

MANAGEMENT MEMO

SUBJECT:	NUMBER: MM 12-08
	DATE ISSUED: DECEMBER 26, 2012
STATE OF CALIFORNIA FLEET CARD PROGRAM PROCEDURES	EXPIRES: UNTIL RESCINDED
REFERENCES: STATE ADMINISTRATIVE MANUAL, SECTION 3687.1; MANAGEMENT MEMO 05-12 (EXPIRED 7-21-06); TRAVEL BULLETIN #11-04; PRC 25722.5 (e)	ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

Purpose

The purpose of this Management Memo (MM) is to provide essential State Fleet Card Program policies and procedures which must be implemented by all state departments who participate in the State Fleet Card Program. These procedures will assist with establishing controls that will help to prevent abusive fleet card practices, including but not limited to fraud and waste.

Background

The Department of General Services (DGS), Office of Fleet and Asset Management (OFAM) administers the State Fleet Card Contract and Program. The State Fleet Card Contract and Program enables state departments to pay for fleet purchases while using government vehicles and long-term commercial vehicle rentals through the state's commercial car rental contract.

It is the responsibility of each department to monitor and verify the appropriate usage of the State Fleet Cards issued to their employees. If misuse is determined, each department must take appropriate action according to their departmental policy.

In an effort to provide greater guidance toward effective departmental Fleet Card Program usage and management, a set of procedures has been developed to assist departments. These procedures are a result of both a survey and interviews conducted with state departments to review their current policies and procedures. The implementation of these procedures will help to ensure preventive measures are in place to avoid fraud, waste, and abuse.

Policy and Procedures

The State Fleet Card can only be used by state employees conducting official state business. Additionally, state departments may authorize other individuals (such as retired annuitants, volunteers, etc.) who are on official state business and whose travel expenses are paid by the state, to use the Fleet Card. State departments that need a commercial card service for the point of sale purchasing of traditional fleet fuels (such as gasoline and diesel) are required to use the State Fleet Card and participate in the State Fleet Card Program.

Allowable Purchases and Use

The State Fleet Card can be used to purchase unleaded gasoline, alternative fuels (e.g., biodegradable diesel, E-85, CNG, propane, etc.), fluids and lubricants. When purchasing gasoline, drivers are only authorized to purchase E-85 (as applicable) or regular grade (unleaded) gasoline, unless a different fuel grade is specifically required by the vehicle manufacturer. The State Fleet Card can be used at over 10,500 retail locations throughout California.

The State Fleet Card can also be used for emergency roadside assistance through the National Automobile Club (800-600-6065). In addition, emergency purchases such as wiper blades, fan belts, tires, etc., are permissible provided the purchases are in accordance with a department's policies.

Prohibited Purchases and Use

Unless specifically required by the vehicle manufacturer, the purchase of mid-grade or premium (supreme) unleaded gasoline is strictly prohibited.

The State Fleet Card cannot be used for personal vehicles or for the purchase of items such as food or sundries (personal items). Additionally, the State Fleet Card cannot be used for short-term commercial vehicle rentals unless an emergency arises and the user has prior departmental approval for use of the card in such circumstances.

Requirements

By June 30, 2013, all state departments that utilize the State Fleet Card Program must implement oversight procedures as specified in the *State Fleet Card Oversight Usage and Responsibilities* document (see Additional Resources section of this MM). Each department will designate an employee to act as the Fleet Card Coordinator (Coordinator) to closely manage the department's use of the State Fleet Card Program. This will include the review of fleet card exception reports on an ongoing basis.

By June 30, 2013, each department participating in the State Fleet Card Program must submit the *Annual Certification Form* (see Additional Resources section of this MM) indicating that the department has executed the required procedures as well as certified that it has assigned a Coordinator to manage its State Fleet Card usage, as stated in the *State Fleet Card Oversight Usage and Responsibilities* document. This certification must be submitted to the DGS on an annual basis by June 30 of each year.

Additionally, each department must ensure that all individuals authorized to use the State Fleet Card sign a *Fleet Card User Agreement* (see Additional Resources section of this MM). All active Fleet Card User Agreements should be kept on file by the department.

Department compliance with the State Fleet Card Program's oversight requirements will be subject to auditing by the DGS on a periodic basis.

Who Should
Review

Executive Officers, Administrative Officers, Fleet Coordinators, Managers, Supervisors, Business Services Officers, Department Auditors, and State Vehicle Operators.

Additional
Resources

An electronic copy of the *State Fleet Card Oversight Usage and Responsibilities* document and additional fleet card information can be found at the DGS website:

1. *State Fleet Card Oversight Usage and Responsibilities* document at <http://www.dgs.ca.gov/ofam/Resources/Publications.aspx>
 2. DGS State Fleet Card Program *Annual Certification* form at <http://www.dgs.ca.gov/ofam/Resources/Publications.aspx>
 3. *Sample Fleet Card User Agreement* form at <http://www.dgs.ca.gov/ofam/Resources/Publications.aspx>
 4. Fleet Services Call Center at (855) 611.OFAM (6326) or <http://www.dgs.ca.gov/ofam/Programs/CallCenter.aspx>
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Signature

Original Management Memo signed by Fred Klass, Director

Fred Klass, Director
Department of General Services
