RESOLUTION NO. 21-034

RESOLUTION OF THE CITY OF PACIFIC GROVE
AMENDING COUNCIL POLICY NO. 400-7 CITY CREDIT CARD POLICY

FINDINGS

1. The City periodically reviews financial policies to evaluate internal controls, reflect best practices; and to address issues that have arisen in previous years.

2. This revised City Credit Card Policy incorporates these changes, establishes credit card use objectives, and sets forth the permissible use of public funds.

3. This action does not constitute a “Project” as that term is defined under the California Environmental Quality Act (CEQA) Guideline Section 15378, as it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE:

1. The Council determines that each of the Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Resolution.

2. The Council authorizes adopting a resolution approving Council Policy 400-7 City Credit Card.

3. Council Policy 400-7 is hereby approved as attached to this Resolution, which by this reference are incorporated as set forth in its entirety.

4. This Resolution shall become effective immediately following passage and adoption thereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this 1st day of December 2021, by the following vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Coletti, McAdams, Poduri, and Tomlinson.

NOES: None.

ABSENT: None.
APPROVED:

BILL PEAKE, Mayor

DATED: 12/3/2021

SANDRA KANDELL, City Clerk

DAVID C. LAREDO, City Attorney
PURPOSE
The purpose of this policy is to establish a framework for the City of Pacific Grove’s credit card program and the appropriate use of City-issued credit cards. The City credit card program is intended to: Streamline small dollar purchases, reduce the acquisition period, reduce requests for employee reimbursements, and minimize the use of employee personal credit cards for City and business related expenses.

I. POLICY
The City credit card is to be used for official City of Pacific Grove business only. The City credit card may only be used by the cardholder whose name is imprinted on the card and the cardholder cannot authorize anyone else to use his or her City credit card.

Failure to follow this policy may lead to the suspension or termination of a City credit card, disciplinary action, and/or reimbursement to the City for all unauthorized purchases.

II. CARD ISSUANCE
Credit cards may be issued to City of Pacific Grove Department Heads, senior managers, and employees as approved by the City Manager and the Administrative Services Director. Credit cards shall not be issued to City Council Members, members of boards, committees and commissions; volunteers, part-time employees, seasonal employees, or contracted employees.

All requests for departmental employee credit cards must be recommended by the respective Department Head

a. A maximum of $2,500 per transaction including tax. Exceptions to this transaction limit may be authorized by the City Manager and/or the Administrative Services Director.

b. A maximum of $2,500 - $5,000 per 30-day period per credit card. This amount is dependent upon cardholder’s approved transaction limits.

Upon acceptance of the credit card, an employee must sign a Cardholder Agreement. This agreement acknowledges receipt of the card and the acceptance of responsibility for abiding by the terms and conditions of this policy.

III. RESPONSIBILITIES
All employees participating in the credit card program are responsible for knowing the City’s Credit Card Policy; and safeguarding procurement cards and credit card account information.
a. Administrative Services Department
   1. Oversight of the City’s credit card program
   2. Receiving the appropriate authorization to issue cards; and maintaining a list of individuals authorized to conduct procurement card transactions
   3. Reviewing monthly credit card statements to ensure that purchases are consistent with City policies, evaluating whether appropriate signature authorizations are obtained, calculating any potential use tax, and issuing payments.
   4. Coordinating with Department Heads on any questions related to credit card purchases.

b. Department Heads
   1. Recommending to the City Manager and the Administrative Services Director those individuals within the departments who should be issued credit cards
   2. Reviewing all departmental employees credit card statements to ensure that all credit card use and purchases conform to the City’s Credit Card and Purchasing policies
   3. Identifying, resolving, or coordinating with the Administrative Services Department on purchases that may be in question
   4. Reviewing departmental monthly statements; and forwarding the approved credit card statement to the Administrative Services Department.

c. Cardholders
   1. Comply with the City of Pacific Grove City credit card Policy.
   2. Maintain the credit card in a secure location at all times.
   3. Ensure that sufficient funds are available within the budget prior to making any purchases
   4. Review receipts to ensure they are accurate before signing for the purchase
   5. Obtain a detailed copy of receipts for statement reconciliation purposes.
   6. Resolve disputes or billing errors directly with the vendor and immediately notify the Administrative Services Department and Bank of the dispute.
   7. Immediately report a lost or stolen card to the Bank and the Administrative Services Director or their designee.
   8. Return card to the Administrative Services Department upon termination with the City of Pacific Grove.
9. Reconciling credit card statements and forwarding receipts to the approving official within five days of receiving the statement.

IV. CARD USES

The following list provides an example of services and supplies that may be purchased using the City credit card:

a. On-line, mail and telephone orders
b. Office supplies, department specific supplies
c. Subscriptions, publications, and book orders
d. Travel expenses such as airline tickets, restaurants, gas, parking, hotel reservations, conference registration fees and training
e. Printing and postage expenses
f. Small tools and office equipment: Hammers, screwdrivers, wrenches, small power tools, calculators, staplers, paper shredders, hole punches, etc.
g. Small office furnishings: Tables, chairs, work surfaces, lamps, lateral or vertical files, and storage units.
h. Special event meals & supplies
   1. For City Council and Commission meetings, training sessions, City Manager meetings, interview panels, refreshments for other City functions, and employee recognition/appreciation events that have been pre-approved, in writing, by the City Manager
   2. Table coverings, plastic cutlery, paper and/or plastic plates, cups and napkins
i. Minor technology equipment purchases initiated or reviewed with the Information Technology or Administrative Services Department. This includes laptops, printers, keyboards, mouse, and related equipment.
j. Small equipment repairs
k. Minor software subscriptions, such as Zoom and website hosting, which require the City to retain a credit card on file for monthly charges.
l. Recruitment advertising and public notices
m. Necessary products and/or services during a City Manager declared emergency.

V. PROHIBITIONS

Employees are strictly prohibited from using the City credit card to:

a. Purchase personal items
b. Purchase supplies for the benefit of another department  
c. Split purchases to circumvent purchasing dollar limits  
d. The City credit card may not be used for products or services such as the ones listed below:  
   1. Alcoholic beverages, cannabis, and tobacco and vaping products  
   2. Gift Cards  
   3. Gambling: Lottery Tickets, Betting, Casino Gaming Chips, Off-Track Betting  
   5. Cash Advances, Foreign Currency, Money Orders, Travelers Checks, Wire Transfers, Savings Bonds  
   6. Cellular Phones and Pagers and/or Related Monthly Service Charges  
   7. Office Furnishings or Equipment over $1,000  
   8. Professional/Consultant Services  
   9. Instructors, Speakers, Performers  
   10. Sponsorships, donations or gifts to a charitable entity, nonprofit entity, educational institution, political organization, or religious organization.  
   11. Fines  
   12. Bail and Bond Payments  
   13. Tax Payments  
   14. Government Loan Payments  
   15. Hazardous materials, chemicals  
   16. Departmental purchases of computers, keyboards, mice, and related equipment that is required to be maintained and inventoried by Information Technology Department, without consultation with the IT staff.  
   17. Purchased items that will not be retained by the City  

VI. PROCUREMENT CARD RECEIPTS  

Detailed receipts are required to support all City credit card transactions. These receipts must be attached and support purchases that are listed on a credit card statement.  

All meals charged to a City credit card require the names of individuals in attendance, and business purpose, (i.e. nature of business discussion). This written confirmation must be submitted along with the credit card form and cash register receipt.
If the cardholder is unable to provide a receipt, a Missing Receipt form may be submitted for with authorization by the Department Director. Cardholders that are unable to obtain a copy of the missing receipt, may also be held responsible for the full amount of the purchase.

VII. STATEMENT PROCESSING PROCEDURES

At the close of each billing cycle, each cardholder that made purchases will receive a Statement of Account from the bank. The statement will itemize each transaction that was charged to the procurement card account. Within 5 days, the cardholder shall review the statement for accuracy, attach all original receipts to the statement in order, sign and date the statement, provide the appropriate accounting codes to the purchases, and submit it to their approving official.

Approving officials for credit card statements include the following:

<table>
<thead>
<tr>
<th>Cardholder</th>
<th>Approving Official</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department employees</td>
<td>Appropriate Department Head</td>
</tr>
<tr>
<td>Department Heads</td>
<td>City Manager</td>
</tr>
<tr>
<td>City Manager</td>
<td>Administrative Services Director</td>
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</tbody>
</table>

All approved credit cards statements shall be forwarded to the Administrative Services Department.

VIII. APPROVING AND REVIEWING CREDIT CARD PURCHASES

All credit card purchases shall be accompanied by a detailed receipt. The approving official shall review all credit card receipts to confirm that the purchases are in accordance with this policy.

If there is a question regarding a purchase, it is the Administrative Services Director’s, or designee’s, responsibility to talk with the department head of the cardholder. The Department Head shall provide written authorization obtained from the City Manager prior to the purchase of any items the Administrative Services Director, or designee, determines are not allowable under this policy.

If a cardholder cannot explain why a purchase was necessary and for official use, or, provide the aforementioned written authorization from the City Manager, the cardholder must provide a credit voucher proving that the item(s) have been returned for credit or a personal check for the full amount of the purchase. Improper use of the card will result in the procurement card privilege being taken away and possible disciplinary action, up to and including termination.
IX. LEAVING EMPLOYMENT

If the employee leaves office/employment, the purchasing card must be turned in to the Administrative Services Department immediately upon separation.

Revised August 17, 2016, Resolution 16-047
Revised December 1, 2021, Resolution 21-034