

SAN LUIS OBISPO LAFCO CREDIT CARD POLICY

I. **CREDIT CARD POLICY**

The following conditions must be met when using the Credit Card:

- A. Each single purchase may be comprised of multiple items, but the total cannot exceed the single purchase dollar limit on the Credit Card.
- B. The Credit Card must not be used for purchases when the Cardholder has a personal interest, or knowledge, regarding any vendor which would create a conflict of interest. An example is buying from a relative or close friend.
- C. Intentional use of the Card for other than official LAFCO purposes is not allowed and such use will result in immediate cancellation of your Credit Card, possible referral to the District Attorney, disciplinary action as authorized by applicable LAFCO procedures, and personal liability to LAFCO for the amount of the purchase.

USE POLICIES

AUTHORIZED USES:

- A. The Credit Card may be used to pay for authorized purchase transactions and are made through any legal means: over the counter, by telephone, or online.
- B. The Credit Card may be used to pay for purchases that are certain high value (over \$1,000) equipment (e.g. personal computing devices or software); leased equipment; fixed assets; maintenance services; professional services, etc.
- C. Authorized uses may be limited by the Executive Officer to specific categories or merchant types, single purchase dollar limit, and monthly spending limits.
- D. The Credit Card must not be used in a manner intended to circumvent the formal procurement process or other limits imposed on the Card.

RESPONSIBILITIES

Individual cardholders, Executive Officer, Senior Analyst, Commission Clerk, are responsible for:

- E. Maintaining proper documentation and supporting receipts for all transactions.
- F. Reviewing and certifying the correctness and the business necessity of transactions listed on the monthly statements.
- G. Resolving exceptions and disputes directly with the vendors.
- H. Notifying the Executive Officer of any suspicious transactions.
- I. Establishing internal controls to ensure the proper use of Credit Cards within LAFCO, including additional restrictions on the types of purchases and dollar limits that apply to individual cardholders, and other review procedures.

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- J. Reviewing monthly transaction reports to ensure overall compliance with policy, including proper disposition of exceptions.
- K. Selecting the financial institution (the bank) which provides the most cost-effective purchase card services and maintaining optimal relations with such institution. This responsibility includes regular communication and proper follow up with the bank.
- L. Administering the Credit Card Program to ensure that it is fully used and results in efficiencies in procurement and spending.
- M. Prescribing and maintaining adequate internal control over the Credit Card Program to ensure accountability. This responsibility includes setting LAFCO criteria for proper usage and regular monitoring of usage to ensure compliance with policies.

EMERGENCY USE:

- N. The Credit Card may provide a mechanism for procuring goods and/or services during an emergency, disaster response, or other unforeseen events.
- O. An emergency purchase may be warranted to prevent a hazard to life, health, safety, welfare, property, or to avoid undue additional cost to LAFCO, and/or disruption of service.
- P. Emergency purchases of goods and services should not exceed the scope or duration of the emergency.
- Q. In view of the potential use of the purchase card during emergency conditions, the Executive Officer may authorize higher limits and wider purchasing scope for certain LAFCO staff who may be called on during emergencies.
- R. Failure to plan for normal operations does not constitute an emergency use. Failure to plan refers to circumstances in which LAFCO personnel, in the normal course of their activities, have reasonable knowledge of a need but did not take the proper action to procure for the needs. This does not refer to unforeseen circumstances that are clearly beyond their control or knowledge.

SUSPENSION AND REVOCATION:

- S. Upon the discovery of an unusual spending pattern, the Executive Officer may temporarily suspend a cardholder's privilege until investigations are complete or exceptions are resolved.
- T. LAFCO Staff are notified of all cases of suspension or revocation.
- U. In addition to the revocation, the Executive Officer may authorize the referral of the case to Internal Audit or the District Attorney for investigation and/or other actions as appropriate.

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LIST OF PROHIBITED PURCHASES

These items are prohibited:

- Wire Transfer-Money Orders
- Cash Advances
- Convenience Checks
- Non-Financial Institutions-Foreign Currency, Money Orders, Travelers Checks
- Digital Currency
- Security Brokers/Dealers
- Savings Bonds
- Timeshares
- Betting, Casino Gaming Chips, Off Track Betting
- Fines
- Bail and Bond Payments
- Ammunition and weapons
- Chemicals & hazardous materials

RESTRICTED USES

The Credit Card is restricted from being used to purchase the following items:

- Splitting of purchases to circumvent the dollar limitation
- Payment of existing invoices
- The Credit Card may never be used for personal purchases.