

ADMINISTRATIVE ORDER NUMBER 1-9

SUBJECT: CREDIT CARD USE POLICY

Responsible Department: Finance

Date Issued: July 25, 2003

Date Revised: July 22, 2026

Approved: *Signature on file*

Purpose

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

As indicated in AO 3-9, the CAL-Card is the “Official” purchase card for the City of Fresno. This policy shall only apply to credit cards issued as an exception to the CAL-Card.

Policy

1. The City Controller is designated to be responsible for the City of Fresno’s credit card issuance, accounting, monitoring, retrieval, and 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, services, travel, or conferences related to official business of the City of Fresno. Official business shall include items purchased that are necessary to complete assigned duties and responsibilities of an individual’s authorized position.
3. Purchases made via the City credit card must comply with the City’s purchasing and expenditure policies (A.O. 1-4 Expenses on City Business and A.O. 3-1 City Wide Purchasing). The card in no way changes such policies.
4. All authorized users of City credit cards shall submit documentation, including the itemized receipt(s), for the goods or services purchased; and this must include the cost, the date of the purchase, and a detailed description of the official City business for which it was purchased.
5. Upon separation, job transfer, or promotion to a position which no longer necessitates the use of a credit card, the employee shall immediately return the credit card to the City of Fresno Finance Department. On a regular basis, the Finance Department Payroll Unit will notify the credit card administrator of the employees who have separated from City service.
6. An authorized employee, who is issued a credit card, is responsible for its protection, custody, and proper use. The authorized employee shall immediately notify the City Controller if the credit card is lost or stolen.

7. The Finance Department will follow established Accounts Payable internal control procedures for approval, documentation, and payment of credit card charges.
8. Unauthorized use of a City credit card shall result in disciplinary measures to the fullest extent of the law, up to termination, and/or including (but not limited to) suspension of the card, cancellation of the card, and/or may need to reimburse the City for any unauthorized or non-compliant expenses.

Procedures

1. Issuance of Credit Cards:

- a. Issuance of City credit cards must be approved as an exception, requiring supporting documentation detailing how a CAL-Card will not suffice for the requestor's intended use as detailed in AO 3-9. Issuance of exceptions are subject to City Controller review and approval.
- b. Credit approved as exceptions pursuant to item 1a above, may be issued to the Mayor, City Manager, elected and appointed officials, Council Chiefs of Staff (at the request of the appointing Councilmember), City Attorney, City Clerk, Assistant City Managers, Department Directors, and any others approved by the City Controller. Cards will be issued to the name of the individual requesting. Only one card will be issued in an individual's name and cards are nontransferable.
- c. 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 City Controller approval. Exceptions above \$20,000 may be made with City Manager approval.
- d. Any credit card holder below the level of Department Director must annually submit a justification for retaining their credit card.

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 Purchasing/Accounts Payable procedures cannot be utilized, e.g., travel-related expenses, conference registration fees, etc. (see Administrative Order 1-4, "City Business Expenses"). Misuse of the card will subject the card holder to disciplinary action up to termination in accordance with City policies and procedures including (but not limited to) suspension of the card, cancellation of the card, or the recapture of ineligible expenditure.
- b. Anyone issued 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 listed in this Administrative Order. The card holder is

responsible for assuring that all credit card charges are accurate and consistent with policy guidelines.

- c. In accordance with Ordinance 2022-041, elected officials may either elect to take the allowance as a flat monthly stipend, which may be taxed as ordinary income, or can submit receipts and a claim for reimbursement of expenses actually incurred, not to exceed the amounts set forth in Ordinance 2022-041. These include expenses such as meals, postage, telephone, publications, and other incidental expenses that are solely for the benefit of the City and that are incurred when on official duty. Elected officials shall not use City issued credit cards for general and miscellaneous expenses within city limits as elected officials are already entitled to a monthly allowance for such expenses.

3. Card Holder Responsibilities:

- a. The card holder must:
 - i. Ensure the card is used only for legitimate business purposes as described in this Administrative Order;
 - ii. Maintain the card in a secure location at all times;
 - iii. Review and approve all charges on the monthly statement;
 - iv. Upload to the Financial System all sales slips, register receipts, and/or credit card slips for reconciliation and approval by the Finance Department for all transactions;
 - v. Attempt to resolve disputes related to billing errors with the vendor directly or in conjunction with the Finance Department;
 - vi. Ensure that the appropriate credit is issued for disputed items or billing errors on a subsequent credit card statement;
 - vii. Immediately report a lost or stolen card to the card issuer and notify the City Controller of the lost or stolen card; and
 - viii. Return the card to the Finance Department upon separation, job transfer, or promotion to a position which no longer necessitates the use of a credit card.

4. Approving Official Responsibilities:

- a. The approving official on file must:
 - i. Ensure the card is used only for legitimate business purposes as described in this Administrative Order; and
 - ii. Review and approve all charges on the cardholder's monthly statement in the financial system no later than fourteen days (14) after the close of the billing cycle.

5. 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:

- a. Disciplinary action up to termination in accordance with City policies and procedures;
- b. Suspension or cancellation of the card;
- c. Employee reimbursement to the City for ineligible, unsupported, or any other transactions that otherwise violate this policy or the Credit Card User Agreement

6. 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 or suspend 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 fails to adhere to any other pertinent City Administrative Orders, policies or procedures.

7. Travel Related Expenses:

- a. The credit card can be used to book travel through Concur, the Statewide Travel Program, to book flights, rental vehicles, and hotel reservations related to City business. In addition, the credit card can also be used when making reservations through online websites, other than the Statewide Travel Program, under either of following conditions:
 - i. The cardholder must provide the sales receipt for reservations booked outside of the Statewide Travel Program and a quote from Concur, for the equivalent reservation, showing services booked through the Statewide Travel Program were more expensive. Both documents must be attached to the statement reconciliation in the financial system; or

- ii. The cardholder must provide quotes from two different sources for travel reservations outside of the Statewide Travel Program and the lowest of the two quotes must be selected and both quotes must be included with the statement reconciliation in the financial system. Lodging and per diem must be at a rate equal to or lower than the General Services Administration (GSA) per diem rate for the city where City business is being held.
- b. The credit card can also be used to purchase meals and other miscellaneous travel expenses, excluding fuel. See A.O. 1-4 Expenses on City Business.

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

- a. Any item or service centrally managed by another City department such as:
 - i. Information technology services, equipment, software, and subscription-based services, unless approved by the Information Services Department; or
 - ii. Vehicles and related equipment, unless approved by the Fleet Management Division.
- b. Public works of improvement- Any service onsite work that requires an appropriate contract, license, and would require insurance indemnification or approval from Risk Management;
- c. Making recurring purchases for items that should be put on a multi-year contract;
- d. Personal use items;
- e. Cash advances;
- f. Standard merchant category exclusions (e.g., liquor, tobacco, cannabis, firearm, and ammunition products);
- g. Items to be donated to the public that are not part of a Council approved program, excluding items to be used for the sole purpose of marketing and promotion;
- h. Fixed assets or capital equipment;
- i. Fuel, except when out-of-town travel is approved under AO 1-4; or
- j. Gift cards or awards purchased for the purpose of City business are prohibited unless prior authorization by the City Manager is granted and should not be purchased using restricted resources. The purchase of gift cards or awards should be used for purchases of goods only and not for services. The issuing department is required to track and maintain reports on the recipients of all gift cards regardless of amount and must provide a report to the Finance Department annually.

It is the responsibility of the credit card holder to reimburse the City for all non-allowable transaction(s) within thirty (30) days of the credit card statement date in which the non-allowable expense was incurred. Failure to reimburse the City within this time frame will result in the cancellation or suspension of the credit card.

9. 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. The Finance Department Internal Audit Unit may also perform period audits of the credit card usage by employees to ensure that all purchases are appropriate and for City Business purposes only.

10. Exceptions

Any exceptions to provisions 1-9 listed above may be authorized by the City Manager or designee if determined such exception is justifiable and in the best interest of the City.