

**ADMINISTRATIVE ORDER NUMBER: 1-9**

**SUBJECT: Credit Card Use Policy**

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**Responsible Department: Finance**

**Date Issued: July 25, 2003**

**Date Revised: July 23, 2015**

**Approved: *Signature of File***

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## **Purpose**

To establish the issuance, accounting, monitoring, retrieval, and general oversight of the credit card use policy for the City of Fresno.

## **Policy**

1. The City Controller is designated to be responsible for the City of Fresno's credit card issuance, accounting, monitoring, retrieval, and for general oversight of compliance with this credit card use policy.
2. City credit cards may be used only by those authorized and only for the purchase of goods or services for the official business of the City of Fresno.
3. All authorized users of City credit cards shall submit documentation detailing the goods or services purchased, the cost of the goods or services, the date of the purchase, and the official business for which it was purchased.
4. Upon termination of an employee who has been issued a City credit card, that employee shall immediately return the credit card to the City of Fresno Finance Department.
5. An authorized employee, who issues a credit card, is responsible for its protection and custody, and shall immediately notify the bank card issuer and the City Controller if the credit card is lost or stolen.
6. The Finance Department will follow established Accounts Payable internal control procedures for approval, documentation, and payment of credit card charges.
7. Unauthorized use of a City credit card shall result in disciplinary measures to the fullest extent of the law.

## **Procedures**

1. **Issuance of Credit Cards**

- a. Credit cards will be issued to the Mayor, City Manager, Assistant City Managers, Department Directors, and all others approved by the Controller. The cards will be issued to individuals, in the name of the individual; there will be no departmental cards with the exception of the Police Department. Only one card will be issued in an individual's name. Cards are nontransferable.
- b. The authorized credit limit of all credit cards issued by the City of Fresno shall not exceed \$5,000, with the exception of the City Manager, who has an authorized credit limit of \$10,000. Exceptions up to \$20,000 may be made with Controller approval. Exceptions above \$20,000 may be made with City Manager approval.

## **2. Card Use**

- a. The credit card shall be used for the purchase of goods and services that are for the official business of the City of Fresno when normal Accounts Payable procedures cannot be utilized, e.g., fuel purchases, travel-related expenses, conference registration fees, etc. (see Administrative Order 1-4, "Expenses on City Business"). Misuse of the card will subject the card holder to disciplinary action in accordance with City policies and procedures relating to disciplinary action and termination for cause.
- b. Purchases made via the credit card must comply with the City's purchasing and expenditure policies. The card in no way changes such policies.
- c. Anyone issues a City of Fresno credit card shall sign a Credit Card User Agreement, thereby agreeing to abide by adopted City credit card policies and procedures. The card holder is responsible for assuring that all credit card charges are accurate and consistent with policy guidelines.
- d. All rewards earned from purchases made for City business on City issued credit cards will be the property of the City and may only be redeemed for City business needs.

## **3. Card Holder Responsibilities**

- a. The card holder must:
  - (i) Ensure the card is used only for legitimate business purposes.
  - (ii) Maintain the card in a secure location at all times.
  - (iii) Not allow other individuals to use the card.
  - (iv) Adhere to City purchase limits and restrictions.

- (v) Obtain all sales slips, register receipts, and/or credit card slips and provide same to the Finance Department for reconciliation and approval of transactions.
- (vi) Attempt to resolve disputes related to billing errors with the vendor directly or in conjunction with the Finance Department.
- (vii) Ensure that the appropriate credit is issued for disputed items or billing errors on a subsequent credit card statement.
- (viii) Immediately report a lost or stolen card to the card issuer and notify the Finance Department of the lost or stolen card at the first opportunity during business hours.
- (ix) Return the card to the Finance Department upon terminating employment with the City.

#### **4. Card Holder Liability**

The credit card is a corporate charge card that will not affect the card holder's personal credit; however, it is the card holder's responsibility to ensure that the card is used within stated guidelines, policies, and procedures of the City. Failure to comply with program guidelines may result in the permanent revocation of the card, charge-back of an improper or unsupported transaction to the card holder for reimbursement to the City, notification of the situation to management, and further disciplinary measures, which may include termination.

#### **5. Card Holder Termination or Card Cancellation**

- a. The City is required to close an account if a card holder:
  - (i) Terminates City employment; or
  - (ii) Moves to a new position in which a credit card is not required.
- b. The City reserves the right to cancel a credit card for any of the following reasons:
  - (i) The card is used for personal or unauthorized purposes;
  - (ii) The card is used to purchase any material or service that violates policy, law, or regulation pertaining to the City;
  - (iii) The card holder allows the card to be used by another individual;
  - (iv) The card holder fails to provide the required receipts and supporting documentation; or

- (v) The card holder does not adhere to all of the appropriate City Administrative Orders, policies, and procedures.

**6. Sample of Items That Can be Purchased with the Credit Card:**

- a. Airfares
- b. Conference registration
- c. Lodging and meals
- d. Rental cars and gas
- e. Lunch and dinner meeting meals
- f. Minor emergency office supplies
- g. Training books

**7. Sample of Items That Cannot be Purchased with the Credit Card:**

- a. Cash advances
- b. Standard merchant category exclusions (e.g., liquor or tobacco products)
- c. Personal use

**8. Credit Card Use Audits**

The Finance Department will make periodic random audits of card use and charges for appropriateness. Areas to be monitored include, but are not limited to, compliance with this and other related Administrative Orders. Excessive and/or non-use by card holders will also be monitored.