

CITY OF SUTTER CREEK

PURCHASING CARD PROGRAM POLICY

Scope: Citywide

Policy Contact: Finance Department / City Administration

Date: 9/28/2026

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1. Purpose & Implementation

- **1.1 Purpose:** The purpose of this policy is to provide formal guidance for the appropriate, authorized, and efficient use of City-issued Purchasing Cards (Credit Cards) for acquiring necessary supplies, materials, and services for official City business. This policy outlines the administration of the Purchasing Card Program, credit and transaction limits, vendor restrictions, statement reconciliation and payment processes, and individual cardholder responsibilities. The Purchasing Card Program is administered by the City Administration / Finance Department.
- **1.2 Implementation:** Upon adoption of this policy, the Program Administrator (see Section 3) will close all existing purchase/credit cards and restart the Purchase Card program to reflect the policies established in this policy.

2. Scope

This Administrative Policy applies to designated staff authorized to use City-issued credit/purchasing cards for the procurement of supplies and services for the City of Sutter Creek.

3. Program Administrator

The City Finance Supervisor (or designee) serves as the overall Program Administrator. The Program Administrator manages the relationship with the City's financial institution, oversees program compliance, and resolves technical or administrative card issues.

4. Cardholder Responsibility

- **4.1 General Responsibility:** Each card is issued to a specific individual who is directly responsible for all transactions and for safeguarding the card at all times. Cards are to be used strictly for legitimate City business purposes.
- **4.2 Lost or Stolen Cards:** If a purchasing card is lost or stolen, the cardholder must immediately notify the issuing financial institution (available 24/7) and promptly inform the Program Administrator to request a replacement.
- **4.3 Online Card Use:** Storing card numbers on third-party vendor accounts (such as personal Amazon, PayPal, or browser autofill) is prohibited. Transmitting unencrypted full card numbers via email is prohibited.
- **4.4 Sharing Card info:** Sharing card credentials among unauthorized staff is prohibited.

5. Obtaining a Purchasing Card

Staff requiring a card for official duties must complete a Purchasing Card Request Package and submit it to the Finance Department. Approval by the Department Head, City Manager and Finance Supervisor is required prior to card issuance. Cardholders must sign a "Cardholder Agreement & Acknowledgement Form" prior to card issuance.

6. Credit Limits and Transaction Limits

- **6.1 Monthly Credit Limits:** Each card has a standard monthly credit limit established based on routine operational needs and departmental budget approval. Requests for permanent or temporary limit increases must be submitted to the Program Administrator and subject to approval by Department Head, Finance Supervisor and City Manager.

- **6.2 Single Transaction Limits:** A single transaction limit of \$5,000 applies to all purchases made on bank-issued purchase cards, inclusive of tax, shipping, and handling. All other purchase cards are subject to their own limitations and fraud prevention guidelines as established with each vendor who issued those purchase cards to staff. In general, purchases over \$5,000 should be invoiced and may be required to go through a bid process per the City's Formal Purchasing Policy. If a cardholder needs to place an order above their single transaction limit, written approval from the City Manager is required (e.g. signature, email approval). For all purchase card holders, splitting transactions or requesting vendors to issue multiple invoices to circumvent single-transaction limits is explicitly prohibited.
- **6.3 Compliance:** Card usage must comply with the City's Municipal Code purchasing ordinance and California Public Contract Code limits.

7. Restrictions

Purchasing cards shall **NOT** be used for the following under any circumstances:

1. Personal expenses or non-City business purchases.
2. Cash advances or ATM withdrawals.
3. Personal gifts, flowers, or social event items for City employees or volunteers.
4. Gift cards or store certificates for employees or third parties.
5. Alcohol or controlled substances.
6. Fines, penalties, parking tickets, or toll violations incurred by employees.
7. Non-emergency travel expenses (unless pre-approved by the City Manager).
8. Loyalty points are to be used solely by the city for city supplies. All cash-back rebates, statement credits, or vendor incentives are public property under Fair Political Practices Commission (FPPC) regulations and cannot benefit any individual employee.

8. Monthly Statements and Reconciliations

- **8.1 Statement Issuance:** Cardholders receive a monthly billing statement detailing all transactions during the billing cycle.
- **8.2 Reconciliation & Approval:** Cardholders must review their statements, attach itemized receipts and supporting documentation for every purchase, sign a reconciliation form, and submit it to their supervisor and the Finance Department for verification within 7 business days of statement issuance to enable the city to dispute fraudulent charges in a timely manner.

- **8.3 Missing Receipt Process:** Cardholders who lose a receipt must submit a signed declaration detailing the business purpose and itemization. Missing receipt amounts must be less than \$50 and happen no more than 5 times per fiscal year per individual.
- **8.4 Accounting Charge:** The Finance Department processes payment to the issuing institution and allocates expenditure entries to appropriate departmental budget accounts based on verified receipts.

9. Reporting Unauthorized Use of Purchase Card

Staff authorized to use a purchase card are strictly accountable for ensuring all transactions comply with City policies. Accidental, unauthorized, or improper card usage must be reported immediately to the employee's direct supervisor and the Program Administrator. Improper use may result in revocation of card privileges, mandatory reimbursement to the City, and disciplinary action up to and including termination.

10. Review and Acknowledgement

Official Title	Reviewer Name	Signature Date
City Manager	Tom Dubois	Date
Finance Director	Mason Peters	Date
Public Works Director	Dan Lafontaine	Date
City Clerk	Person	Date
Police Chief	Jim O'Connell	Date