STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES	DATE ISSUED: March 5, 2003
Administrative Order 03-02	EXPIRES: Until Rescinded
TO: **Deputy Directors** **Branch Chiefs** **Office Chiefs**	REFERENCES:
SUBJECT: DGS CAL-Card Policy	SUPERSEDES:

This Administrative Order announces the department's decision to change the existing CAL-Card policies to better manage the CAL-Card Program with the Department of General Services.

DGS CAL-Card Policy

The CAL-Card is the State of California VISA Procurement card program which is designed for small dollar purchases, but also allows the cardholder to make purchases for goods up to $25,000 and services up to $5,000, or up to your assigned delegation authority dollar amount, whichever is less.

Due to the large volume of transactions and subsequent dollars spent, it is extremely important that the control and use of CAL-Cards be closely managed.

The Business Services Office and the Office of Fiscal Services will be implementing a "2 Notice Rule" effective March 15, 2003. The "2 Notice Rule" revokes the cardholder's spending authority after the second infraction of CAL-Card policies or procedures. The CAL-Card will not be reinstated until a written, signed certification from the cardholder and the Sub-Coordinator is received stating that the cardholder received training or passed the CAL-Card quiz and understands the CAL-Card rules.

CAL-Card misuse will be broken into two (2) categories:

- **Prohibited purchase** - items purchased using the CAL-Card that are prohibited in SAM or purchases determined not to be for official state business. Please go to the following SAM site for further references to prohibited purchases http://sam.dgs.ca.gov/sam.htm. The CAL-Card Manual also provides information regarding prohibited purchases. ***The CAL-Card may be revoked after the first offense if determined the offense warrants this action. **A second misuse of the CAL-Card in this manner will result in revocation of the CAL-Card for up to one year.***
- **Administrative errors** - anything that slows the payment process and results in a Request for Action being sent out, which may include any of the following reasons:
  - failure to provide itemized receipts,
  - failure to provide justification for purchases,
  - statements not received in payments by the 15th of each month, etc.
  - failure to provide back-up documents including:
    - copy of approved training request,
    - copy of conference agenda,
    - original freight invoice for freight charges over $50.00 (over $300.00 requires pre-approval from Traffic Management)

Cardholders, Approving Officials, and Sub-Coordinators will receive a Request for Action from the Accounting Office describing the misuse and the action needed to make the correction.

The Accounting Office will not pay the CAL-Card invoice until the Request for Action is resolved. Penalties will accrue 45 days after the statement date; resolution of the misuse is crucial as each infraction slows the payment process. Each Request for Action will cite the accumulated number of misuses. After the second misuse, the Accounting Office will notify the cardholder, his/her supervisor, Sub-Coordinator, and DGS CAL-Card Coordinator and the CAL-Card will be revoked. The approving official may also be prevented from continuing with the CAL-Card Program. The CAL-Card will not be reinstated until a written, signed certification from the cardholder and Sub-Coordinator is received stating that the cardholder received training, passed the CAL-Card quiz, and understands the CAL-card rules.

The following training is available:

- California Acquisition and Materials Management Institute (CAMMI) training for the CAL-Card Program. Visit http://www.pd.dgs.ca.gov/cammi/calcard.htm for dates and locations.
- Read the CAL-Card Manual and take the CAL-Card Quiz with a score of at least eight out of ten questions correct.

The DGS Business Services Office will be developing a CAL-Card Training Program. This training program will be available in early 2003. This program will consist of a CAL-Card Program overview, basic purchasing guidelines including restricted and prohibited purchases; cardholder and approving official roles; and assembling documents per Accounting Office procedures. This training will not take the place of the CAMMI CAL-Card Training.

The Department of General Services is in the process of acquiring an IT procurement delegation. The CAL-Card is a payment mechanism, not a procurement method. Use of the CAL-Card does not preclude the requirement to follow all acquisition rules and delegation guidelines. All IT purchases require **prior** approval from the OCIO, including those that use the CAL-Card as the payment mechanism. A copy of the OCIO approval must be submitted with the cardholder's CAL-Card statement.

The Department reserves the right to take adverse action against any employee(s) who misuses the CAL-Card.

Clothilde V. Hewlett
Interim Director

3/17/03
Date

Deborah Hysen
Acting Chief Deputy Director

3/17/03
Date