ADMINISTRATIVE ORDER NUMBER 3-9

SUBJECT: PURCHASING CARD USE POLICY

Responsible Department: General Services

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 purchasing card use policy for the City of Fresno.

The official purchasing card for the City shall be the CAL-Card as currently issued by US Bank. No other credit cards will be authorized except as indicated in A.O. 1-9 Credit Card Use Policy. The intent of the purchasing card is to reduce the use of petty cash, decrease processing costs for small purchases, and as an alternative payment method for supplies or services.

Policy

1. The Purchasing Manager is designated to be responsible for the City of Fresno purchasing card issuance, accounting, monitoring, retrieval, and for general oversight of compliance with this purchasing card use policy.
2. Purchases made via the purchasing 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.
3. Splitting purchases which would otherwise trigger the competitive procurement process is not allowed.
4. The purchasing card may be used only by those authorized to whom cards have been issued and only for the purchase of goods for the 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.
5. All authorized users of purchasing 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 description of the official business for which it was purchased.
6. Upon separation, job transfer, or promotion to a position which no longer necessitates the use of a purchasing card, the employee issued the purchasing card, or their supervisor shall immediately notify and then return the purchasing card to the Purchasing Manager. On a regular basis, the Finance Department Payroll Unit will notify the Purchasing Manager of the employees who have

separated from City service.

7. An authorized employee, who is issued a purchasing card, is responsible for its protection, custody, and proper use. The employee shall immediately notify their supervisor and the Purchasing Manager if the purchasing card is lost or stolen.
8. The Finance Department Accounts Payable Unit will follow all established internal control procedures for approval, documentation and payment of purchasing card charges.
9. Unauthorized use of a purchasing card shall result in disciplinary measures to the fullest extent of the law, including 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 an unauthorized or non-compliant expense.

Procedures

1. **Issuance of Purchasing Cards:**
   a. Purchasing cards will be issued to employees who are authorized by their Department Director. The cards will be issued to the name of the individual requesting; there will be no department cards. Only one card will be issued in an individual's name and cards are nontransferable.
   b. The authorized credit limit of all purchasing cards issued shall be determined by the Purchasing Manager and Department Director or their designee. The amount will be based on the specific operational needs of each cardholder. Changes to the limit will be reviewed and approved by the Purchasing Manager and Department Director or their designee.
   c. To obtain a purchasing card, email a completed Purchasing Card Account Request Form to pcard@fresno.gov
      i. Form attached as a sample.
2. **Card Use:**
   a. The purchasing 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, for example travel-related expenses, conference registration fees, etc. (see Administrative Order 1-4, "City Business Expenses"). Authorized cardholders may make purchases in person, by phone, mail, or electronically. Purchases should be made from reputable merchants only. Any ordered items must be shipped directly to the department.
   b. All employees issued a purchasing card shall sign a Purchasing Card Agreement issued by Purchasing, thereby agreeing to abide by adopted City purchasing card policies and procedures and will be provided a copy of such policies and procedures upon receipt of the purchasing card. Cardholders are required to attend annual training, where updated

policies and procedures will be provided. The cardholder is responsible for assuring that all purchasing card charges are accurate and consistent with policy guidelines.

c. Temporary limit increases may be requested by cardholders, if approved by the designated approving official on file. Requests must include the vendor's name, total cost of the purchase, and justification for the purchase. The request can be communicated via telephone but must be supported and documented via email to pcard@fresno.gov.

d. 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 purchasing cards for general and miscellaneous expenses within city limits as elected officials are already entitled to a monthly allowance for such expenses.

3. Cardholder Responsibilities:

a. The cardholder 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. Adhere to City purchase limits and restrictions, as defined in A.O. 3-1;

v. All sales slips, receipts, and/or invoices must be uploaded to the Financial System for reconciliation and approval by the designated approving official for all transactions no later than seven days after the close of the billing cycle;

vi. Attempt to resolve disputes related to billing errors with the vendor directly or in conjunction with the Purchasing Manager;

vii. Ensure the appropriate credit is issued for disputed items or billing errors on a subsequent purchasing card statement;

viii. Immediately report a lost or stolen purchasing card to the Purchasing Manager at the first known opportunity; and

ix. Return the card to the Purchasing Manager upon separation, job transfer, or promotion to a position which no longer necessitates the use of a purchasing 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. **Cardholder Liability:**

    The purchasing card will not affect the cardholder's personal credit; however, it is the cardholder's responsibility to ensure that the card is used within stated guidelines, polices, and procedures of the City. Failure to comply with program guidelines may result in:
        i. Disciplinary action up to termination in accordance with City policies and procedures;
        ii. Suspension or cancellation of the card; or
        iii. Employee reimbursement to the City for ineligible, unsupported, or any other transactions that otherwise violate this policy or the Purchasing Card Agreement.

6. **Cardholder Termination or Card Cancellation**
    a. The City is required to close an account if a cardholder:
        i. Terminates City employment; or
        ii. Moves to a new position or another Division and will not require use of a purchasing card in that new assignment.
    b. The City reserves the right to cancel or suspend a purchasing 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 cardholder allows the card to be used by another individual;
        iv. The cardholder fails to provide the required receipts and supporting documentation;
        v. The cardholder fails to adhere to any other pertinent City Administrative Orders, policies, and procedures; or
        vi. The cardholder has three or more pending statements in the financial system that have not been reconciled and approved.

7. **Travel Related Expenses**

   a. The purchasing 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 purchasing 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 purchasing 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 purchasing 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 or 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, firearms, 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 purchasing card holder to reimburse the City for all non-allowable transaction(s) within thirty (30) days of the purchasing 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 purchasing card.

9. Purchasing Card Use Audits:

The Purchasing Division 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 cardholders will also be monitored. The Finance Department Internal Audit Unit may also perform period audits of the purchasing card program 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.