



VISA Commercial Solutions  
SAMPLE PURCHASING CARD POLICES AND PROCEDURES



# **Purchasing Card Program Policies and Procedures**

**Vacaville Fire Protection District**

**Version Date: 05/01/2024**

## Sample Purchasing Card Policies and Procedures

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## 1.1 Purpose

The following guide provides an overview of the purchasing card program and outlines corporate-wide policies and procedures for all cardholders. Cooperation and compliance with the stated policies and procedures will help Vacaville Fire Protection District minimize risks and maximize benefits of the purchasing card program. This document will be reviewed and revised regularly (e.g., annually) to reflect business needs.

## 1.2 Program Scope and Objectives

The purchasing card program enables authorized Vacaville Fire Protection District employees to purchase and pay for goods and services within given guidelines on behalf of their cost center. Program policies and procedures apply to all Vacaville Fire Protection District employees participating in the purchasing card program.

The purchasing card program is an efficient, cost-effective method of paying for transactions by replacing the need for requisitions, purchase orders, invoices and payment orders. The purchasing card has all the features of a regular credit card and can be used directly with any supplier where Visa is accepted. Intended for high volume purchases, such as MRO, business services, and office supplies, purchasing cards will help improve payment efficiencies at Vacaville Fire Protection District.

## 1.3 Purchasing card Benefits

### Convenience

- Empowers cardholders to make purchases directly with suppliers
- Offers a simple and easy-to-use payment method
- Allows for online approvals
- Maps charges to designated general ledger accounts and cost centers

### Efficiency

- Reduces number of purchase requisitions, purchase orders, petty cash transactions, and other time consuming purchasing activities
- Diminishes paperwork associated with expense reports, purchase requisitions, purchase orders, invoices, vouchers and checks
- Enables supplier to receive payment within three days
- Improves Accounts Payable operations with fewer checks to process

### Supplier Management

- Provides immediate settlement of purchasing card payments, reducing their cost of funding
- Streamlines administration through reduced paper-processing for invoices and receivables
- Improves accounts receivable performance and reduces bad debt and collection activities

# Policies

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## Card Usage

### 2.1 Eligibility

Any Vacaville Fire Protection District employee properly approved by the Fire Chief is eligible for a purchasing card.

Recommended cardholders include:

- Fire Chief
- Deputy Chief
- Office Manager

The Fire Chief and Office Manager shall review each purchasing card request to ensure the information required and authorizations are correct before requesting a card from the bank. The Office Manager will retain and centrally file all purchasing card related forms / approvals.

### 2.2 Usage

A Visa Purchasing Card is a company card issued to employees who need to buy goods and services on behalf of Vacaville Fire Protection District. The card has similar features to a credit card:

- Accepted wherever Visa is accepted
- Has a monthly credit limit
- Has a monthly statement of charges

In addition, the Purchasing Card also has transaction- and spending limits. The purchasing card should be used exclusively for qualified business-related purchases. It may not be used for personal or expensed purchases.

The cardholder named on the purchasing card is the **ONLY** person authorized to use the card or account number. The card may not be used by any other person in the company.

#### 2.2.1 Individual Purchasing Card Credit Limits

At the time of issuance, individual purchasing card limits will be defaulted to \$2,500 per transaction and \$2,500 monthly. Based on business needs, cardholders can seek approval from the Office Manager to increase transaction and monthly credit limits up to the program maximum. It is recommended that new cardholders use purchasing cards for a minimum of one month to understand purchasing patterns before asking to extend credit limit.

Transaction Limit	Monthly Credit Limit	Required Approvals
\$2,500	\$2,500	None (default)
Amount above default	Amount above default	Office Manager/Fire Chief

#### 2.2.2 Usage guidelines

Purchasing cards may **not** be used to purchase **personal purchases, travel and entertainment expenses, and cash advances.**

### 2.3 Training and Agreements

Training is mandatory for new cardholders before they receive the actual card. Training can be done in person. Once the cardholder completes the training, the Office Manager provides the Cardholder Agreement to be signed and dated by both the cardholder and the Office Manager.

Cardholders must re-sign the Cardholder Agreement every 4-years when the purchasing card is renewed.

## 2.4 Exceptions

If a transaction is blocked at the time of purchase, cardholders should contact the Office Manager at 707-447-2252 for assistance. Authorizations can be provided for temporary credit limit extensions and one-time purchases.

Cardholders should submit a request that includes:

- Date
- Supplier
- Description of Transaction
- Justification for Purchase

## Cardholder Account Management Responsibilities

### 3.1 Monthly Reviews

Cardholders are required to reconcile all statements and receipts and obtain the Office Manager's approval on a monthly basis.

The billing / statement period starts on the **[Insert Day of Month]** of each month and runs until the **[Insert Day of Month]** of the following month. The statements are received through US Bank approximately three business days after the end of the billing period. If there is no activity in the billing period, no statement will be received. Statements will always show amount due as zero.

Cardholder Responsibilities:

- Retain backup documentation (receipts) for **all transactions** regardless of amount
- Review statements once they are received
- Verify charges for accuracy against receipts
- Provide transaction details in the reconciliation comments for each transaction to provide manager with sufficient detail for approval
- Forward reconciled statements to Office Manager for approval within **5** days

Office Manager Responsibilities:

- Monitor purchasing card use within cost center to ensure adherence to policies
- Review cardholders' monthly purchasing card statements along with reconciliation comments
- Identify any questionable or ambiguous charges and follow-up with cardholder accordingly
- Approve all monthly statements in a timely manner
- Forward approved statements to Solano County Auditor Controller Office.

Any misuse or violation will result in further investigation and may lead to termination.

### 3.2 Disputed Items

Cardholders are responsible for resolving any statement discrepancies with the merchant and/or issuer to ensure corrections and/or credits appear on future statements. During the monthly reconciliation process, disputes should be identified and explained in the comments section. Cardholders should complete a dispute form if needed (see Appendix 10.1) and follow up with the bank until the matter is resolved.

If a dispute remains unresolved after 15 days cardholders should report the dispute to the Office Manager by calling or emailing (707) 447-2252 shilo.moore@vfpd.net. The Office Manager will assist the cardholder in working with US Bank to resolve disputes.

### 3.3 Changing Card Profile or Status

Cardholders are responsible for notifying the Office Manager of any required changes to their personal details or account (e.g., name, address, cancellation, or credit limit) by submitting a change request to the Office Manager.

Cardholders are responsible for relinquishing their purchasing card upon transfer, resignation, termination and/or cancellation of the card. When the card is cancelled, the cardholder must return the purchasing card cut in half to the Office Manager. If the cardholder is terminated, the card must be handed to the Office Manager.

If a card is inactive for 90 days it may result in cancellation of purchasing card. Before cancellation, cardholders will be contacted by the Office Manager to gauge their continued need for a purchasing card.

### 3.4 Lost, Stolen, and Fraud

Report card loss or theft immediately to US Bank at [\[Insert Contact Information\]](#).

The cardholder is responsible for notifying the bank and the Office Manager immediately upon discovery of a lost or stolen card.

Cardholders should never lend cards or give card information to anyone. Cardholders are responsible for protecting their card and password at all times.

### 3.5 Renewals

Expiration dates are automatically set to 4 years after the issue date. US Bank will send out renewal cards automatically to the cardholder for all active accounts. Before receiving the renewed cards, cardholders will need to complete the overview training course and re-sign the cardholder agreement.

## Procedures

### Program Maintenance

#### 4.1 Application Processing

Step	Process Step Name	Description
1	Office Manager receives request	Office Manager reviews with Fire Chief and approves the application
2	Office Manager receives card and conducts training	Office Manager notifies cardholder to schedule and conduct Purchasing overview training
3	Office Manager distributes materials	Office Manager emails materials including: overview training deck, policies, and relevant forms
4	Cardholder signs Cardholder Agreement	Cardholder receives the Cardholder Agreement, signs it, and returns it to the Office Manager
5	Distribute purchasing card	Upon receipt of the signed Cardholder Agreement, the Office Manager hands the card to the cardholder
6	Office Manager updates records	Office Manager records that the signed agreement is on file and that the cardholder has received the card

#### 4.2 Account Status Change Processing

To initiate any change, cardholders must submit a Card Account Change to the Office Manager including all current account information. Requirements and actions differ depending on the type of change:

Type of Change	Cardholder Requirements	Management Actions
<b>Cancellation</b>	<ul style="list-style-type: none"> <li>Send cancelled card cut in half and any current receipts</li> </ul>	<ul style="list-style-type: none"> <li>Submit cancellation request to Office Manager</li> <li>Keep records for documentation retention</li> </ul>
<b>Name</b>	<ul style="list-style-type: none"> <li>Get new plastic card</li> </ul>	<ul style="list-style-type: none"> <li>Notify Office Manager of the changes and request a new card</li> <li>Send cardholder an email confirming the request has been received, processed, and when to expect arrival of new purchasing card</li> <li>Receive and distribute new card</li> </ul>
<b>Approving Manager</b>	<ul style="list-style-type: none"> <li>Obtain authorization from new Approving Manager</li> <li>Sign new Cardholder Agreement with new Approving Manager</li> </ul>	<ul style="list-style-type: none"> <li>Verify information accuracy and appropriate signatures</li> <li>Change designated Approving Manager</li> <li>Send Cardholder Agreement</li> <li>Email responsibility memo to new Approving Manager</li> </ul>
<b>Credit Limit Increase (permanent)</b>	<ul style="list-style-type: none"> <li>Obtain authorization and signature from Office Manager</li> </ul>	<ul style="list-style-type: none"> <li>Verify information accuracy and appropriate authorized signature</li> <li>Notify US Bank of credit limit increase</li> <li>Record change in database</li> </ul>



### 4.3 Exception Processing

If a transaction is blocked at the time of purchase, cardholders should contact the Office Manager for assistance. Manual authorizations may be required for temporary credit limit extensions and one-time purchases at non-compliant suppliers.

Temporary credit limit extensions may be required for one-time large transactions. Temporary credit limit extensions may be granted for a few days or may expire after one billing cycle. Permanent credit limit increases are treated as card status changes (see Section 2.2).

Upon determination that a manual authorization is required, the Office Manager obtains the following information from the cardholder:

- Date
- Supplier
- Description of Transaction
- Justification for Purchase

With approval from the Office Manager, they will request the bank to increase the transaction limit or to obtain a manual authorization code. For temporary credit limit increases, the Office Manager specifies the effective start and end date. At the end of the effective period, the issuer automatically returns the card limit to the previously established limit. The Office Manager also maintains a log of the temporary credit limit increases and keeps track of the changes.

### 4.4 Terminations and transfers

If the cardholder is terminated immediately, the Office Manager cancels the card on behalf of the cardholder.

On a regular basis, the Office Manager cross checks HR termination records and reports with the cardholder database to confirm all appropriate cancellations were processed. For each billing cycle, the Office Manager prepares an active cardholder report, which includes all the new accounts and cancellations. This report is reviewed by the Office Manager as part of their regular audit.

### 4.5 Disputed Items

The Office Manager maintains a record of any disputed transactions that remain unresolved after 2 billing periods. For any reported disputes, the Office Manager assists cardholders in working US Bank to reach resolution. Dispute records are reviewed regularly to understand the responsiveness of support from US Bank.

### 4.6 Lost, Stolen, Fraud

If a card is lost or stolen, the Office Manager works with the cardholder and US Bank to issue a new card. As part of program reviews, the Office Manager obtains US Bank reports on fraudulent charges for designated billing cycles for management review.

### 4.7 Renewals

Expiration dates are automatically set to 4 years after the issue date. The Office Manager receives renewed cards directly from US Bank. The Office Manager periodically runs reports to anticipate expirations and to ensure cards are not lost in the mail.

The Office Manager checks for extended inactivity beyond 90 days before issuing renewed cards and schedules training with cardholders at the time of renewal. Upon completion of training and re-signing of a new Cardholder Agreement, the Office Manager will hand out the renewed card.

## Reconciliation

## 5.1 Bank Statement Reviews

The Office Manager has access to a billing summary for all cardholders' transactions, which is reconciled monthly to total charges in US Bank.

Documentation supporting monthly charges acts as a backup for payment to US Bank. Individual statements are approved according to the signature level authority. Monthly charges are paid in full even if a charge is disputed, and all disputed charges when resolved are processed as a credit in a subsequent billing cycle.

Step	Process Step Name	Description
1	Issue monthly statement	US Bank issues a monthly statement to the cardholder
2	Receive and review statement	Cardholder receives the monthly statement from US Bank and reviews the statement for accuracy against receipts
3	File disputes and follow up	Cardholder disputes unauthorized charges on the card with the supplier and/or bank
4	Review and approve the reconciliation	Office Manager receives, reviews, and approves the reconciliation
5	Review the reconciliation and issuer report	Office Manager reviews the reconciliation and summary statement for accuracy and prepares the invoice for payment by Accounts Payable
7	Pay the invoice	Accounts Payable pays invoices forwarded from the Office Manager

## 5.2 Record Retention

Statements and receipts will be collected by the Office Manager each fiscal year-end. All files will be maintained by the Office Manager for 10 years.

## Payment Processing

### 6.1 Liability

Purchasing cards are corporate liability cards so Vacaville Fire Protection District Accounts Payable is responsible for initiating payments for all charges on a monthly basis.

### 6.2 Billing Cycle

The billing cycle starts from the **[Insert Day of Month]** of each month to the **[Insert Day of Month]** of the next month. Charges posted the **[Insert Day of Month]** through the **[Insert Day of Month]** will hit cost centers in the current month while charges posted **[Insert Day of Month]** to the end of the month will hit the following month.

US Bank will provide an electronic summary statement showing billing cycle cut-off date and breakdown of each account number, associated charge cards, and total charges for the account number.

### 6.3 Accounts Payable Requirements

Cardholders are responsible for confirming the legitimacy of monthly charges through the monthly reconciliation process. The Office Manager reviews and approves the monthly summary billings. The signed approved summary statement is forwarded to Accounts Payable for payment to the issuer. The Office Manager will file and maintain a copy of the summary statements for reference.

Accounts Payable processes one monthly payment to the bank based on forwarded billing statement(s). Purchasing card payment will be made using a pre-determined payment term established with US Bank.

## Auditing

### 7.1 Internal Audit Requirements

On a monthly basis, 100% of active cardholders are audited randomly for policy compliance. Active cardholders are those employees who have used their purchasing card in the last billing period. A random 100% sampling of active cardholders occurs at the end of each fiscal year. If a cardholder is selected for a random audit, the Office Manager will send a notification including detailed instructions.

Cardholder selection criteria:

- High value transactions (e.g., frequent one-time transactions above \$2,500)
- High frequency (e.g., uses purchasing card an average of 15 times a month or more)
- Numerous transactions with no supporting comments for reconciliation
- Questionable actions on corporate card

An audit is a review of expenditure for adherence to policies and for the existence of support documentation. Cardholders will be audited for:

- Compliance with manager review and timely approval of monthly statements
- One-time expenditures over designated credit limit (\$2,500), which requires justification and appropriate approvals
- Possible fraudulent use (e.g., capital assets, personal purchases, entertainment expenses, and cash advances)
- Record maintenance (e.g., receipts and transaction detail comments)

Audit criteria can be changed at any time by Vacaville Fire Protection District.

Beyond individual audits, the Fire Chief and Office Manager will review decline reports to analyze the frequency and root causes of declined transactions. A high volume of declines should trigger corresponding changes to the policies and procedures.

### 7.2 Violations

Triggers for Misuses Investigation:

- Failure to comply with monthly reconciliation procedures after **two** warnings
- Single transactions above credit limit (\$2,500) without approvals
- Use of card for cash advances
- Personal, illegal, or fraudulent use of purchasing card

Degrees of Violation:

<b>High</b>	<b>Illegal, personal, or fraudulent use of purchasing card</b>
<b>Medium</b>	<b>Unauthorized purchases above credit limit</b>
<b>Low</b>	<b>Failure to comply with audit request procedures, or improper documentation retention</b>

Steps for Misuses Investigation (dependent on degree of violation):

1. Card is suspended during the investigation
2. Cardholder and Office Manager are notified of suspected misuse and temporary suspension
3. Office Manager requests appropriate receipts and reviews documentation from the cardholder against current records
4. Office Manager reviews expenses and conducts a meeting with the cardholder to understand purchase intentions
5. Pending findings, a notification report is sent to the Fire Chief.
6. Fire Chief and/or Office Manager take appropriate disciplinary action
7. After **2** suspensions, the card will be permanently cancelled

Disciplinary action may require cardholder to personally reimburse Vacaville Fire Protection District for improper purchases and may lead to immediate dismissal.

## Program Organization Structure

Title	Roles	Responsibilities
<b>Cardholder</b>	A Vacaville Fire Protection District employee who is issued a purchasing card and authorized to make purchases	<ul style="list-style-type: none"> <li>• Review card policy and procedures and sign Cardholder Agreement</li> <li>• Take overview training and activate purchasing card</li> <li>• Make purchases within policies and procedures</li> </ul>
<b>Accounts Payable</b>	Solano County Auditor Accounts Payable department responsible for initiating payments to issuer	<ul style="list-style-type: none"> <li>• Receive invoices approved by Office Manager</li> <li>• Issues payments based on billing statements</li> </ul>
<b>Office Manager</b>	Vacaville Fire Protection District employee responsible for managing the program and overseeing program staff, and is responsible for administering the day-to-day activities of the card program	<ul style="list-style-type: none"> <li>• Integrate purchasing card program</li> <li>• Implement improvements to policies and procedures</li> <li>• Review and approve reports and audits</li> <li>• Approve manual authorizations</li> <li>• Liaise with employees and issuer for card issuance</li> <li>• Conduct cardholder overview training</li> <li>• Process cardholder information changes and card cancellations</li> <li>• Answer questions, escalate issues, and cancel cards for terminated employees</li> <li>• Receive and distribute purchasing card (new and renewal)</li> <li>• Conduct monthly reconciliation, program reporting, monthly audits, yearly audits, and regular reviews of charges</li> </ul>
<b>Fire Chief</b>	Signature authority responsible for the purchasing cards issued	<ul style="list-style-type: none"> <li>• Review monthly statements and approve charges for payment</li> <li>• Approve cardholder information changes</li> <li>• Review and approve reports and audits</li> </ul>

## Appendix

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- 10.1 Dispute Form
- 10.2 Quick Reference
- 10.3 Approver Memo

**PURCHASING CARD  
CARDHOLDER DISPUTE FORM**

Appendix 10.1

**CARDHOLDER INFORMATION**

\_\_\_\_\_  
FIRST NAME

\_\_\_\_\_  
MIDDLE  
INITIAL

\_\_\_\_\_  
LAST NAME

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
ACCOUNT NUMBER

(\_\_\_\_\_)\_\_\_\_\_-\_\_\_\_\_  
WORK PHONE

\_\_\_\_\_  
EMPLOYEE SIGNATURE (Indicates the above information is accurate)

\_\_\_\_\_  
DATE

**DISPUTE**

- Unauthorized Transaction
- Duplicate Posting
- Erroneous Amount (Attach Sales Receipt)
- Other \_\_\_\_\_

**MERCHANT NAME** **AMOUNT**

	\$
	\$
	\$
	\$

**DESCRIBE DISPUTE**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SEND DISPUTE TO:**

Shilo Moore  
420 Vine Street  
Vacaville, CA 95688  
[Shilo.Moore@vfpd.net](mailto:Shilo.Moore@vfpd.net)

## PURCHASING CARD CARDHOLDER QUICK REFERENCE GUIDE

Appendix 10.2

Vacaville Fire Protection District has implemented a purchasing card program. This program will streamline the purchasing and payment process for low cost products and services. For more details, please review the Policy and Procedures document and/or contact the Office Manager at: [Shilo.Moore@vfpd.net](mailto:Shilo.Moore@vfpd.net) or call 707-447-2252.

<i>Who should receive purchasing cards?</i>	<i>Getting a Card</i>
<p><b>Vacaville Fire Protection District employees who place orders are the best candidates for card issuance. Most often these are administrative staff members, project leaders, or team members</b></p>	<ol style="list-style-type: none"> <li><b>1. Employee completes the application form</b></li> <li><b>2. Office Manager provides approval</b></li> <li><b>3. Office Manager verifies the request and applies for a purchasing card with issuer</b></li> <li><b>4. Cardholder takes training course and signs Cardholder Agreement</b></li> <li><b>5. Cardholder receives and activates new purchasing card</b></li> </ol>
<i>Program Rules</i>	<i>Monthly Reconciliation Responsibilities</i>
<ul style="list-style-type: none"> <li>• <b>Purchasing cards are intended for purchases under \$2,500</b></li> <li>• <b>Purchasing cards may NOT be used for capital assets, personal purchases, entertainment expenses, and cash advances</b></li> <li>• <b>Employees may not use their purchasing card for personal use</b></li> <li>• <b>Every cardholder must receive training before receiving a card</b></li> <li>• <b>Employees may not lend their card to anyone nor provide their card details for anyone else to use</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Cardholders keep receipts for each transaction</b></li> <li>• <b>Cardholders review monthly statement from issuer and reconcile charges against receipts</b></li> <li>• <b>Cardholders provide comments for approval on reconciliation to outline context of transactions</b></li> <li>• <b>Office Manager reviews the reconciled statements and approves them</b></li> <li>• <b>At fiscal year end, all statements and receipts are collected and stored centrally at Vacaville Fire Protection District</b></li> <li>• <b>Issuing bank bills summary charges monthly</b></li> <li>• <b>Fire Chief reviews reconciliations and summary statement to approve payment</b></li> <li>• <b>Accounts Payable pays issuing bank</b></li> </ul>
<i>Card Limits &amp; Controls</i>	<i>References</i>
<p>Each card is issued to one employee. Purchasing cards have a \$2,500 transaction and \$2,500 monthly credit limit</p> <p>For card information and status changes, cardholders should initiate a request to the Office Manager.</p>	<p>For lost or stolen purchasing cards, immediately contact US Bank at <span style="background-color: #00FF00; padding: 2px;">[Insert Contact Information]</span></p> <p>For training materials, and complete policies and procedures, contact: Office Manager</p>

**PURCHASING CARD**  
**OFFICE MANAGER MEMORANDUM**

Appendix 10.3

This memo confirms you are the Office Manager for the purchasing card issued to **[Insert Cardholder Name]**. This card has a \$2,500 transaction monthly credit limit and \$2,500 single transaction limit.

As the Office Manager for the card, you are responsible for reviewing and approving each statement forwarded to you by the cardholder. If the Statement is not reconciled and forwarded within **10** transaction days, it will escalate to you for action.

Please conduct the following for each monthly statement:

- Review cardholders' monthly purchasing card statement along with reconciliation comments
- Validate that transactions comply with purchasing card policies and procedures
- Identify any questionable or ambiguous charges and follow-up with cardholder accordingly
- Ensure there are valid receipts for each transaction (e.g., **packing slips are not receipts**)
- Check that goods were received or services were performed as requested
- Inquire if cardholder disputes have been properly initiated for any statement discrepancies

Once you have reviewed and approved the monthly statement, print and store in the purchasing card file folder until fiscal year end.

*Please note: Recurring charges can be placed on the purchasing card. However, if the card is cancelled, recurring charges will continue to be charged to the account until the recurring charges are cancelled with the merchant.*

As the Office Manager, you are responsible for monitoring purchasing card use to ensure adherence to policies. Any suspicious activity should be reported to the Fire Chief.