


State of California Purchase Card “CAL-Card”



CAL-Card Contract

- Contractor: 
- Term: October 19, 2006 to October 18, 2011
 - Five year contract with one (2) year option for renewal

What is a “CAL-Card” ?

- The State of California offers state and local government agencies a Master Service Agreement providing **VISA** purchase card services
- The CAL-Card is a **payment mechanism**
- Purchases of goods/services up to \$100,000 per transaction, higher limits are available upon approval from US Bank
- Travel expenses for local agencies only; travel insurance is not included
- The CAL-Card is a purchase card issued in the “**name of the cardholder**” and billed to the agency

How did the program start?

- Together with Auditor/Controller and the Purchasing/Fleet Services initiated the Procurement Card Program.
- County looking at ways to improve the way it does business, promoting vendor acceptance, and operational efficiency in the way we purchase some its items.
- A/C office issues 20,000 “Type-B Warrants” for \$1,000 or less each month; was looking for an easier way.
- Pilot program started July 2001 with 5 depts. and 35 Cardholders.

What can the CAL-Card replace?

Purchase Orders

- No longer restricted to businesses that accept Purchase Orders.

Travel Expense Claims

- Local agencies only

Petty Cash

Payment mechanism for Purchase Orders, Contracts, and some Service Orders.



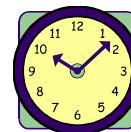
CAL-Card Advantages

- Expanded supplier base – honored where ever VISA is accepted.
- No minimum card count or spend.
- Suppliers are paid promptly - within 2 to 3 days
- Eliminates multiple checks, one monthly check to U. S. Bank.
 - Standard cycle date is the 22nd of each month or agencies may choose any date from the 3rd to 27th of each month.
 - Option for multiple billing cycle dates.
 - Multiple billing level options - separate invoices for different divisions within the agency.



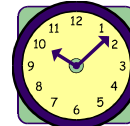
More CAL-Card Advantages

- Improved access and opportunities to save \$\$ for the purchase of goods and services:
 - Walk-in purchases.
 - Telephone orders.
 - Internet – (Tip: Print itemized order.)
- Obtain goods and services when needed.
- Controls - dollar limits and Merchant Activity Type (MAT) restrictions.
- Min. Cost program with the exception of late fees.
 - Dept. is accessed a \$45/yr county management fee.



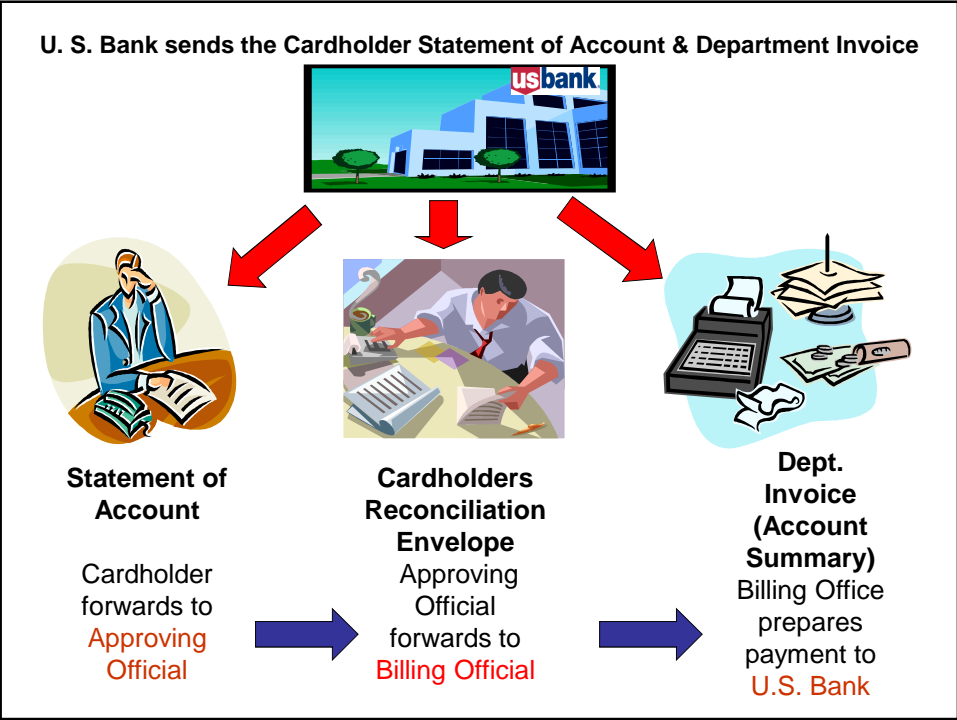
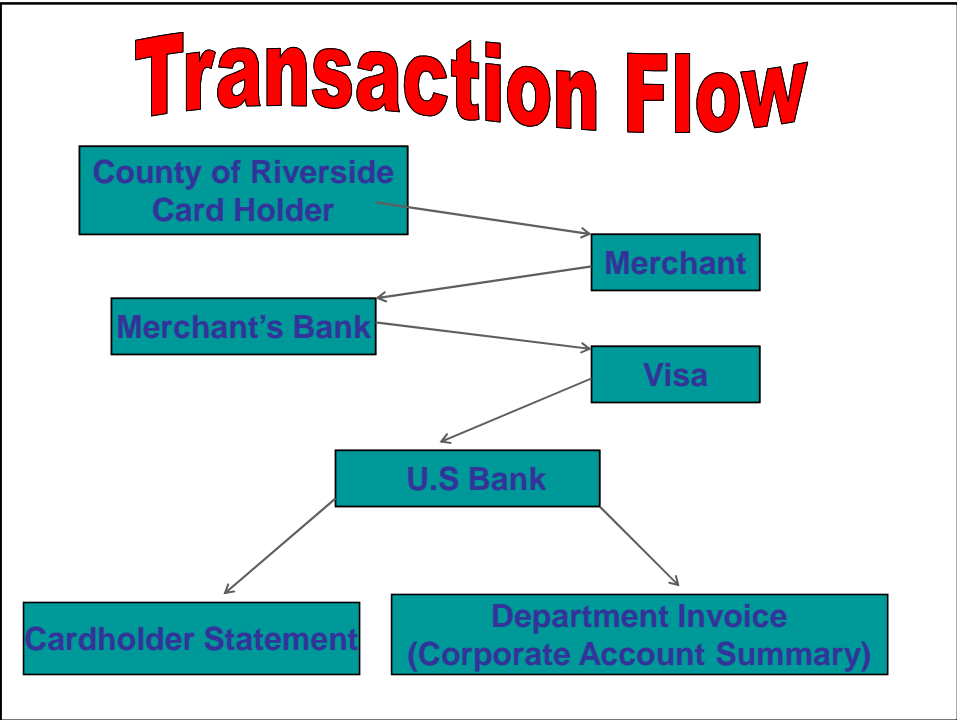
More CAL-Card Advantages

- Prompt Payment Rebate.
- Payment due **45** days from invoice date.
- VISA dispute, fraud and Waiver Liability protection up to **60** days from invoice date.
- Quarterly User Group Meetings.
- Training and support tools provided at no cost
- Access On Line – Free U.S. Bank web based program for CAL-Card Program management.



CAL-Card Program

- Each cycle generates a “**Department Invoice**” called a “**Corporate Account Summary**”
- Unpaid amounts do roll forward to the next month’s Cardholder Statement and to the Department Invoice
- CAL-Card is paid from the monthly invoice, **not from the Cardholder Statement**



General Information

- ❑ The CAL-Card is embossed with **your name**, sent to your department's address. **Do not allow others to use it!**
- ❑ **There will be no credit check of your personal credit history, it is a County purchasing card in your name.**
- ❑ The CAL-Card is a "payment mechanism" not a procurement method. **County buying rules still apply.**
- ❑ **The payment terms are 45 days, late payment interest penalty begins on the 46th day for any open, undisputed balance. The department will be "shut-down" on 61st day.**
- ❑ The **Cardholder** is responsible for handling returns and exchanges in a timely manner.
- ❑ The **Cardholder** is responsible for reconciling and approving the monthly **Statement of Account** and forwarding it to the Approving Official in a timely manner [by County established policy (1st of the month)].

General Information Continued

- ❑ Items prohibited by Contract , as well as the County, spending limits, and purchase restrictions still apply.
- ❑ The **CAL-Card is prohibited** for "**any personal use**".
- ❑ The CAL-Card cannot be used as a group card (ghost card), the **Cardholder is responsible for all transactions.**
- ❑ The Cardholder should call U.S. Bank Customer Service 1 (800) 344-5696 to request a duplicate copy if your statement is not received within 10 business days from the cycle date. **Cycle date is usually the 22nd of the month.**
- ❑ The Cardholder is required to immediately **notify [U.S. Bank], their Approving Official, Agency Program Coordinator**, if a CAL-Card is **lost, stolen**, or if the card is worn and needs to be replaced.

The Cardholder (C/H)

- Should have knowledge of agency/CAL-Card policies and procedures for purchasing
- Acts as a **purchasing agent**
- Receives and reconciles receipts to monthly Cardholder Statement of Account and forwards to the Approving Official
- Authorizes payment and/or use of credits in a timely manner
- Promptly reports fraud and disputes within 60 days of cycle date and monitors through to closure
- Initiates disputes, completes and faxes dispute form (CSQI) to U. S. Bank

Contract Excluded Transactions

Air Phone
Wire Transfer-Money Orders
Direct Marketing Insurance Services
Financial Institutions Manual Cash Advance
Financial Institutions Automatic Cash Advance
Non-Financial Institutions- Foreign Currency, Money Orders, Travelers Checks
Security Brokers/Dealers
Savings Bonds
Timeshares
Betting, Casino Gaming Chips, Off-Track Betting
Political Organizations
Religious Organizations
Court Costs, Alimony, Child Support
Fines
Bail and Bond Payments
Tax Payments
Government Loan Payments

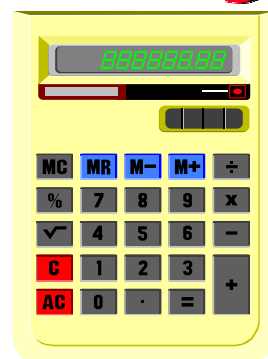
Payment Terms



- Requires payment to be made within 45 days of Dept. Invoice date.
 - U.S. Bank posts payments based on the date of the check, after the check is received.
 - Payment options include:
 - Check.
 - Electronic fund transfer (EFT) via Automated Clearing House (ACH) EDI.

Interest Penalty

- Interest penalty is based on the State Prompt Payment Act which is announced annually.
- Penalty calculation begins on the 46th day from the invoice cycle date.

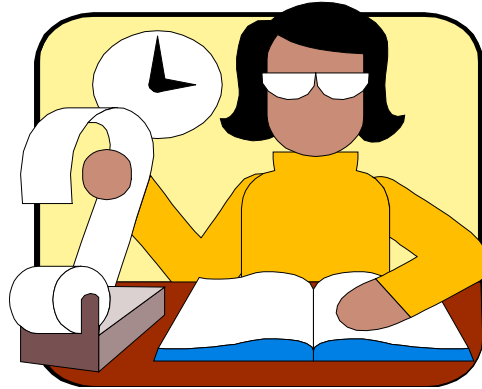


Total Amount Past Due times Number of Days Past Due times Interest Rate (3.256%) divided by 360 = Late Payment Interest Amount.

NOTE: Agencies are responsible for calculating interest. The interest penalty amounts shown on the F110 are estimated only.

The Dispute Process

How to make it work!



Fraud Protection

- Fraud must be reported to U.S. Bank Customer Service at 1(800) 344-5696, within 60 days from Cardholder Statement of Account date.
- Third party fraud - non employee
 - Zero deductible
 - Zero liability
- Fraud committed by an employee
 - VISA Liability Waiver Coverage - if **employee is terminated**
 - 1 - 4 cards \$5,000 – per card
 - 5 + cards \$100,000 – per card RIVCO

Cardholders

- Must be familiar with, and adhere to, their agency's procurement guidelines and procedures
- All charges must be for "Official Business Only"
- Responsible for reconciliation of receipts to monthly Cardholder Statement
- Cardholder is responsible for filing disputes, if needed
 - This may be done through Access Online, filing a CSQI form or calling customer service
- Reconciles monthly Cardholder Statement promptly to avoid late payment penalty and "shut-down"

Approvers

- Responsible for reviewing and approving Cardholder transactions
- Take the time to review all documentation for accuracy; **make no assumptions**
- Transactions are for "Official Business Only"
- Ensure that all documentation has been provided by Cardholder per agency's policies and procedures
- May approve Cardholder statements through Access Online or hardcopy
- **Beware of repetitive "Missing Receipt" documentation**

Billing Official

- Responsible for reconciling the Managing Account Statement (Invoice)
- Verifies that all documentation has been provided by Cardholder for payment
- Verifies charges have been approved for payment by the agency "Approver"
- Reviews Cardholder charges; question any item that seems out of the ordinary. Refer those items to the Program Administrator.
- Processes Managing Account Statement (Invoice) and pays U.S. Bank quickly to avoid late payment penalty and "shut-down".
- Monitors past due balances
- Beware of repetitive "Missing Receipt" documentation

Program Administrators

- *Primary* Program Administrator should be the "hands on" person for program management
- Responsible for developing procedures and training for Approvers, Cardholders and Billing Official
- Monitors all past due balances; works with Billing Officer to clear unpaid amounts
- Performs random monthly audits of CAL-Card spends
- Reviews monthly management reports for agency program compliance and spending patterns
- Adds/deletes Cardholders, Approvers and Billing Officials, establishes Cardholder spending limits and Merchant Category Codes,

Important Things To Remember

- Purchases must be for “Official Use Only”!
No Personal Purchases.
- Must have money in the budget.
- Honor current County contracts & awards.
- County Purchasing Rules still apply. Must follow established policy/procedures for purchases.
- Do not allow others to use your card.

Questions ?

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or

U.S. Bank

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