

**City of Pacific Grove  
Council Policy**

<b>Subject</b>	<b>Policy Number</b>	<b>Effective Date</b>	<b>Page</b>
<b>City Credit Card</b>	<b>400-7</b>	<b>November 1, 2015</b>	<b>Page 1 of 3</b>

**PURPOSE**

The purpose of this policy is to establish a framework for the City of Pacific Grove's credit card program and the appropriate use of City-issued credit cards. The City credit card program is intended to: streamline small dollar purchases, reduce the acquisition period, reduce requests for employee reimbursements, and minimize the use of employee personal credit cards for City and business related expenses.

**POLICY**

The City credit card is to be used for official City of Pacific Grove business only. The City credit card may only be used by the cardholder whose name is imprinted on the card and the cardholder cannot authorize anyone else to use his or her credit City credit card.

**CARD ISSUANCE**

Credit cards may be issued to City of Pacific Grove Department Heads, executive staff, and employees as approved by the City Manager and the Finance Director. If the employee leaves office/employment, the purchasing card must be turned in to the Finance Director immediately upon separation. Credit cards shall not be issued to volunteers, part-time employees, seasonal employees, or contracted employees.

**APPROVING AND REVIEWING CREDIT CARD USE**

Each Department Head is the approving official for the cardholders that report to him or her. The City Manager's and Department Heads' approving official is the Finance Director. The Finance Director's approving official is the City Clerk.

Each Department Head is responsible for reviewing all credit card transactions in their departments and submission to the Finance Director, or designee, who will look at each cardholder's purchases and at the merchant who made the sale and determine if the items are allowable purchases in accordance with this policy. If there is a question regarding a purchase, it is the Finance Director's, or designee's, responsibility to talk with the department head of the cardholder. The Department Head shall provide written authorization obtained from the City Manager prior to the purchase of any items the Finance Director, or designee, determines are not allowable under this policy.

If a cardholder cannot explain why a purchase was necessary and for official use, or, provide the aforementioned written authorization from the City Manager, the cardholder must provide a credit voucher proving that the item(s) have been returned for credit or a personal check for the full amount of the purchase. If the cardholder fails to provide a receipt for the purchase and is unable to obtain a copy of the missing receipt, the cardholder will be responsible for the full amount of the purchase. Improper use of the card will result in the procurement card privilege being taken away and possible disciplinary action, up to and including termination.

**CARD USES AND RESTRICTIONS**

Any employee who uses a City credit card for personal purchases shall be responsible for reimbursing the City for all costs associated with the personal purchase and will have the card immediately revoked with possible referral to the City Attorney, and will be subject to disciplinary action up to and including termination from employment.

Maximum single and 30-day period transaction limits are as follows:

1. A maximum of \$2,500 per transaction including tax. (Exceptions to this transaction limit may be authorized by the City Manager and/or the Finance Director. In no event may the total exceed the cardholder's approved, 30-day transaction limit.)
2. A maximum of \$2,500 - \$5,000 per 30-day period per credit card (depending upon cardholder's approved transaction limits).

Examples of services and supplies that may be purchased using the City credit card include:

- On-line, mail and telephone orders
- Office supplies, department specific supplies
- Subscriptions, publications, and book orders
- Travel expenses such as airline tickets, restaurants, gas, parking, hotel reservations, conference registration fees and training
- Printing and postage expenses
- Small tools and office equipment
  - Hammers, screwdrivers, wrenches, small power tools, calculators, keyboards, mouse, staplers, paper shredders, hole punches, etc.
- Small office furnishings
  - Tables, chairs, work surfaces, lamps, lateral or vertical files, storage units
- Special event meals & supplies
  - For City Council and Commission meetings, training sessions, City Manager meetings, refreshments for other City functions, and employee recognition/appreciation events that have been pre-approved, in writing, by the City Manager
  - Table coverings, plastic cutlery, paper and/or plastic plates, cups and napkins
- Minor equipment repair
  - Printer, fax machine and other small equipment repairs
- Recruitment advertising and public notices
- Necessary products and/or services during a City Manager declared emergency.

## **PROHIBITIONS**

Employees are strictly prohibited from using the City credit card to:

- Purchase personal items
- Purchase supplies for the benefit of another department
- Split purchases to circumvent purchasing dollar limits

The City credit card may not be used for products or services such as the ones listed below:

- Alcoholic beverages and tobacco products
- Gift Cards
- Gambling: Lottery Tickets, Betting, Casino Gaming Chips, Off-Track Betting

- Weapons, ammunition, and related accessories.
- Cash Advances, Foreign Currency, Money Orders, Travelers Checks, Wire Transfers, Savings Bonds
- Cellular Phones and Pagers and/or Related Monthly Service Charges
- Office Furnishings or Equipment over \$1,000
- Professional/Consultant Services
- Instructors, Speakers, Performers
- Sponsorships, donations or gifts to a charitable entity, nonprofit entity, educational institution, political organization, or religious organization.
- Fines
- Bail and Bond Payments
- Tax Payments
- Government Loan Payments
- Hazardous materials, chemicals
- Purchased items that will not be retained by the City

All meals charged to a City credit card 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.

Failure to follow this policy may lead to the suspension or termination of a City credit card, disciplinary action, and/or reimbursement to the City for all unauthorized purchases.

**PROCUREMENT CARD RECEIPTS**

The cardholder shall verify that the amount is correct before signing the sales receipt. The cardholder shall obtain from merchant one copy of the signed sales draft for his/her records. The cardholder shall retain this copy and attach it to his/her monthly Statement of Account. Documentation is necessary for all transactions.

**STATEMENT PROCESSING PROCEDURES** At the close of each billing cycle, each cardholder that made purchases will receive a Statement of Account from the bank. The statement will itemize each transaction that was charged to the procurement card account. Within 5 days, the cardholder shall review the statement for accuracy, attach all original receipts to the statement in order, sign and date the statement, provide the appropriate accounting codes to the purchases, and submit to the Finance Department for payment processing.

**CARDHOLDER RESPONSIBILITIES**

1. Comply with the City of Pacific Grove City credit card Policy.
2. Maintain the credit card in a secure location at all times.
3. Resolve disputes or billing errors directly with the vendor and immediately notify the Finance Director and Bank of the dispute.
4. Immediately report a lost or stolen card to the Bank and the Finance Director.
5. Return card to the Finance Department upon termination with the City of Pacific Grove.