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APPROVED BY:  Director	SUPERSEDES 404.10 03/30/2015	ORIGINAL ISSUE DATE 03/30/2015	DISTRIBUTION LEVEL(S) 1

PURPOSE

- 1.1 To provide guidelines for the controls, responsibilities, and record keeping of CAL-Cards issued to the Los Angeles County Department of Mental Health (LACDMH) – Facilities Management Division.

DEFINITIONS

- 2.1 **After Regular Business Hours:** Hours outside the normal Monday through Friday, 8:00 a.m. to 5:00 p.m. business days. Holidays, weekends, weeknights, and graveyard shifts are considered after regular business hours.
- 2.2 **Approving Official:** The supervisor who provides written authorization permitting cardholders to make credit card purchases.
- 2.3 **Authorized Cardholders List:** List generated quarterly by the Asset Management Unit through the U.S. Bank website.
- 2.4 **Authorized Limits:** The monetary thresholds cardholders are restricted to when making credit card purchases. The exact purchase, daily and monthly authorized limits, may vary for each cardholder.
- 2.5 **Authorized Purchases:** Credit card purchases procuring inexpensive non-stock, non-agreement maintenance, and non-tool building supplies that have received prior written authorization from the Approving Official.
- 2.6 **CAL-Card:** An alternative payment option within the existing procurement system to purchase items typically obtained through small dollar purchase order and /or petty cash purchases.
- 2.7 **Emergency:** sudden, unexpected situation that demands immediate action to maintain essential or critical services and/or to protect public health and safety.



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2.8 **Remote Areas:** Locations that require excessive mileage or travel time such that it would not be prudent to return to LACDMH to resupply.

POLICY

- 3.1 Facilities Management personnel may use credit cards issued through the State of California's CAL-Card Program to procure inexpensive non-stock, non-agreement maintenance, and non-tool building supplies.
- 3.2 Credit cards must only be used for emergencies, after regular business hours assignments, or efficiently completing jobs in-progress by reducing drive time in remote areas.
- 3.3 Credit cards must not be used to circumvent standard purchasing procedures through procurement.
- 3.4 All credit card purchases must have proper authorization as delineated in the LACDMH CAL-Card Purchasing Program.
- 3.5 The Division Manager of Materials Management and Section Head are not allowed to make credit card purchases.

PROCEDURE

- 4.1 CAL-Card Application and Usage Process
 - 4.1.1 Cardholders complete the CAL-Card application process which includes:
 - Filling out an application form;
 - Obtaining the necessary approvals;
 - Getting funding verified by the Administrative Support Bureau Analyst; and
 - Submitting the application to the Division Manager or Designee of Materials Management for processing.



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- 4.1.2 Cardholders must attend orientation training or watch an orientation video regarding the guidelines for using CAL-Cards.
- 4.1.3 Cardholders must sign the Cardholder Acknowledgement Agreement.
- 4.1.4 Credit cards must only be used to pay for authorized purchases. Refer to Section 4.2 for additional information.
- 4.1.5 Cardholders must substantiate credit card purchases by recording all purchases on the CAL-Card Transaction Log and saving itemized receipts, transactions, written authorizations, and other necessary supporting documentation(s).
- 4.1.6 Cardholders must submit individual billing statements, itemized receipts, CAL-Card transaction logs, any written authorizations, and other credit card purchase-related documents monthly to the Facilities Section Head.
- 4.1.7 Refer to Section 4.7 for additional responsibilities for the Division Manager or Designee of Materials Management, Facilities Section Head, and Cardholders.

4.2 Authorized Purchases

- 4.2.1 Cardholders must obtain written authorization from the Approving Official prior to using credit cards to pay for any purchases.
 - 4.2.1.1 If prior written authorization is not possible, telephone authorization is permissible but must be supplemented with a written authorization as soon as possible.
 - 4.2.1.2 Justification for credit card purchases must be provided in the written authorization.
 - 4.2.1.3 The Division Manager or Designee of Materials Management must grant authorization if the Approving Official is unavailable.



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- 4.2.2 For any credit card purchases that exceed purchase, daily or monthly limits, authorizations must be granted by the Division Manager of Materials Management or Designee.
- 4.2.3 Credit cards cannot be used for personal purchases of any kind.
- 4.2.4 Examples of authorized purchases include:
- Non-tool building materials: pipe, pipefitting, lumber, small parts, cement, and drywall.
 - Repair parts: small fittings, nuts and bolts, and electrical supplies.
- 4.3 Credit Card Reconciliation and Payment. Upon receipt of the monthly Statement of Accounts (SOA) invoice, Materials Management must forward a copy to the Section Head or Designee within five (5) business days for distribution to cardholders.
- 4.3.1 The Section Head or Designee must immediately forward the SOA invoice to the cardholders.
- 4.3.1.1 Cardholders may also access their monthly billing statements earlier by going to the U.S. Bank website at the end of the billing cycle, which is approximately the twenty-second (22nd) of each month.
- 4.3.2 Cardholders must review their billing statements and resolve any disputed transactions with U.S. Bank within thirty (30) days of the billing period.
- 4.3.3 Cardholders must sign and date the billing statements once their review is completed and submit the signed individual billing statements, all original itemized receipts, transaction logs, and written authorizations to the Section Head.
- 4.3.4 The Section Head must review all billing statements, original itemized receipts, transaction logs, and written authorizations for accuracy,



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ensure credit card purchases are in compliance with CAL-Card policies and procedures, sign the SOA invoice, and submit all documents to Materials Management Designee within five (5) business days of receiving the billing statements for distribution.

- 4.3.5 Materials Management Division Designee is responsible for reconciling original itemized receipts to transaction logs, verifying the written authorizations, noting disputed items, and ensuring purchases are in compliance with CAL-Card policies and procedures. Materials Management Division must forward all documents to Accounting Division within five (5) business days of receiving the documents from the Section Head.
- 4.3.6 Accounting Division must process the payment within the forty-five (45) day billing cycle indicated by U.S. Bank.
- 4.3.7 Refer to Section 4.10 for additional responsibilities for the Accounting Division.
- 4.3.8 Only the approved amounts on the billing statements are paid. Disputed items must not be paid.
 - 4.3.8.1 Disputed items must be resolved within thirty (30) days following the close of billing cycle of the statement containing the disputed items.
- 4.3.9 Cardholders are fully responsible for their credit cards. No finance charges or late payment fees will be paid by the County under any circumstances in regards to the use of credit cards issued through the CAL-Card Program.
- 4.4 Maintenance of Authorized Cardholders List
 - 4.4.1 The Division Manager or Designee of Materials Management is required to maintain the Authorized Cardholders List that contains a current list of cardholders and update the list as necessary.



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4.4.2 The Authorized Cardholders List must be distributed to the Section Head.

4.4.3 Changes to cardholders must be reported to the Division Manager or Designee of Materials Management.

4.4.4 Both the Division Manager or Designee of Materials Management and the Section Head must quarterly verify the Authorized Cardholders List with each other for accuracy.

4.4.4.1 The listing must be verified annually with a cardholder listing obtained from U.S. Bank.

4.4.5 All unused or unnecessary credit cards must be immediately cancelled by contacting your Section Head and notifying Materials Management Designee.

4.4.6 Credit Card Authorization Levels

AUTHORIZATION LEVEL	PURCHASE LIMIT	DAILY LIMIT	MONTHLY LIMIT
Level 1 – Field Employee	\$50	\$100	\$750

4.4.7 Missing/Stolen/Damaged Credit Cards

4.4.7.1 If any credit card is missing, stolen, or damaged, the cardholders must immediately notify U.S. Bank, the Manager or Designee of Materials Management, and the Section Head.

4.4.7.2 The County is liable for all purchases made until U.S. Bank is notified. However, cardholders must reimburse the County for all unauthorized purchases.

4.4.7.3 Cardholders must then submit an incident report to the Division Manager or Designee of Materials Management and the Section Head.



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4.4.7.4 All CAL-Card Program participants must respond to requests from U.S. Bank representatives in a timely manner.

4.5 Lost Receipts

4.5.1 If cardholders are unable to provide receipts for any purchases and the vendors are unwilling or unable to provide duplicates, cardholders must reimburse the County for those purchases.

4.5.2 Cardholders must fill out a Lost Receipt form documenting missing or lost receipts.

4.6 Non-Compliance

4.6.1 Failure to comply with the established policies and procedures will result in credit card privileges being suspended or revoked.

4.6.2 Misuse or fraudulent use of credit cards may result in formal disciplinary action including discharge from County Service.

4.6.3 Under no circumstances may credit cards be used to purchase anything other than the items detailed in the LACDMH CAL-Card policies and procedures.

4.7 The Division Manager or Designee of Materials Management is responsible for the following:

4.7.1 Administering, managing, and coordinating the CAL-Card Purchasing Program.

4.7.2 Acting as a Liaison to Internal Services Department (ISD).

4.7.3 Setting up accounts and obtaining and distributing new credit cards.

4.7.4 Maintaining the Authorized Cardholders List.



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- 4.7.5 Distributing updated Authorized Cardholders List after changes are made to current cardholders.
- 4.7.6 Establishing authorized limits for each credit card (Manager only).
- 4.7.7 Approving changes to authorized limits.
- 4.7.8 Granting final approval for credit card applications.
- 4.7.9 Cancelling, returning, or suspending credit cards.
- 4.7.10 Approving credit card purchases that exceed purchase, daily or monthly limits.
- 4.7.11 Maintaining a listing of cardholders who have been issued a CAL-Card by keeping copies of the CAL-Card, original Application Agreements, and cancellations.
- 4.7.12 Changing or cancelling Approving Official and Cardholders.
- 4.7.13 Reviewing receipts and transaction logs with SOA to verify all credit card purchases are appropriate and comply with CAL-Card policies and procedures.
- 4.7.14 Approving payment for each subordinate cardholder’s billing statement.
- 4.7.15 Retaining copies of SOA, credit card receipts, and any other documents pertaining to credit card purchases for the latter of five (5) years or the completion of the state audit.
- 4.7.16 Ensuring appropriate steps are taken to properly dispose of credit cards that are no longer required.
- 4.7.17 Taking disciplinary action and confiscating CAL-Cards from cardholders who:
 - Do not comply with card limitations;



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- Use the purchase card for unauthorized purchases; and/or
- Violate the provisions of the Cardholders Acknowledgement Agreement (Attachment 2).

4.8 The Section Head is responsible for the following:

- 4.8.1 Granting initial approval for credit card applications.
- 4.8.2 Acting as the Approving Official for credit card purchases.
- 4.8.3 Monitoring and ensuring compliance with LACDMH CAL-Card Internal Control Plan.
- 4.8.4 Reviewing cardholders' credit card purchase-related documents for accuracy and compliance with CAL-Card policies and procedures.
- 4.8.5 Creating copies of all original purchase-related documents and submitting both original and copied documents to Manager or Designee of Materials Management.
- 4.8.6 Maintaining a current listing of cardholders.
- 4.8.7 Notifying the Division Manager or Designee of Materials Management when credit cards are missing, stolen, damaged or expired.

4.9 Cardholders are responsible for the following:

- 4.9.1 Completing the application form.
- 4.9.2 Signing and abiding to Cardholder Acknowledgement Agreement.
- 4.9.3 Attending an orientation or watching online orientation video prior to being issued a credit card.
- 4.9.4 Complying with all County purchasing guidelines, which include County Fiscal Manual, ISD policies, and LACDMH CAL-Card policies and procedures.



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- 4.9.5 Safeguarding credit cards against theft and fraudulent use.
- 4.9.6 Ensuring credit card purchases do not exceed authorized purchase, daily or monthly limits.
- 4.9.7 Prohibiting splitting orders or allowing other employees to use their credit cards to avoid circumventing the authorized purchase, daily or monthly limits.
- 4.9.8 Obtaining prior written authorization for all credit card purchases from the Approving Official, or if unavailable, Division Manager or Designee of Materials Management. If prior written authorization is not possible, telephone authorization is permissible but must be supplemented with written authorization as soon as possible. Justification for the credit card usage must be provided in the written authorization.
- 4.9.9 Ensuring the quantity, full description of item(s), individual item price, total purchase price, and all items are on the receipt from the vendor prior to signing the charge receipt.
- 4.9.10 Recording each credit card purchase on the Credit Card Transaction Log.
- 4.9.11 Retaining and submitting all original credit card purchase-related documents including billing statements, receipts, and transaction logs, to Materials Management.
 - 4.9.11.1 Receipts must include the vendor’s name, purchase date, purchase cost, item description, and indication that the credit card was used.
- 4.9.12 Reviewing billing statements for accuracy and resolving any disputed transactions with U.S. Bank.
- 4.9.13 Reimbursing County for all unauthorized purchases.



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- 4.9.14 Relinquishing their credit cards to Materials Management prior to an extended leave.
- 4.9.15 Notifying immediately U.S. Bank Customer Service at 800-344-5696, the Division Manager or Designee of Materials Management, and the Section Head if their credit card is missing, stolen, or damaged. Refer to Missing/Stolen/Damaged Credit Cards Section for additional information.
- 4.10 The Accounting Division is responsible for the following:
 - 4.10.1 Assuring timely payments to U.S. Bank for charges against all credit cards.
 - 4.10.2 Ensuring the billing statements are reconciled, have the appropriate authorizations, and are supported by original receipts.
 - 4.10.3 Processing payment within the forty-five (45) day billing cycle as indicated by U.S. Bank to avoid finance charges and/or late fees.
 - 4.10.4 Retaining copies of billing statements, original receipts, transaction logs, written authorizations, and payment documents for the latter of five (5) years or the completion of the state audit.
 - 4.10.5 Securing all documents in a locked file at all times.
 - 4.10.6 Reviewing and following up on pending cardholder disputes to ensure timely resolution.
 - 4.10.7 Monitoring invoice payments and disputes through to closure.

AUTHORITY

1. LACDMH Administrative Directive



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ATTACHMENTS

1. [CAL-Card Application Form](#)
2. [Cardholders Acknowledgement Agreement](#)
3. [Transaction Logs](#)

RESPONSIBLE PARTY

LACDMH Administrative Services Bureau, Facilities Management Division