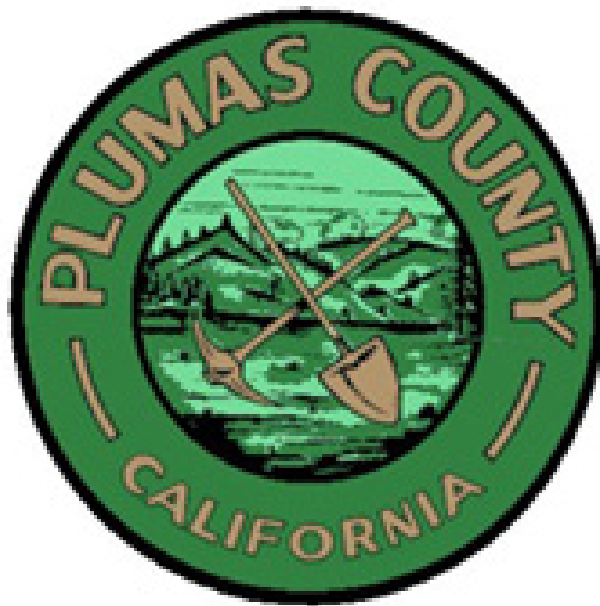


PLUMAS COUNTY

EMPLOYEE CREDIT CARD
PROGRAM

POLICIES AND PROCEDURES



Issued By: Roberta Allen
Plumas County Auditor/Controller

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1.0 IT IS THE POLICY OF THE BOARD OF SUPERVISORS OF PLUMAS COUNTY THAT NO EMPLOYEE SHALL CAUSE TO HAVE ISSUED A CREDIT CARD IN THE NAME OF PLUMAS COUNTY OUTSIDE OF THE PROVISIONS OF THE POLICIES AS SET FORTH BELOW FOR THE CAL-CARD PROGRAM. ANY CREDIT CARD CAUSED TO BE ISSUED WILL BE IN VIOLATION OF BOARD POLICY. THE DEPARTMENT HEAD WILL HAVE THE DISCRETION TO DETERMINE WHO WITHIN THE DEPARTMENT IS DEEMED NECESSARY TO OBTAIN A CREDIT CARD.

2.0 CAL-CARD PROGRAM

In the constant pursuit of improving the way the County does business and in promoting vendor acceptance and operational efficiency, Plumas County has initiated the use of a credit card as a more efficient method of conducting business and to allow department heads to use their card for supply/good purchases (non-department head cards can NOT be used to make purchases other than those related to travel). This credit card will eliminate the need for travel and postage expense advances, will enhance the ability of our employees to enjoy financially secure travel on behalf of the County and will allow department heads to use the County credit card instead of their personal credit card to purchase supplies/goods.

Through use of the Cal-Card VISA system, Plumas County will participate in a credit card program with greatly enhanced controls and data reporting that enables the County to streamline the traditional payroll process for supplies/goods and travel/postage expenses. The card bears the Plumas County name and has the cardholder's name embossed on it. Authorization to use the card is restricted to the cardholder only and shall not be delegated. The card shall be used for **Official Use** only and may never be used for personal purchases.

The Plumas County credit card will allow County departments, under strict guidelines, to move easily and rapidly to obtain lodging, meals, airfare, related travel expenses, postage expenses, registration fees (for training, etc.), to purchase supplies/goods and to enable employees to pay for a travel-related emergency or unforeseen County vehicle repairs/needs.

The following policies and procedures have been established by the Board of Supervisors with the goal of keeping the number of credit cards issued to a minimum, while ensuring that personnel/departments with a genuine need for a more efficient method of paying for supplies/goods and travel/postage expenses have access to a Plumas County credit card.

3.0 CONTROLS

A number of unique controls have been developed for the Cal-Card VISA credit card program that do not exist in a traditional credit card environment. These controls ensure that the card can be used only for specific purposes and within specific dollar limits. The Card can be used only within the limit determined by each department head, normal limit not to exceed \$1,500.00 for employees and \$5,000.00 for department heads. Department heads may authorize an additional AND temporary increased limit of \$1,500.00 for employees (for a total of \$3,000.00) and \$3,000.00 for department heads (for a total of \$8,000.00), not to exceed two consecutive months. A Modification Request Form must be completed for each incident and request. These limits and controls are established uniquely for each cardholder and can be modified when necessary to meet the changing needs of the Cardholder and the County and/or department head. Each department head will retain the authority to further limit this policy based on the unique characteristics of their department. When a merchant seeks authorization from the bank for a purchase, the system will check the individual cardholder's 30-day limit before the transaction is authorized. If the established requirements are not met, the purchases will be denied.

Additional temporary limits will automatically be lowered, 60 days from date of request, by the Auditor/Controller.

The cards are issued to the employee who accepts full responsibility for the use and security of their card. All credit card purchases for travel are subject to the terms and conditions of Plumas County Travel Policy, as adopted by the Board of Supervisors. Credit card purchases that exceed the allowable per diem limits shall be immediately reimbursed in the amount of the overage. Detailed receipts are required for ALL credit card purchases and should be immediately submitted to the designated custodian within each department upon return from travel or upon receipt for supply/goods purchases, (department heads only). All supply/goods purchases, (department heads only) must be valid County expenses, all County policies concerning purchasing must be adhered to, and budget must be available PRIOR to making the purchase. The credit card shall not be used for non-county approved purchases or to procure services of any kind other than certain supplies/goods and travel-related services-hotel, car rental, taxi service, and airline tickets.

Intentional use of the credit card for other than "Official Use Only" will be considered an attempt to commit fraud against the County of Plumas. Proof of such fraud will result in immediate cancellation of a cardholder's credit card, referral to the District Attorney and disciplinary action against the cardholder under applicable County administrative procedures. The cardholder will be personally liable to the County for the amount of any non-approved purchases. Payroll deductions may be used to collect funds that are due to the County. This method of recouping monies owed to the County will also be used for items charged on the credit card for which no claim and/or detailed receipts are submitted timely.

4.0 DEFINITIONS

The following terms are commonly referred to in this document and their definitions are provided for clarification:

Cal-Card: Cal-Card is the name used for the VISA credit card program administrated through the State of California, and all procedures adopted by Plumas County shall conform to the rules and regulations as provided by the State of California for the Cal-Card VISA program.

Cardholder: The cardholder is the employee whose name appears on the credit card and is responsible for its security and appropriate use.

Department Billing Contact: The Department Billing Contact serves as the first point of review for all department credit card activity and will be responsible for reconciling the cardholder statements to the department bill, ensuring that all required documentation has been received and that all policies and procedures have been followed.

Program Coordinator: The Auditor/Controller will be the Program Coordinator for the County. The Program Coordinator will be the focal point for coordination of applications for County credit cards, modifications to existing cards, the destruction of cards, and training of cardholders and related personnel. In addition, the Program Coordinator is responsible for administration of the County procedures for controlling and using cards, within the policies and guidelines adopted by the Plumas County Board of Supervisors.

Prohibited: If supplies/goods or travel related services are listed in the Travel Policy or other Board Policies as non-reimbursable, the credit card shall not be used for such purchases.

5.0 CARD RESTRICTIONS

The Plumas County credit card is not intended to replace effective travel planning, nor does use of the card relieve the cardholder from adherence to all State, County and Department travel/office, supply/goods (department heads only), expense policies and procedures. Cardholders shall ensure that sufficient funds have been budgeted and are available prior to incurring any expenditure. A supervisor, department head, or Auditor/Controller staff can assist in verifying that funds are available.

Questions regarding restrictions should first be directed to your department head and then to the Program Coordinator.

Employees, other than department heads, shall NOT put other employee's charges on their card.

The Plumas County credit card is intended to be used for travel-related and supply/goods (department heads only) expenditures only. Use of the County credit card for any other purpose is expressly prohibited. Additional department restrictions may be applied.

The County credit card shall not be used for any of the following (this is not an inclusive list):

- 5.1 Cash Advances
- 5.2 Personal Services
- 5.3 Petty cash items
- 5.4 Personal telephone calls
- 5.5 Alcoholic Beverages
- 5.6 Entertainment
- 5.7 Violations of legal requirements
- 5.8 Cleaning
- 5.9 Bails
- 5.10 In-room movies
- 5.11 Laundering
- 5.12 Barbering
- 5.13 Gasoline or repair purchases for personal vehicle
- 5.14 Any items for which budgeted funds are unavailable to pay for the expenditure.
- 5.15 Any purchases where the cardholder has a personal interest or knowledge, which creates an appearance of a conflict of interest (e.g. buying from a relative).

6.0 UNAUTHORIZED USE OF COUNTY CREDIT CARD

Employees of the County of Plumas hold a public trust; your conduct must meet the highest ethical standards. Disciplinary procedures will be initiated for unauthorized use of a County credit card. "Unauthorized use" means the use of the credit card by any person, including the cardholder, who does not have actual, implied or apparent authority of such use and from which the County received no benefit. Unauthorized use of a County credit card constitutes fraud and willful misuse of the public funds. Any employee who engages in the unauthorized use of the County credit card will be subject to disciplinary action, up to and including termination.

The Program Coordinator may cancel credit cards immediately upon the finding that uses were unauthorized and/or finding that the policies were not followed.

7.0 INTERNET/TELEPHONE/MAIL ORDER

If you are making reservations, paying registration fees, making other travel arrangements or ordering supplies/goods (department heads only) by telephone or internet with your credit card, you must log all transactions with the time, date, vendor name, amount and description of transaction and a detailed receipt must be obtained within 24 hours (vendor can fax or email receipt). If vendor is unable or unwilling to remit a detailed receipt within that timeframe, the transaction shall be cancelled

immediately. This log shall be compared to the receipt for accuracy and all discrepancies shall be immediately corrected or the transaction shall be cancelled.

8.0 PROCEDURES FOR OBTAINING A CREDIT CARD

The Department Head shall complete a "Card Holder Account Setup" application. Completed applications should be forwarded to the County Auditor/Controller. Note: All departments requesting and utilizing credit cards shall have internal instructions supplementing this document, and tailored to the individual needs and controls of the department/agency.

A department billing contact must also be identified for each department. The department head shall complete a Department Billing Contact form and shall ensure that the Auditor/Controller has an updated and accurate form on file at all times. The Billing Contact will be responsible for reconciling all of the department's cardholder statements and documentation as provided by the department and forwarding to the Auditor/Controller's Office for payment.

After approval of the written request, the Auditor/Controller shall forward a credit card application to Cal-Card. Any department requesting and utilizing credit cards may have internal instructions supplementing these policies, tailored to the individual needs and controls of the department.

9.0 CREDIT CARD ACTIVATION

Upon verification and approval by the Auditor/Controller, Cal-Card will provide the requested county credit card. The card is mailed to the Auditor/Controller's Office for delivery to the cardholder. The new cardholder will be required to sign a "Receipt of Credit Card and Agreement Form". All cardholders and department billing contacts must read and sign acknowledgment that they have read and understand the Credit Card Policy prior to receiving their card and/or becoming a department billing contact.

The cardholder is responsible for calling Cal-Card to activate their card once they receive it from the Auditor/Controller. The reverse side of the card includes a space for the cardholder to sign, and the cardholder shall sign it upon issuance to prevent unauthorized use. The toll-free number to contact a bankcard customer service representative is on the back of the card.

The issued card may be cancelled if not activated in a timely manner. If this happens, contact the Auditor/Controller to have your card reactivated.

10. CREDIT CARD MODIFICATIONS

To modify a credit card account (e.g., change dollar limits, name/address), a written and signed Modification Request Form shall be completed, signed by the Department Head and submitted to the Auditor/Controller for processing. Allow three business days for modifications to the existing account to be completed and one week if a new card must be

issued. Before a new card is issued, the old card must be destroyed (cut in half) and returned to the Auditor/Controller.

11. CANCELLATION OF CREDIT CARD

The Auditor/Controller has the authority to cancel cards issued to Plumas County employees if a card is misused in any manner. The Auditor/Controller will notify the department head of any cancellation. Misuse of the card will include, but is not limited: failing to reconcile receipts, failing to timely submit required receipts and supporting documents and purchasing non-county approved or personal items.

If the department head is requesting the cancellation of a credit card, a Modification Request Form must be completed and submitted to the Auditor/Controller.

12. REQUESTS FOR REPLACEMENT CARDS

If a credit card needs to be replaced because it is worn out or defective, a Modification Request Form must be completed requesting a new card, and submitted to the Auditor/Controller for processing. The old card must be destroyed (cut into half) and returned to the Auditor/Controller before a replacement card will be provided.

13. LOST/STOLEN CREDIT CARDS

The cardholder is responsible for the security of the credit card. If an employee loses or has his or her credit card stolen, the employee shall, immediately notify Cal-Card at 1 (800) 227 - 6736, the department head and the Auditor/Controller at (530) 283-6246 or 6247, who shall cancel the card.

The cardholder shall follow-up with a written notification to the Auditor/Controller within two (2) business days of loss. The notification should include the account number; date, time and location the card was lost or stolen; and any transactions made on the day the card was lost or stolen. The Auditor/Controller will contact the bank to obtain a replacement card. Cal-Card will mail replacements cards to the Auditor/Controller. A new account number will be assigned to the replacement card.

If the card is suspected stolen, a police report should be filed in the jurisdiction where the theft occurred. A copy of the report should be provided to the Auditor/Controller.

A cardholder may be personally liable if the reporting requirements for a lost or stolen card are not met.

14. EMPLOYEE DEPARTURES/TRANSFERS

Credit cards are issued to individual employees. If an employee leaves a department, the department head must complete the Modification Request Form and immediately return the employee's card to the Auditor-Controller.

If the cardholder is transferred to another department within the County and the new department head wants the employee to have a card, the new department must complete Modification Request Form. The Auditor/Controller will contact the bank to change the cardholder's location and the employee's credit card will be returned to him/her.

15. SALES TRANSACTION PROCEDURES

The cardholder shall require the vendor to itemize and provide an itemized/detailed receipt or invoice for each charge. A description of the transaction and the total amount including sales tax must be included on the itemized receipt. If the receipt or invoice is not itemized, the cardholder shall write in the charges and have the sales person, at the point of sale, sign, date and provide a contact phone number on the receipt (on the back if there is not enough room on front).

Internet purchases will also be allowed under this program. However, all Internet purchases must comply with the following guidelines:

1. Internet purchases shall only be made within the guidelines established for accepted use of the credit card. They may be for travel-related and supplies/goods (department head only) expenses.
2. Internet purchases must be made with reputable companies only. It is preferred that cardholders do on-line business with vendors with whom the County has already established a good working relationship.
3. Only use companies, which protect their sites with Secured Socket Layer (SSL) technology. If a site is SSL-protected, a message will appear upon entering the site notifying the user that he/she is entering a secured area. A padlock icon will also appear on the taskbar at the bottom right corner of the screen. If the message and the icon do not appear, you may not purchase on-line from that vendor.
4. Keep good records of all Internet purchases. Record each on-line transaction in a log as it is made and an itemized receipt must be printed out immediately.
5. County will only pay for actual itemized expenses.
6. Packing slips must be remitted with ALL internet supply purchases. This will be verification that the item was actually received. If packing slip is not provided, department head shall write a memo, attach it to the claim, verifying that the item was received.

Violation of the above guidelines may result in the termination of credit card privileges.

16. STATEMENT PROCEDURES

16.1. Cardholder Procedures

- At the close of each billing cycle, each cardholder will receive an individual bank statement referred to as "Statement of Account". The statement will show all transactions the cardholder made during the billing cycle. If the cardholder has questions regarding the information on the statement, the cardholder shall contact Cal-Card's 24-hour customer service. If no activity occurred for a cardholder during a particular cycle, no statement will be generated. Upon receipt of the statement, complete the following steps:
- Review the statement for accuracy. Retain and attach the postmarked envelope to the statement. Reconcile the credit card statement with the itemized receipts. If an item is billed incorrectly, the cardholder completes the section at the bottom of the bill that states, "The following items are in error and should be removed from this statement" where they will provide a complete explanation and signature of both cardholder and department head. An additional sheet of paper can be added if necessary. In addition, the Cardholder Statement of Questioned Item form should be completed, signed and submitted to the Auditor/Controller with the claim(s). Attach all corresponding receipts and invoices listed in the same order as they appear on the credit card statement. Care should be taken that all receipts are secured to the statement. **If receipts or invoices are lost, a duplicate copy must be obtained from the vendor.**
- Fill out a claim; attach the statement and all documentation and forward to the department billing contact within three (3) working days of receipt. Include on the claim an explanation of the County business for which each charge was made. If the cardholder is unable to review the statement within the required 3-day period, all paperwork shall be forwarded to the department billing contact for processing.
- If necessary, attach a personal check made payable to the County of Plumas for any charges in excess of per-diem limits or otherwise ineligible for reimbursement. (i.e. dinner over the allowable limits). NOTE: Such ineligible charges are required to be kept to a minimum, and shall in no event be contrary to County Policy. Repeated use will be considered a loan and the card will be cancelled immediately.

16.2 Department billing contact

The department billing contact is responsible for ensuring that all cardholders' Statements of Account are forwarded to him/her in the required timeframe. Within three (3) working days of receipt of all cardholders' Statements of Account and supporting documentation the department billing contact will be responsible for the following:

- Review each cardholder's purchases and determine if the items are allowed in accordance with County policies and procedures. Discuss any questionable

purchase with the cardholder. If the cardholder cannot justify that the purchase was necessary and "For Official Use" then the cardholder must immediately reimburse the County for such purchase. Resolution of improper use of the credit card will be the responsibility of each department initially.

- Be sure there is a written explanation for items where the amount on the claim differs from the amount on the statement.
- After reviewing each cardholder claim for completeness and accuracy, sign and forward the entire package to the Auditor/Controller's Office no later than the 15th of each month.
- The department billing contact is responsible for any cardholder who is traveling or on leave and shall ensure that their statement is reviewed and all appropriate reports and receipts are attached. If a particular cardholder's statement certifications are delayed due to unusual or unforeseen circumstances, the remaining statements should be delivered to the Auditor/Controller with an explanation regarding any missing statements.

16.3 Auditor Procedures.

- Receive and review the master statement from Cal-Card.
- Match cardholder statements received from department billing contacts against the master statement.
- Audit statements for receipts, accounting and appropriate documentation.
- Process master statement for payment.

17. STATEMENT/REPORTS NOT RECEIVED

All statements and reports should be received by the first of each month. If such statements/reports are received late, cardholders shall include in the month-end statement package, a written memo to the Auditor/Controller indicating the date the statement was received and attach the postmarked envelope from the bank with the submittal to the Department Billing Contact.

Departments shall submit all claims (with backup and all required documentation, available budget and everything needed to ensure that the Auditor/Controller can process) NO LATER than the 15th of each month.

18. LATE FEES

The County will not pay late charges, late fees, or interest charges on County issued credit cards or privately issued credit cards used to make County-business purchases-these shall be the sole and personal responsibility of the department head.

19. EXCEPTIONS TO THE POLICY

Any emergency exceptions from the policy for use of credit cards as stated should be approved by the Department Head, if possible, PRIOR to emergency purchases. Should

the Auditor disagree with the Department Head that an exception was needed; the Department Head shall get Board of Supervisors approval to pay the claim.

20. DISPUTES

The cardholder is responsible for the charges on the Cal-Card and must follow established procedure on any item charged to the card that is not appropriate.

The cardholder has thirty days (30) from the statement date to dispute an item, otherwise the transaction is treated as an authorized purchase and the department is responsible for payment. The cardholder must complete the "Cardholder Statement of Questioned Item" and forward to the Auditor/Controller with the statement for further processing.

All disputes shall be resolved between the cardholder and Cal-Card. After disputing an item, the cardholder should receive an "Acknowledgement of Dispute" letter from the bank. If not, the cardholder shall contact their toll-free number to inquire as to the status of the letter. Once a dispute is resolved, the cardholder will also receive a "Resolution of Dispute" letter from the bank.

21. Cancellation of Purchase/Travel Expenses

It is the responsibility of the cardholder to appropriately cancel ALL travel reservations where the credit card has been used. If not appropriately cancelled, the cardholder may be responsible for any charges accrued for the reservations.