any disputed charges on that billing statement (if applicable).
- D. A personal check or money order made out to "County of El Dorado" is required to reimburse the County for unauthorized purchases. These reimbursements must be in the amount of any unauthorized charges, and should accompany the Justification Statement (see Section 3.7 below).
- E. All Justification Statements must be signed by the cardholder and if cardholder is an employee, the Justification Statement must also be signed by the Department Head.

(**Note:** Under normal Travel Policy, claims for travel are submitted at the conclusion of a business trip. When using a County credit card, claims should only be filed upon receipt of the monthly billing statement through the format prescribed. Any other costs incurred on a business trip, which were not charged on the County credit card, should be submitted for reimbursement under the County Travel Policy.)

3.6 Unassigned Card Holders

Upon completion of use of a County Pool Credit Card, the responsible party shall return the credit card to the Auditor-Controller's Office. The



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Department assigned a pool card will receive a copy of the billing statement with charges during the period the pool card was assigned to them. At that point, the Department must submit a Justification Statement for their charges, to the Chief Administrative Officer, as outlined in Section 3.4.

3.7 Miscellaneous Charges

El Dorado County recognizes that during the course of a business trip it is sometimes difficult and/or expensive to separate allowable costs from unallowable costs. For instance, an inadvertent charge for an unauthorized expense may appear on a hotel charge slip paid with the County credit card. In those instances, employees must submit a personal check, made out to the "County of El Dorado" for the cost of those items with their Justification Statement. At no time will an employee of El Dorado County be allowed to carry any unauthorized item on a County credit card. Failure to submit payment with the Justification Statement will result in those charges being withheld from the elected official or Department Head's next paycheck. All responsible parties will be required to sign a "waiver" prior to the issuance of any credit card to his/her Department which grants the County the authority to withhold such equal amounts from their paycheck for unauthorized charges that have not been properly processed as stated in this policy.

3.8 Lost Or Stolen Cards

If a credit card is lost or stolen during normal business hours, contact the Auditor-Controller at (530) 621-5456. If the loss occurred after normal



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business hours, on a weekend or holiday, the Bank Card Center must be notified immediately. It is the Department's responsibility to have the correct phone number for the Bank Card Center. This notification will limit the County's financial liability for non-approved charges. A written statement of the circumstances must be sent to the Auditor-Controller on the first business day following the incident. When this statement is received, The Auditor-Controller will coordinate with the Bank Card Center to re-issue a credit card to the cardholder.

3.9 Cardholder Responsibilities When Terminating Employment

If the cardholder submits his/her resignation and/or retirement notification, the Auditor-Controller must be notified. The cardholder must turn in his/her card to the Auditor-Controller and give a full and final accounting of charges. If this is not done prior to termination or retirement, the employee's final payroll check will be held to cover any outstanding charges.

Primary Department: Chief Administrative Office
Auditor/Controller's Office

Reference: None