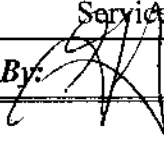




POLICY AND PROCEDURE

Subject: Purchasing Card	Index: Finance Number: 201-2-7
Effective Date: March 1, 2010	Prepared By: Finance & Administrative Services
Supersedes: N/A	Approved By: 

1.0 PURPOSE:

The City of San Clemente will use the credit card provided by American Express as its principal payment system for airline, hotel, car rentals, meals and miscellaneous travel while conducting City business. The credit card will also be used to obtain small dollar purchases of goods and services. Cost savings and efficiency is achieved by consolidated payment to American Express versus multiple vendor payments.

2.0 ORGANIZATIONS AFFECTED:

All City of San Clemente and Coastal Animal Services Authority employees

3.0 REFERENCES:

Policy 201-2-1 Purchasing Policies & Procedures for Supplies, Materials & Equipment
Policy 201-2-5 Purchasing Policies & Procedures for Emergency Purchases
Policy 201-4 Reimbursement of Employee Expenses
Policy 201-8-1 City Credit Card

4.0 POLICY:

4.1 Each City department will be issued an American Express credit card. Usage of the card is approved by the Department Head or designee.

4.2 The City's credit card is to be used for official City Business and may not be used for personal purchases. Prohibited uses include:

4.2.1 Professional services

4.2.2 Any product or service normally considered an inappropriate use of City funds.

4.2.3 Cash advances and/or wire services.

- 4.2.4 Items for which the City has contracts unless it is an emergency and approved by the Department Head.
- 4.2.5 Items for resale.
- 4.2.6 Personal items
- 4.2.7 Betting, casino gaming or other related activities
- 4.2.8 Political or religious organizations
- 4.2.9 Court costs, fines, bail or bonds
- 4.2.10 Rentals, except for small pieces of equipment used for less than a week in duration. Car rentals and gasoline purchases for a rental car are acceptable.
- 4.2.11 Telephone services including pagers and calling cards, except for telephone calls charged from lodging.
- 4.2.12 Items that have been identified as requiring special approval
 - 4.2.12.1 Information technology item, including software & equipment
 - 4.2.12.2 Educational expenses
- 4.2.13 Alcoholic beverages
- 4.2.14 Chemicals or other hazardous materials

5.0 DEFINITIONS:

- 5.1 None

6.0 PROCEDURE:

Individuals using the Corporate Purchasing Card must sign the Corporate Purchasing Card Employee Agreement and forward the form to Central Services. A "Corporate Purchasing Card Employee Agreement" form is in Word Templates, under the "My Templates" tab.

- 6.1 Authorization to use the City's credit card must go through the Department Head or designee. A "Request to Use Department Credit Card" form is in Word Templates, under the "My Templates" tab.
- 6.2 The following documentation will be required:
 - 6.2.1 Vendor name and identification
 - 6.2.2 Date of purchase

- 6.2.3 Estimated amount of total purchase, including sales tax
- 6.2.4 Brief but specific description of items purchased
- 6.2.5 Account code for the charge
- 6.3 Upon completion of the transaction:
 - 6.3.1 Retain the sales draft with accompanying receipt/invoice
 - 6.3.2 For Internet orders, print out a copy of order form with the Internet address at the bottom of the form.
 - 6.3.3 For mail order, maintain a copy of the order form
 - 6.3.4 For telephone orders, maintain the confirmation of the order.
 - 6.3.5 All receipts of credit card transactions and/or backup documentation of the charges are to be forwarded to the Department Head's Administrative Assistant or designee.
- 6.4 Upon receipt of credit card statement:
 - 6.4.1 The Administrative Assistant or designee is responsible for processing payment of the credit card statement. Process the request for payment immediately as **time is extremely critical in order to avoid finance charges**. The following steps are to be completed upon receipt of the credit card statement.
 - 6.4.1.1 Stamp the received date on the statement.
 - 6.4.1.2 Review statement for accuracy.
 - 6.4.1.3 Balance all sales drafts, logs and order forms to the statement, which will show all transactions made during the billing cycle. All items must be accounted for on the statement with a sales draft, receipt/invoice, or other supporting documentation.
 - 6.4.1.4 If an item had been returned, include the credit voucher.
 - 6.4.1.5 Indicate the appropriate account code for each transaction.
 - 6.4.1.6 Forward the completed Request for Payment, statement and appropriate backup for the charges to the Department Director, or the Assistant City Manager in case of absence for approval.
 - 6.4.1.7 When signed, make a copy of the Request for Payment, statement and backup and turn in to Accounting for payment.

6.4.1.8 Monthly statement balance will be paid in full in accordance with the billing cycle.

6.5 Billing errors and returned items.

6.5.1 When there is an error on the credit card statement, the Administrative Assistant or designee will notify the division that made the charge. The discrepancy must be resolved within five working days.

6.6 Lost or stolen card.

6.6.1 It is important that American Express be notified of the loss or theft of the card immediately. Notify American Express by calling 800-492-4920

6.7 Emergency purchases.

6.7.1 Exceptions to these guidelines may occur in the case of emergency purchases during natural or other disasters where adherence to the purchasing guidelines is impractical or untimely.

Attachment 1: "Request to Use Department Credit Card" form

Attachment 2: "Corporate Purchasing Card Employee Agreement" form