

MANAGEMENT MEMO

SUBJECT: CAL-CARD: PURCHASE CARD PROGRAM	NUMBER: MM 04-06
REFERENCES: SUPERSEDES MANAGEMENT MEMO 03-12 ISSUED JUNE 12, 2003	DATE ISSUED: January 26, 2004 EXPIRES: JANUARY 26, 2005 ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

Introduction For clarity Management Memo 03-12 is represented again in its entirety with bolded revisions to page two, paragraph sections "CAL-Card Purchases \$5,000 and Greater" and CAL-Card Purchases Less than \$5,000.

The purpose of this Management Memo is to identify the authority and the participation requirements for the CAL-Card Program as well as restate the contract terms relating to account suspension, the CAL-Card purchase documentation requirements and the dollar thresholds, the CAL-Card limitations, and the administrative staffing requirements.

Authority The Department of General Services, Procurement Division (DGS-PD), authorizes the use of the CAL-Card Program to those agencies with current purchasing authority. Based on that existing purchasing authority, the CAL-Card is a payment mechanism for the purchase of goods and services up to \$25,000. Higher limits are available upon prior approval of the DGS-PD and the Bank Card Contractor.

Participation Requirements Participation in the CAL-Card Master Service Agreement has specific participation requirements.

- Each state agency participating in the CAL-Card Program must have existing purchasing authority granted by Department of General Services, Procurement Division. To participate in the CAL-Card Program, agencies must complete a Request to Participate Form (see Appendix 1), certifying compliance with the CAL-Card Program Master Service Agreement.
- State agencies and Universities are required to execute an addendum to the Master Service Agreement by signing a formatted Standard Agreement STD. 2 (Appendix 2) as designated by the Master Service Agreement. After the Participant and the Bank Card Contractor sign the addendum, the formal implementation process begins.

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Participation Requirements
(continued)

- Each participating agency must adhere to all terms of the current CAL-Card Master Service Agreement, including:
 - program management and structure
 - account maintenance
 - prompt payment
 - prompt resolution of disputes and
 - reporting suspected fraud
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Account Suspension

Agencies with delinquent balances of 60 days or greater are subject to account suspension. Each agency shall work to eliminate potential late payment penalties and receive the full benefit of prompt payment rebate revenue.

NEW CAL-Card Purchases of \$5,000 and Greater

For CAL-Card purchases of \$5,000 and greater, a written contract or purchase document (i.e., **Purchasing Authority Purchase Order, STD. 65, or other purchase document as allowed by the Leveraged Procurement Agreement (LPA) is required**, and must include all state-acquisition-required back-up documentation.

NEW CAL-Card Purchases Less Than \$5,000

For CAL-Card purchases of less than \$5,000 **except Leveraged Procurement Agreement (LPA) orders**, a CAL-Card Program Statement of Account and the Approving Official Summary (R090), serve as the procurement file documents and must include all state-acquisition-required backup documentation. **LPA orders must be executed on a Std 65 Purchasing Authority Purchase Order or other purchase document as may be allowed by the LPA and must include all state acquisition-required back-up documentation.**

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STATE ADMINISTRATIVE MANUAL

CAL-Card Limitations

CAL-Card limitations are as follows:

- CAL-Card must be used for state purchasing only. Cardholders cannot use the CAL-Card for personal use.
 - CAL-Card cannot be used for state travel-related expenses. This includes travel-related per-diem expenses, normally reimbursed to state employees on a Travel Expense Claim. Travel is defined as airline tickets, ground transportation, vehicle rentals, restaurants (meals) and lodging.
 - CAL-Card can only be used by the assigned Cardholder.
 - Only the agency designated Cardholder and Approving Official can approve CAL-Card charges and payments. Backup approval authority for the Cardholder, Approving Official and or the Agency Program Coordinator must be designated within the agency procedures and within the CAL-Card Master Service Agreement terms.
 - CAL-Card cannot be used to pay for past-due invoices.
 - CAL-Card cannot be used to pay late payments penalties.
 - Individual agencies may establish additional prohibited transactions within their CAL-Card program.
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Program Administrative Staffing Requirements

Each Participant is required to designate the following staff assignments for their CAL-Card Program administration:

- Designate at least one CAL-Card Agency Program Coordinator (APC). The APC oversees the entire CAL-Card Program, within an agency, including the administration of new and existing accounts, monitoring of system reports, providing program procedures, program training and taking appropriate action related to account maintenance and the payment process.
 - Designate at least one CAL-Card Approving Official. Approving Officials shall be responsible for budget expenditure approval, understanding state and agency procurement procedures and policies, and be familiar with the duties and authorities of the Cardholders whose statements they will review and approve. The Approving Official is responsible for the timely submission of the certified Cardholder Statement of Account and the R090 Summary Report to the Billing Office for payment. The number of Approving Officials will depend upon the number and location of Cardholders.
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STATE ADMINISTRATIVE MANUAL

**Program
Administrative
Staffing
Requirements**
(continued)

- Designate at least one Accounting/Billing Office Contact to receive and reconcile assigned R090 Summary Reports and Cardholders' Statements of Accounts to the corresponding monthly invoices. The Accounting Office Contact is responsible for the timely payment of the CAL-Card Program invoices, communicating Approving Official and Cardholder inconsistencies to the Agency Program Coordinator, and monitoring invoice payments through to closure.
 - Designate at least one Cardholder. The Cardholder is the only person authorized to purchase with the assigned purchase card.
 - Each Participant may designate at least one Dispute Office Contact. The Dispute Office Contact is designated to monitor cardholder-generated disputes through to closure. The Dispute Office Contact is often a position within the Accounting/Billing Office.
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**More
Information**

Questions regarding this Management Memo may be directed to Judith Burnett, Analyst, Department of General Services, Procurement Division, CAL-Card Unit, judith.burnett@dgs.ca.gov or by calling (916) 375-4578.

Original signed by William J. Jefferds, Ed.D.

William J. Jefferds, Ed.D.
Director, Department of General Services

Attachments: Appendix 1 Request to Participate

Website: <http://www.documents.dgs.ca.gov/pd/calcard/calcardreq.pdf>

Appendix 2 Contract Addendum

Website: <http://www.documents.dgs.ca.gov/pd/calcard/apx2.pdf>

**CAL-CARD PROGRAM
REQUEST TO PARTICIPATE**

This request is for participation in the State of California CAL-Card purchase card program by:

(Insert Name of Participating Agency, Participating University, or Participating Subdivision)

The person designated below will serve as the initial point of contact for establishing an account or accounts with U. S. Bank I.M.P.A.C. Government Services (I.M.P.A.C.). At time of account set-up, the names, addresses, and phone numbers of the Agency Program Coordinator, Billing/Dispute Contact, Approving Officials, and Cardholders will need to be provided. State agencies **MUST** have a current Delegation Authority number.

Agency Point of Contact:

_____ (Name of Point of Contact)	_____ (State Agency Only, Delegation Number)
_____ (Agency Name)	
_____ (Mailing Address)	_____ (Physical Address)
_____ (City, State, ZIP)	_____ (Physical Address City, State, Zip)
_____ (Phone)	_____ (Fax)
	_____ (Email address)

U.S. Bank, upon receipt of this Request to Participate, will contact the identified Agency Point of Contact. If the Participant is a state office, officer, department, division, bureau, or commission of the state, an addendum to the contract (DGS MSA 5-00-CC-02), in the form of a Standard Agreement (STD-2), will be required. For cities, counties, and other non-state agencies, U.S. Bank will provide a contract addendum for required signature, which will incorporate the Master Service Agreement (DGS MSA 5-00-CC-02).

(Signature) (Date)

This completed form should be forwarded to:

CAL-Card Program
Department of General Services
Procurement Division
P.O. Box 989052
West Sacramento, CA 95798-9052
Fax: (916) 375-4662
Phone: (916) 375-4578

State Use Only
Approved as a Participating
State Agency/Local Agency (circle one)
by DGS. Date: _____
Signature: _____

STATE OF CALIFORNIA

SAMPLE STATE AGENCY CONTRACT ADDENDUM

STANDARD AGREEMENT -- APPROVED BY THE ATTORNEY GENERAL

STD. 2 (REV. 5-91)

CONTRACT NUMBER 5-00-CC-02	AM. NO. ADDENDUM
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER- 41-1881896	

THIS AGREEMENT, made and entered into this _____ day of _____, 19____. in the State of California, by and between State of California, through its duly elected or appointed, qualified and acting TITLE OF OFFICER ACTING FOR STATE AGENCY DEPARTMENT OF XXX, hereafter called the State, and

CONTRACTOR'S NAME U. S. Bank National Association ND (U.S. Bank), hereafter called the Contractor.

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulations of the State hereinafter expressed, does hereby agree to furnish to the State services and materials as follows:

- (1) Contractor agrees to provide purchasing cards to designated employees of the Department of XXX. XXX employees will use the purchasing cards for purchases as provided for under the terms and conditions of Master Services Agreement DGS MSA 5-00-CC-02 and its amendments.
- (2) The terms of the agreement shall be (start date), through (end date), unless terminated earlier, or extended under the terms of the Master Services Agreement (DGS MSA 5-00-CC-02).
- (3) Either party may terminate this agreement at any time by giving thirty (30) days written notice to the other party, whether or not such other party is in default.
- (4) Master Services Agreement DGS MSA 5-00-CC-02 and its amendments are incorporated by reference and made a part of this agreement. All other terms and conditions of Master Services Agreement DGS MSA 5-00-CC-02 apply to this agreement.

CONTINUED ON 0 SHEETS BEARING NAME OF CONTRACTOR AND CONTRACT NUMBER.

The provisions on the reverse side hereof constitute a part of this agreement. IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

STATE OF CALIFORNIA		CONTRACTOR				
AGENCY		CONTRACTOR A corporation. U. S. Bank National Association ND (U.S. Bank)				
BY (AUTHORIZED SIGNATURE)		BY (AUTHORIZED SIGNATURE)				
PRINTED NAME OF PERSON SIGNING		PRINTED NAME AND TITLE OF PERSON SIGNING				
TITLE		ADDRESS				
AMOUNT ENCUMBERED BY THIS DOCUMENT \$.00	PROGRAM/CATEGORY (CODE AND TITLE)	FUND TITLE		<i>Department of General Services Use Only</i>		
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$.00	(OPTIONAL USE)					
	ITEM	CHAPTER	STATUTE			FISCAL YEAR /
TOTAL AMOUNT ENCUMBERED TO DATE \$.00	OBJECT OF EXPENDITURE (CODE AND TITLE)					
<i>I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above</i>		T.B.A. NO.		B.R. NO.		
		SIGNATURE OF ACCOUNTING OFFICER		DATE		

CONTRACTOR STATE AGENCY DEPT. OF GEN. SER. CONTROLLER