

CITY OF SACRAMENTO

ADMINISTRATIVE POLICY INSTRUCTIONS

Topic: Purchasing Card Program (Debit Card)

Effective Date: 7/1/98

From: Administrative Services Department
Procurement Services Division

Supersedes: New

To: Department Directors/Division Managers

Section: API #6


Kenneth K. Nishimoto
Director of Administrative Services

APPROVED: 
 WILLIAM H. EDGAR
City Manager

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PURCHASING CARD PROGRAM

1. SCOPE AND PURPOSE

- 1.1 Scope: This Administrative Policy Instruction (API) addresses the use of debit cards for the purchase of supplies and services for the City. The City has entered into a contract with the Bank of America for the administration of a MasterCard Purchasing Card Program.
- 1.2 Purpose: To provide guidance for use of the Purchasing Card for making purchases of supplies and services. This API deals with the administration of the Purchasing Card Program, credit and transaction limits, vendor restrictions, statement reconciliations and payments, and cardholder responsibilities. The Purchasing Card Program is administered by the Procurement Services Division. The Procurement Services Division is located at:

City Corporate Center South (Corp. Yard)
5730 - 24th Street, Building # 4
Sacramento, CA 95822-3699

Phone: (916) 433-6240 FAX: (916) 399-0263

2. PROGRAM & SITE ADMINISTRATORS

- 2.1 The Procurement Services Manager (or his/her designee) is the Program Administrator. The Program Administrator maintains contact with the Bank of America representative and should be contacted for questions or problems one might encounter. The Administrator can be contacted by calling Purchasing at 433-6240.
- 2.2 A Site Administrator is designated to keep documentation for the Purchasing Card activities in each Division. Site Administrators are knowledgeable about the Program and can provide assistance with Purchase Card changes (e.g. credit limits, Purchasing Card information, etc.). Contact should be initially made with the Site Administrator, who will refer questions or problems to the Program Administrator when needed.

3. CREDIT LIMITS & TRANSACTION LIMITS

- 3.1 Each Purchasing Card has a monthly credit limit. This credit limit is established based on the average monthly purchases made by an organization and as approved by a Division Manager or Department Director. Changes to the credit limit may be made by contacting the Program Administrator.
- 3.2 Each Purchasing Card also has a single transaction limit. This limit is normally \$3,000.00 (i.e., the discretionary purchase amount below which no competitive bidding

is required), but can be less if desired by the requesting division. A transaction consists of the total purchase price, including tax and freight. Attempts should not be made to make a purchase greater than the approved single transaction limit amount, nor should vendors be requested to make multiple billings in order to avoid the single transaction limit amount.

4. RESTRICTED VENDORS

- 4.1 The Purchasing Card Program allows for the exclusion of some vendor classifications or commodity groups. If an organization wishes to restrict the use of the Purchase Card to certain vendor classifications or commodity groups, contact Purchasing for clarification and assistance.

5. MONTHLY STATEMENTS & RECONCILIATIONS

- 5.1 The Purchasing Card billing system is an individual bill/central pay arrangement. Each individual cardholder will receive a monthly statement for review and reconciliation to the cardholder's records of individual transactions. Comprehensive statements are also received by the Administrative Services Department for all cardholder transactions. Statements are automatically paid to the bank through a direct charge to the City's bank account. Each month, the Accounting Division will prepare a journal voucher to charge the total of the individual cardholders' monthly charges to the cardholders' designated agency/organization as an expenditure against object code number 4950. It is the department's responsibility to prepare a journal voucher to reclassify the expenditures charged in object code 4950 to the desired expense account (other object codes) for budgetary tracking and management reporting.

6. CARDHOLDER RESPONSIBILITY

- 6.1 Each individual to whom a card is issued is responsible for safeguarding that card. All cards will be issued in an individual's name, and are to be used for **City business purposes only**. The individual named on the card is the only one authorized to use the Purchasing Card, and when not in use the card should be secured in a safe place.
- 6.2 If the Purchasing Card is lost or stolen, report it immediately to the Bank of America at (800) 305-7735. Representatives are available seven days a week, 24 hours a day. In addition, notify the Program/Site Administrator of the loss and follow up to obtain a replacement Purchasing Card.

7. OBTAINING A PURCHASING CARD

- 7.1 The complete Purchasing Card Request package, as well as the Purchasing Card Program User's Guide, can be obtained by calling the Purchasing Office at 433-6240.