



# ADMINISTRATIVE POLICIES


## Office of the City Manager

**Policy Number** FN-01  
**Version** 3  
**Effective Date** 7/14/2021  
**Responsible Department** Finance

### TITLE: Credit Card Policy

- New  
 Supersedes AP Number 10-02, Version 2, effective 8/21/2018

### APPROVAL

  
City Manager Signature

7/14/2021  
Date Approved

1. **PURPOSE.** The purpose of this policy is to ensure consistent use of City credit cards for staff and City Council members.
2. **AUTHORITY.** Per Section 26 of the City of Tulare Charter, the City Manager is responsible for the budget. Per Municipal Code Section 1.56.010, the Finance Director of the City of Tulare, in addition to all other duties, is in charge of the Treasury of the City.
3. **SCOPE.** This policy is applicable to all City employees and legislative members.
4. **DEFINITIONS**
  - 4.1. **Individual Credit Cards.** A card on which a specific City employee's name appears.
  - 4.2. **Generic Credit Cards.** A card on which an individual's name does not appear.
  - 4.3. **Full Details of Charges.** A level of detail on a receipt or invoice which shows the date, time, price, quantity, description of items purchased, and any applicable taxes or gratuities.
5. **POLICY.**
  - 5.1. **Distribution of Credit Cards.** All requests for credit cards for use by City Council Members must come from the City Manager or designee. All requests for credit cards for City employees must come from the respective Department Head. Cards may either be individual or generic.

5.1.1. Generic cards shall be held by the Finance Department. City Council Members will only be assigned generic credit cards on a temporary basis for travel related expenses (ex: hotel charges, parking, toll charges; meals addressed through the City's Per Diem process). Cards must be returned no later than the following business day upon conclusion of travel.

For non-travel related uses, users will return the generic card, sales drafts, receipts/invoices, and other required forms to the Finance Department within **24 hours** of checking out the card. If the credit card was used for travel, the card is due back to the Finance Department the same or next business day back from travel. Any required travel forms and applicable receipts are due within **48 hours** back from travel.

5.1.2. The individual assigned an individual card shall be responsible for the security of the City credit card.

Employees and Council Members must have a signed copy of this policy on file in order to receive a credit card. By accepting the credit card, the individual receiving the card acknowledges this policy and agrees to abide by it.

5.2. Credit Card Limit. The Finance Director shall arrange for the appropriate spending limit for all credit cards.

5.3. Acceptable Credit Card Uses. A City credit card may be issued to employees or City Council Members for the purpose of making authorized small-dollar purchases, securing reservations, paying travel expenses, placing phone/computer online orders, and doing City business in the most efficient manner. Use of the City credit card is not intended to replace the Purchasing Policy which enables volume discounts.

5.4. Restricted Use of the City Credit Card. The following restrictions are placed on all City credit cards:

5.4.1. Credit cards are for the sole purpose of conducting official business of the City.

5.4.2. The City credit card is for the user (generic) or cardholder's (individual) use only and may not be used to benefit any party other than the staff member or council person who was issued the card. No expenses incurred by a spouse or guest who chooses to attend a conference shall be paid by the City.

5.4.3. Cardholders/Users must ensure that sufficient funds are available prior to making purchases.

5.4.4. Purchases cannot exceed the single transaction limit as established in the City's Purchasing Policy unless the charge is made online, over the phone, or an outside business that will not take a Purchase Order. Purchases must not be split to circumvent purchasing policies.

- 5.4.5. The City's credit card should not be used for purchases with businesses with the City's open purchase order or a store credit card. To make such a purchase, contact the Finance Department for purchase order number or store credit card.
- 5.4.6. A credit card may not be used for any unbudgeted item.
- 5.4.7. The City's tip policy is 20% of City-incurred expenses. If the tip charged on the City credit card is more than 20%, reimbursement by the employee or Council Member is required with the submission of the receipt. If the restaurant automatically adds a higher tip because of the group size or other restaurant policy, the 20% maximum tip rule will be exempted.
- 5.5. Documentation Required for All Purchases. All cards, whether individual or generic, require the following documentation for every purchase.

5.5.1. A receipt with the following:

- Imprint of vendor name and identification.
- Date of purchase.
- Brief but specific description of item(s) being purchased.
- Amount of total purchase.

In addition, the following specific types of purchases require additional information:

5.5.2. **Hotels** - Hotel room receipts must contain full detail of charges.

5.5.3. **Meals** - All charges for meals must contain full detail of charges. All meals purchased must detail who attended on each receipt and must be signed by the individual responsible for the credit card.

5.5.4. **Transportation** - Receipts for car rentals, tolls, and any other miscellaneous charges must accompany a full detail of charges. Receipt must note reason for expense and must be signed by the cardholder or user.

5.6. Payment Processing.

5.6.1. For Individual Cards – Monthly statements will be mailed to the City of Tulare and a copy will be distributed to the individual for their review. Upon receipt of the statement, cardholders shall complete the following steps:

- Employee will balance all sales drafts, receipts/invoices or 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 supporting documentation. If no documentation can be provided, the employee may be required to reimburse the City for the charge in

question if the amount is \$25.00 or higher. Exhibit A of this policy is the required form for use of the documentation of any charges under \$25.00 with missing receipts. If the Cardholder has no purchases during the billing cycle, no statement will be generated.

- **Within five (5) days** of receipt of the credit card statement, employee must submit the balanced statement with attached sale drafts, receipts/invoices, and order forms to the Finance Department signed and coded with account numbers along with any cash reimbursements.

5.6.2. For Generic Cards – The Finance Department will process all credit card billings in sufficient time to avoid late penalties and interest. Under no circumstances will the Finance Department “hold” a statement pending the resolution of a dispute or while waiting for backup documentation from a cardholder.

5.7. Failure to Follow Policy. Improper use of a City credit card may be treated as misuse of public funds and may subject the cardholder/user to disciplinary action up to and including termination and/or prosecution.

Failure to follow this policy to provide necessary documentation to the Finance Department within the specific time period may result in the user’s credit card privileges being suspended or revoked. Discipline for a failure to provide timely documentation are as follows:

1 <sup>st</sup> Violation:	Verbal warning
2 <sup>nd</sup> Violation:	Written warning
3 <sup>rd</sup> Violation:	Privileges suspended for 90 days
4 <sup>th</sup> Violation:	Revocation of credit card privileges

In the case of City Council Members, the repercussions for failure to provide timely documentation are as follows:

1 <sup>st</sup> Violation:	Verbal warning
2 <sup>nd</sup> Violation:	Written warning
3 <sup>rd</sup> Violation:	Privileges suspended for 90 days
4 <sup>th</sup> Violation:	Revocation of credit card privileges

Violations of this policy, such as improper expenditures or a failure to provide documentation, shall be determined by the Finance Director.

Violations shall be reported to the City Council within the fiscal quarter in which the violation occurred.

In cases of Council Member violations, a Council Member shall have the option to appeal the violation to the Council in order to explain the purpose of the expense. The Council shall have the final determination in such a case to

approve or deny the expenditure. If denied, the expenditure shall be paid within seven days.

- 5.8. Billing Errors and Returned Items. If a purchased item is billed incorrectly, the cardholder/user is responsible for contacting the vendor within three days after the date of the purchase or as soon as the error is discovered, on items disputed which appear as transactions on the statement. The cardholder/user shall note the transactions on the statement, indicating “questioned item,” and provide a brief written explanation.

If a purchased item is returned, the cardholder/user is responsible for contacting the vendor and requesting a credit transaction. The cardholder/user shall note the transaction on the statement, indicating “pending credit.”

- 5.9. Disputed Charges. Cardholders/users are responsible for ensuring that the vendor and issuing bank are notified immediately of any disputed charges. To avoid finance charges and late fees, the Finance Department will pay all credit charges in full, including disputed amounts. Departments are responsible for resolving the disputed charges and obtaining credit on the next monthly statement.

- 5.10. Lost or Stolen Card. Should a cardholder/user lose or have his/her City credit card stolen, it is his/her responsibility to contact the bank **immediately**. Within one day, the cardholder shall also notify the Finance Director to follow up and to reissue a new card.

- 5.11. Return of Credit Card upon Request or Termination. Cardholders will immediately surrender their credit card upon request of their Department Head.

Human Resources or the Finance Department will be responsible for retrieving the credit card when an employee separates from the City. Use of the credit card for any purpose after its surrender is prohibited.

- 5.12. Internal Controls. A current list of all credit cards, authorized users, and credit limits shall be kept on file in the Finance Department at all times

## 6. REVISION HISTORY

<u>Version #</u>	<u>Date</u>	<u>Approved By</u>
3	7/14/2021	Rob A. Hunt
2	8/21/2018	Willard Epps (Interim City Manager)
1	11/16/2010	Darrel L. Pyle

### Attachments

- A. Lost Receipt Form



## City of Tulare Lost Receipt Form

For purchases less than \$25.00

<b>Cardholder Name:</b>		
<b>Department:</b>		
<b>Department Head:</b>		
<b>Reason for Lost Receipt:</b>		
<b>Explain Attempt to Obtain Duplicate from Merchant:</b>		
<b>Description of Item(s) Purchased or Charged:</b>	<b>Amount</b>	<b>Account #</b>

**Cardholder Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Department Head Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_