



CITY & COUNTY OF SAN FRANCISCO – OFFICE OF THE CONTROLLER

May 2018

Accounting Policies & Procedures

A handwritten signature in black ink, appearing to read "Ben Rosenfield".

Ben Rosenfield, Controller

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City & County of San Francisco – Office of the Controller

ACCOUNTING POLICIES & PROCEDURES

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1 | PROCUREMENT CARD (P-CARD)

1.1 | Overview

The City Procurement Card (P-Card) is a charge card designed to enable designated City employees to make authorized purchases under two circumstances:

- During declared emergencies and natural disasters
- For employee reimbursement items.

The P-Card can only be used for official City business and must be surrendered upon termination of employment for any reason or upon demand by City.

All P-Card participants are required to use the Access Online system provided by U.S. Bank in order to complete monthly billing statement reconciliation.

1.1.1 | Program Definitions

Access Online System is the U.S. Bank online system for tracking, approving and reconciling credit card transactions.

Approving Official is the individual designated by the Department Head or CFO to request cards for staff, approve Cardholder purchases and verify that purchases are made for official City business.

Billing Officials are accounts payable staff in the departments who perform accounting entries and transactions for card payments to U.S. Bank.

Cardholders are current City employees with procurement authority to use the P-Card for business purchases.

Department Coordinator is designated by the Department Head or CFO and oversees the P-Card Program at the department level.

P-Card Administrator is the Controller, or his or her designee.

1.1.2 | General Information

Eligible Employees

Application for use of P-Card must be approved by the Department Head or his/her designee. Termination of employment with a City department and/or abuse of the P-Card will result in cancellation

of the P-Card. Submit card enrollment and cancellation online at <https://conforms.sfgov.org>. See [Section 1.4 - | Form Automation](#) for more information.

Bona fide Suppliers Only

P-Card suppliers shall be established, reputable, reliable vendors with appropriate business licenses, certifications, permits, etc., and not those of a questionable status. Do not make P-Card purchases from sources including, but not limited to:

- eBay (auctions) (www.ebay.com)
- Swap meet vendors
- Street market vendors
- Adult book stores
- Pawn shops
- Craigslist (www.craigslist.org)
- Your relatives, neighbors, friends, etc.

Ethical Use of Public Funds

Since P-Card purchases represent public funds, Cardholders and their Approving Officials (e.g., Department Heads) must be continually reminded that their purchases reflect the City's interest and reputation for ethical and prudent dealings. Each transaction must be one that the Cardholder and Approving Official could easily explain or defend as a prudent use of public funds.

Written policies cannot be established to cover every event of P-Card use. All program participants must use their best judgment using a City P-Card. In those instances where a reasonable person might question the use of a P-Card, the Cardholder should refrain from making the purchase without first consulting the P-Card Administrator.

Use of the P-Card for Personal Purchases Strictly Prohibited

Under no circumstances is a Cardholder permitted to use the P-Card for personal purchases, even if the Cardholder intends to subsequently reimburse the City. Using the P-Card for personal purchases may result in a disciplinary action. Cardholders are required to attend mandatory training and accept the *Cardholder Acknowledgement Disclosure* during the online card enrollment process prior to the issuance of the P-Card for City use.

FIGURE 1-1. CARDHOLDER ACKNOWLEDGEMENT DISCLOSURE

**PURCHASING CARD (P-CARD) CARDHOLDER ACKNOWLEDGEMENT
DISCLOSURE FORM**

The undersigned employee submits to this affidavit:

1. I received a copy of the City and County of San Francisco P-Card Policies and Procedures Manual and agree to abide by the provisions and requirements included in the manual when using the U.S. Bank Visa Purchasing Card.
2. I agree to abide by all City and County of San Francisco procurement and payment rules and regulations and will not split purchases or use the purchasing card in a manner that circumvents related City and County of San Francisco rules and regulations.
3. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
4. I received P-Card program training from my agency/department that covered the provisions and requirements included in the City and County of San Francisco P-Card Policies and Procedures Manual.
5. I understand that the U.S. Bank Visa Purchasing Card is for City official use only and must not be used for personal purchases. Intentional use of the card for other than official City purposes will result in immediate cancellation of my purchasing card, and possible referral to the District Attorney. I may be personally liable the City for the amount of the purchase.
6. If my authorization or employment is terminated, or I transfer to a new position within the City and County of San Francisco, I will return my card to my approving official immediately.
7. If the P-Card is lost or stolen, I will immediately notify U.S. Bank by telephone and confirm the telephone call to U.S. Bank by email to the Program Administrator at pcard@sfgov.org. I will also immediately notify my supervisor.
8. As the P-Card is City and County of San Francisco property, I understand that I may be periodically audited to comply with internal control procedures designed to protect City and County of San Francisco assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.

Use of P-Card in Case of Declared Emergency and Natural Disaster

P-Cards have a default credit limit of \$1,000. When enrolling for an emergency P-Card, departments can propose the emergency credit limit. Upon approval of the P-Card Administrator, the emergency credit limit will be kept on file and activated only during a disaster. Refer to [Section 1.4 | Form Automation](#) for the detailed procedures.

Disaster P-Cards will not replace the City's existing *Emergency Purchasing Procedures*, but supplement the procedures. Purchases more than \$1,000 may require the cardholder to follow normal City bidding procedures. In addition, departments should always be prepared and have emergency supplies in place and/or in regular procurement contracts. P-Card cannot be used to purchase professional services.

Refer to:

1. *San Francisco Administrative Code*, Section 21.15 for Emergency Procurement Procedures
2. Section 6.60 for Emergency Repairs, Work and Contracts
3. Office of Contract Administration (OCA) *Guide to Ordering Goods and Services, Chapter 700: Emergency Purchasing Procedures*.

Use of P-Card for Non-Emergency Purchases

With approval from the P-Card Administrator, departments may issue P-Cards to selected employees for purchase of travel, training, and other employee reimbursement items.

Refer to the Controller's Office policies and procedures for travel, training and employee reimbursement in Section 4.8 | Employee Travel & Business Expenses.

A *Travel Expense Form* must be completed and submitted for use of the P-Card for travel, training, and other employee reimbursement items. Soft copies of the forms can be found at <http://sfcontroller.org/forms-templates>.

ACCOUNTING POLICIES & PROCEDURES**FIGURE 1-2. TRAVEL EXPENSE FORM**

Form: 319.xls								
CITY AND COUNTY OF SAN FRANCISCO								
TRAVEL EXPENSE FORM								
TRANSMIT ORIGINAL COPY TO CONTROLLER (WITH REQUIRED RECEIPTS ATTACHED)								
DEPT: _____					DATE: _____			
DIVISION: _____					TRIP TO: _____			
PURPOSE: _____					TRIP DATE: _____			
DATE	RECEIPTS REQUIRED					PER DIEM	OTHERS	TOTAL
	DESCRIPTION	REGISTRATION FEE	HOTEL	AIRFARE/AUTO	MEALS			
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
TOTALS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
						AMOUNT		
DATE:	LAST 4 DIGIT OF P-CARD:			PR#		PAID BY P-CARD		
DATE:	ADVANCE DOCUMENT NO.: TT#			PR#		ADVANCED		
				REFUND	[]	CR#		
				AMOUNT DUE	[]			\$ -
CERTIFICATION is hereby made that expenditures claimed hereon are true and correct, and were incurred according to law and in connection with official business of the City and County of San Francisco.								
DEPT. HEAD APPROVAL:				EMPLOYEE SIGNATURE:				
Print Dept. Head Name:				Print Employee Name:				
COMPLETE SECTION BELOW FOR DEPARTMENT ACCOUNTING INFORMATION:								
ACCOUNT CODE:	FUND:		AUTHORITY:		PROJECT:			
ACTIVITY CODE:	LEGALITY VERIFIED:		ORDINANCE NO.		RESOLUTION NO.			
APPROVED FOR PAYMENT:	BD. OR COMMISSION RES. NO.:		APPROVING AUTHORITY:					

FIGURE 1-3. FIELD EXPENSE FORM

[illegible]

1.1.3 | City Program Administration

The Office of the Controller administers the P-Card Program with U.S. Bank. In this capacity, Office of the Controller personnel serve as resources for all program users in the area of policy development and implementation, day-to-day administration, compliance, and training. The City P-Card Administrator is the Controller, or his or her designee. Responsibilities of the P-Card Administrator include:

- Develop the City's *P-Card Policies & Procedures Manual*.
- Review the policy and procedures at least annually to ensure that it keeps up with "best practices" in the purchasing card industry and that it allows participants in the program to utilize the P-Card to its utmost advantage in the procurement process within sufficient control guidelines.
- Serve as a central point of contact on all issues of policy and procedures. This position is the official liaison between the Bank and all P-Card participants.
- Communicate all P-Card Program policy and procedural changes to the users.
- Develop and maintain citywide P-Card forms including automated online forms.
- Set up department accounts and maintain account profile changes for Department Coordinators, Approving Officials, Cardholders and Billing Officials.
- Establish and make approved changes to dollar limits for all P-Cards.
- Review monthly and quarterly U.S. Bank reports for compliance and any discrepancies with policies and procedures.
- Facilitate training for all participants in the Program. Establish and maintain records for all training provided.
- Develop and maintain City training materials and handouts.
- Establish department and citywide reporting of the data and card usage, as well as determine trends in spending and suppliers used.
- Perform audit reviews of the program participants to ensure compliance with P-Card Policy and P-Card Procedures.
- Maintain records in accordance to the records retention schedule.

Process Improvements and Audits

The P-Card Administrator audits the Program through periodic reviews and the annual Post Audit, and reviews department P-Card procedures during the audits.

Training

The P-Card Administrator will develop and deliver training on the P-Card Program to all Department Coordinators, Approving Officials, Billing Officials and Cardholders during the initial roll-out phase of the program. The P-Card Administrator will provide additional training as needed.

1.1.4 | Department Roles and Responsibilities*

Enrollment Requirement

The department can enroll employees in the P-Card program by using the automated form online at <https://conforms.sfgov.org>. The enrollment must be:

1. Initiated by the Department Coordinator or his/her designee
2. Approved by the Cardholder
3. Approved by the Department Head or the CFO.

Department Coordinator Responsibilities

The Department Coordinator is appointed by the Department Head to administer the P-Card Program within their respective department. Contact information of the Department Coordinator must be submitted to the P-Card Administrator.

The responsibilities of the Department Coordinator include:

- Attend the mandatory training provided by the P-Card Administrator.
- Be proficient with the *P-Card Policies & Procedures Manual*, and ensure compliance within the department.
- Develop department procedures including internal control measures to prevent and detect misuse or fraudulent use of the P-Card. These procedures cannot be less restrictive than the City *P-Card Policies & Procedures Manual*.
- Immediately report any misuse by the P-Card participants to the P-Card Administrator.
- Submit online P-Card forms for new cards, replacements, account changes and card cancellations.

- Notify the P-Card Administrator within three (3) working days when an employee leaves the department's employment so that the card may be deactivated.
- Be proficient with the Access Online system and utilize the reports available for department P-Card use and performance.
- Ensure all P-Card participants attend the mandatory training provided by either the P-Card Administrator or the department.
- Ensure program compliance related to internal controls, City procurement policies, and records retention requirements.

Approving Official's Responsibilities

Approving Officials approve Cardholder purchases, and verify that purchases are made for official City business. Approving Officials must have a thorough knowledge of the job responsibilities of the Cardholder in order to determine if purchases are reasonable. Other responsibilities of Approving Officials include:

- Attend mandatory training provided by the P-Card Administrator or the department.
- Be proficient with the *P-Card Policies & Procedures Manual*.
- Maintain knowledge of the P-Card Program and department procedures on the use of P-Card issued by the Department Coordinator.
- Notify the Department Coordinator when the Cardholder resigns, transfers, or is terminated from employment.
- Ensure P-Cards under their authority are properly utilized.
- Immediately inform the Department Coordinator if Cardholder has misused the card for personal use. Collect the P-Card from the Cardholder and return it to the Department Coordinator.
- Ensure that reconciled statements, associated receipts, credit slips, and *Travel/Field Expense Forms* ([Figure 1-2](#) and [Figure 1-3](#)) are complete for each Cardholder account. Sign off on the reconciled statements and *Travel/Field Expense Forms*.
- Review and certify the reconciled *Cardholder Statements of Account*, and ensure that receipts and documents are in order.
- Ensure that each *Cardholder Statement of Account* is accounted for and forward them to the Billing Official within seven (7) calendar days of statement date.

Cardholder Responsibilities

All Cardholders are *de facto* purchasing agents for City. Accordingly, Cardholders must have a minimum understanding of the public purchasing rules and regulations.

Cardholders are appointed by their Approving Officials to make authorized purchases 1) under Declared Emergencies and Natural Disasters; and 2) for Employee Reimbursement items. Cardholder responsibilities include:

- Attend mandatory P-Card training provided by the P-Card Administrator or the department.
- Be proficient with the *P-Card Policies & Procedures Manual*.
- Maintain knowledge of the P-Card Program and department internal procedures on the use of P-Card issued by the Department Coordinator.
- Accept the *Cardholder Acknowledgement Disclosure* ([Figure 1-1](#)) during the online card enrollment process.
- Activate card following the procedures provided during the training.
- Maintain security of the account number and credit card, expiration date, and security code at all times.
- Know their respective Single Transaction and Cycle Credit Limit, or 30-Day Monthly Transaction Limit.
- Ensure all purchases are allowable purchases according to the City P-Card Program and department procedures.
- Obtain best value for the City when making purchases with the P-Card.
- Obtain an itemized receipt at the point of purchase and verify it for accuracy.
- Complete and sign the *Travel/Field Expense Form*.
- Reconcile all the transactions and forward them to the Approving Official for approval.
- Call Bank Customer Service to report lost or stolen cards and any fraud activities immediately, and notify the Approving Official.
- If there are any disputed charges on the statement that could not be resolved with the merchant, contact the Bank within 60 calendar days of the transaction date.

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- Submit the reconciled statement, purchasing documentation, and all associated receipts to the Approving Official within three (3) calendar days from the statement date to ensure timely payment and recording of charges in the financial management system.
- Inform Department Coordinator of any account profile changes, like changes to last name, business address, or telephone number, *etc.*

Cardholder shall not do any of the following:

- Use the P-Card for personal use
- Allow family members to use the card
- Allow other staff members to use the card
- Make unauthorized purchases.

Upon transfer, resignation, or termination, the Cardholder shall return the P-Card to the Department Coordinator.

Billing Official Responsibilities

Upon receiving and reviewing an Account Statement, receipts, and reconciliation report, the Billing Official shall make the monthly P-Card payment to U.S. Bank using the department-specific Supplier ID and charge the expenditures to proper cost centers and account codes.

Below are the departmental Supplier ID's for each US Bank managing account. For an updated list, please contact the P-Card administrators directly.

TABLE 1-1. SUPPLIER IDS FOR P-CARD DEPARTMENTS

DEPARTMENT	SUPPLIER ID
ADM	0000029191
AIR	0000008864
CAT	0000008863
CON	0000008862
DAT	0000008861
DEM	0000008860
DPH	0000008859
DPH-LHH	0000008849
ECN	0000008858

FIR	0000008857
HSA	0000008856
LIB	0000008855
MYR	0000008854
PUC	0000008853
REC	0000008852
RET	0000008851
TTX	0000027991

Billing Official Responsibilities include:

- Attend the mandatory training provided by the P-Card Administrator or the department.
- Be proficient with the *P-Card Policies & Procedures Manual*.
- Maintain knowledge of the P-Card Program and department internal procedures on the use of P-Card issued by the Department Coordinator.
- Review the transactions reported by the Cardholders and approved by the Approving Officials. Such review includes, but is not limited to:
 - Ensure all itemized receipts are attached
 - Ensure the completed *Travel/Field Expense Form* ([Figure 1-2](#) and [Figure 1-3](#)) is attached
 - Check if usage of the P-Card was in compliance with the P-Card Policy and any applicable City policies (e.g., *Business Travel Reimbursement Guidelines*)
 - Review the P-Card monthly reconciliation prepared by the Cardholder and approved by the Approving Official.
- Make monthly P-Card payments to U.S. Bank at least two (2) business days before the due date on the statement. Note that payments will be sent to U.S. Bank through ACH, and it takes two (2) business days for ACH payments to clear.
- Make payments in PeopleSoft AP Module using the Supplier ID specific to the department. Post P-Card expenditures to proper cost centers and accounts.
- Reconcile account statement total with payments posted to the department's cost center, and conduct research to resolve any discrepancies.

- Determine whether proper sales tax has been paid and accrue any use tax. Refer to Section 4.5 | Sales & Use Taxes for more details.
- Provide assistance for any document request from the P-Card Administrator.
- Maintain records in compliance with records retention requirements.

1.2 | Use of the Card*

This section defines the appropriate and inappropriate uses of the P-Card. All purchases made with the P-Card must be for official City business. Department policies governing use of the card can be more, but not less, restrictive than the City P-Card Policy.

Only the employee whose name appears on the face of the P-Card is authorized to initiate transactions with the card. Use of the P-Card by any other person is considered misuse of the card, even if the purchase is for legitimate City business.

1.2.1 | Allowable Purchases

There are two types of allowable P-Card purchase:

1. Emergency purchases during Declared Emergencies and Natural Disasters. Refer to *San Francisco Administrative Code*, Section 21.15 and Section 6.60 for emergency procurement procedures and who can declare emergencies.
2. Purchases related to travel, training, and other employee reimbursement items as allowed in the Controller's Office *Employee Reimbursement Guidelines*. Any monthly transaction over the credit limit must have prior written approval from the P-Card Administrator, by updating the *P-Card Enrollment Form*.

Declared Emergencies and Natural Disasters

The P-Card Administrator has the authority to raise the Monthly Transaction Limit to an amount deemed necessary to mitigate any declared emergencies as defined in the *Administrative Code*, or natural disasters. The Purchaser grants authority to forego standard procurement requirements for needs arising from unforeseen causes. Refer to *San Francisco Administrative Code*, Section 21.15 for Emergency Purchasing Procedures.

The physical Disaster/Emergency P-Cards must be safeguarded by the Cardholders. The Disaster/Emergency P-Cards will have a default credit limit of \$1,000. For emergency P-Cards, departments can propose the emergency credit limit. Upon approval of the P-Card Administrator, the

emergency credit limit will be kept on file. When an emergency is declared, the department needs to contact the Program Administrator to have the approved emergency credit limit activated.

For disaster recovery from federal Emergency Management Agency (FEMA), please refer to FEMA Public Assistance information at <http://www.fema.gov/public-assistance-local-state-tribal-and-non-profit>.

Required Compliance for Allowable Purchases

Use of P-Card must comply with applicable City policies and laws regarding the particular purchase.

Cardholders shall comply with policies and laws applicable to the type of purchase for which the P-Card is being used. For example, when using the P-Card for travel purposes, the use of the P-Card must comply with all applicable policies, including but not limited to the guidelines defined in Section 4.8 | Employee Travel & Business Expenses. Travel-related purchases must be within federal reimbursement rates for hotels and meals and must be in compliance with Facilities and Fleet Car Rental Policies, etc. Note that misuse of P-Cards may lead to employee disciplinary actions.

Federal Grant-Related Purchases

Use of P-Card for federally funded expenditures must comply with applicable federal regulations. Departments must follow the procurement rules defined in the Uniform Guidance for all federal grant-funded purchases.

Title 2 of the Code of Federal Regulations (2 CFR) Section 200.320 states:

The non-Federal entity must use one of the following methods of procurement.

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.
- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- (c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction...

2 CFR Section 200.67 states:

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000* except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

*The micro-purchase threshold may change. Refer to 48 CFR Subpart 2.1 (Definitions) for the most updated micro-purchase threshold. The government code can be found online at <https://www.govinfo.gov/help/cfr>.

Refer to Section 12.9.3 | Grant-related Procurement Procedures for more information on grant-related purchases.

1.2.2 | Prohibited Purchases

Certain types of purchases are strictly prohibited by the P-Card policy and no exceptions will be granted. These purchases include, but are not limited to:

- Personal purchases of any kind (personal purchases are defined as purchases of goods or services intended for non-work-related use or use other than for official business)
- Donations or gifts to a charity, a gift to an entity, or a political contribution.
- Fuel for personal cars since the personal vehicle expenses will be compensated through mileage reimbursement
- Gift cards, stored value cards, calling cards, pre-paid cards or similar products
- Entertainment, including in-room movies
- Alcoholic beverages
- Tobacco products
- Weapons, and related accessories, side arms and bullets even if these are for training purposes
- FastTrak toll tags or transponders for employees' personal vehicle
- Individual sized bottled water for non-emergency situations
- Services provided by a non-California vendor

- Professional services
- Goods and services available on a current citywide contract
- Travel expense, lodging, or meals for persons providing services without compensation
- Fixed Asset Computers
- Fixed Asset equipment
- Hazardous Materials/ Removal of Hazardous Materials
- Chemicals
- Existing invoices for after-the-fact purchases.

Late Payment Fee/Interest

Untimely payment to U.S. Bank will result in late payment fees and interests. The payment is due within fourteen (14) calendar days from the statement date. Departments will be responsible for any late fees or interests incurred.

1.3 | Program Compliance

Card Management

1. New Card
 - Department Coordinator enrolls cards online at <https://conforms.sfgov.org>. Refer to [Section 1.4 - | Form Automation](#) for more details.
 - Upon complete approval of the card, P-Card Administrator sets up the cardholder account in Online Access and requests the physical card from U.S. Bank.
 - Card will be mailed to the P-Card Administrator. P-Card Administrator informs departments for card pick up. Cards are stored in a locked drawer or the safe before pick up.
2. Cardholder Employment Status Change
 - When a Cardholder transfers to a different City department or terminates his/her employment with the City, Department Coordinator notifies P-Card Administrator within three (3) business days by submitting the P-Card Modification Request online at <https://conforms.sfgov.org>. Refer to [Section 1.4 | Form Automation](#) for more details.

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- Upon complete approval of the request, P-Card Administrator deactivates Cardholder account in Access Online.
- P-Card Administrator contacts U.S. Bank to confirm account deactivation.

3. Credit Limit Change

- Department Coordinator submits the P-Card Modification Request online at <https://conforms.sfgov.org> with changed credit limit and reason for the change.
- Department Coordinator submits any supporting documents to justify the credit limit change to P-Card Administrator.
- P-Card Administrator reviews the request, and may submit the request to the Controller and OCA for further review.
- Upon complete approval, P-Card Administrator changes the credit limit in Access Online.

4. Card Replacement

- If a P-Card is lost or stolen, the Cardholder must call U.S. Bank and inform Department Coordinator immediately.
- The Cardholder should **not** request a replacement directly from U.S. Bank; the P-Card administrator will handle the replacement request.
- Department Coordinator submits the P-Card Modification Request online at <https://conforms.sfgov.org> with the reason of the card replacement.
- P-Card Administrator contacts U.S. Bank and requests the physical card to be mailed to the P-Card Administrator.
- P-Card Administrator informs departments for card pick up, and stores in a locked drawer or the safe before pick up.

Internal Controls

Internal controls must include:

- Appropriate separation of duties between making transactions (Cardholders), review and approval transactions for payment (Approving Officials), and payment of the monthly billing statement (Billing Official). Any exceptions must be pre-approved by the P-Card Administrator.
- Review and approval of purchases by someone with supervisory authority over the Cardholder and/or with authority to question purchases if needed.

- Appropriate limits on the number of Cardholders assigned to a supervisor or Approving Official in order to ensure adequate review of business need and documentation.
- Provision for periodic audits and the annual Post Audit by the P-Card Administrator. Audits must address:
 - Adequacy of internal policies and procedures
 - Confirmation of card holders
 - Adequacy of card management process
 - Appropriateness of Cardholder spending limits
 - Adequacy of review, reconciliation, and payment procedures; and
 - Adequacy of documentation for transactions.

Card Issuance Requirements

- Issuance is limited to one P-Card per Cardholder by department.
- Cardholders must be full-time and part-time City employees. Cards will not be issued to temporary workers, or independent contractors.
- Cards will not be issued in the name of a department or work unit to be shared by multiple employees.
- All training requirements as described in the *P-Card Policies & Procedures Manual* must be met before an employee receives the P-Card for City use.

Cardholder Spending Limits

Spending limits enable management to provide Cardholders with the purchasing power to accomplish the needs of the job without exposing the City to unnecessary risk. Spending limits should be based on job responsibilities of the Cardholder and the need to use a P-Card to accomplish his or her duties. Cardholder spending limits must be reviewed at least annually to determine that actual usage is consistent with spending limits.

Cycle Credit Limit, or Monthly Limit, is a mandatory spending limit that restricts the amount of purchases a Cardholder can make in one billing cycle (one month). The P-Card Administrator has the authority to raise the monthly limit to an amount deemed appropriate in order to improve business practices and/or when an emergency is declared.

Payment of California Sales and Use Tax

The Billing Official must ensure the accrual of California sales and use tax if the merchant has not charged such tax on the invoice or receipt of a P-Card purchase. Refer to Section 4.5 | Sales & Use Taxes for more details on sales and use tax accrual.

Records Retention Requirements

P-Card Program records shall be maintained according to the Controller's *Financial Records Retention and Destruction Policy & Schedule*. For more information see **Error! Reference source not found..**

Note that disaster/cost recovery documentation is required to be kept onsite for at least three (3) years as defined by *Title 44 Code of Federal Regulations* and *Title 19 California Code of Regulations*.

1.3.1 | Contact Information

For Cardholders

Contact your Department Coordinator for the following:

- New card enrollment
- Change of credit limit
- Change of employment status

Contact U.S. Bank for the following:

- Activation of P-Card [call 1-800-344-5696 (outside US call collect: 701-461-2010)]
- For initial online account setup, go to Access Online (<https://access.usbank.com>; call 1-800-344-5696 for technical support)

Contact U.S. Bank at 1-800-344-5696 (outside US call collect: 701-461-2010) and your Department Coordinator for the following:

- Lost/stolen card or fraud
- Transaction/billing dispute

Note: When contacting U.S. Bank, you will be asked for information such as your business telephone number, ZIP code, last four digits of your DSW number and 16-digit account number.

For Department Coordinator

Contact P-Card Administrator at 415-554-5218 or 415-554-7594 for the following:

- Questions regarding automated forms for card enrollment and modification (see [Section 1.4 - | Form Automation](#) for more information on automated forms)
- Reporting lost/stolen card or fraud
- Obtain a log-in for Access Online.

1.4 | Form Automation

The section provides an overview of the automated forms for P-Card enrollment and changes. For more details, refer to the training materials online at <http://sfcontroller.org/index.aspx?page=437#pcard>.

1.4.1 | General Guidelines and Internal Controls

The following principles must be followed for any department using automated forms for P-Card enrollment and changes:

- There must be appropriate separation of duties between form initiation (Department Coordinators or designees), confirmation of form submission and details (Cardholders), confirmation of authority (Department Head or CFO), and final approval of request (P-Card Administrators).
- Initiators (department coordinators) are pre-designated and approved by Department Heads to assure submittal of requests is monitored.
- Cardholders are required to review and accept *Cardholder Acknowledgement Disclosure* before workflow reaches subsequent approvers.
- Any requests over a pre-established threshold will require additional review and approval by the AOSD Director and/or Controller.
- Requests for new cardholders and/or modification requests to existing cardholders must first enter and complete the appropriate automated workflow before being submitted by the P-Card Administrators to US Bank for processing.
- Departments must review all requests conducted by P-Card Administrators to ensure compliance with Controller and department policies and procedures.
- Documentation and log of past and open requests will be generated periodically to ensure the integrity of the workflow and system.

1.4.2 | To Request a New Card

This section provides a step-by-step overview of how a new P-Card is requested through form automation.

1. The initiator (Department Coordinator or his/her designee) logs into <https://conforms.sfgov.org/> using the City e-mail and password.
2. The initiator selects *P-Card Enrollment and Agreement Form Online* and will be requested to complete the form as shown in the screenshot below:

FIGURE 1-4. ONLINE P-CARD ENROLLMENT & AGREEMENT FORM

New Enrollment Request

Search Employee 44478 **Search**

Employee Information

Card Holder Name Jordan Cho

Department CONTROLLER **Department Code** CON

Division ASOD Division **Division Code** CON03

DSW 44478

Job Title IS BUSINESS ANALYST-PRIN. **Job Class No** 1054

Work Contact Information

Address Room 300, 1 Dr Carlton B Goodlett Pl

City San Francisco **State** CA **Zip Code** 94102

Work Email jordan.cho@sfgov.org **Work Phone** 415-554-7591

Credit Limit (Default monthly limit for each card is \$1,000)

Requested Monthly Limit 0 **Requested Emergency Limit**

Note

Action Save

Comment

Create

- Once submitted, the cardholder will receive an e-mail alert to approve the card enrollment online. The cardholder will be prompted by the automated form to accept the *P-Card Cardholder Acknowledgement Disclosure* as shown below:

FIGURE 1-5. P-CARD CARDHOLDER ACKNOWLEDGMENT DISCLOSURE

P-CARD CARDHOLDER ACKNOWLEDGEMENT DISCLOSURE FORM

The undersigned employee submits to this affidavit:

1. I received a copy of the City and County of San Francisco P-Card Policies and Procedures Manual and agree to abide by the provisions and requirements included in the manual when using the U.S. Bank Visa Purchasing Card.
2. I agree to abide by all City and County of San Francisco procurement and payment rules and regulations and will not split purchases or use the purchasing card in a manner that circumvents related City and County of San Francisco rules and regulations.
3. The card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
4. I received P-Card program training from my agency/department that covered the provisions and requirements included in the City and County of San Francisco P-Card Policies and Procedures Manual.
5. I understand that the U.S. Bank Visa Purchasing Card is for City official use only and must not be used for personal purchases. Intentional use of the card for other than official City purposes will result in immediate cancellation of my purchasing card, and possible referral to the District Attorney. I may be personally liable to the City for the amount of the purchase.
6. If my authorization or employment is terminated, or I transfer to a new position within the City and County of San Francisco, I will return my card to my approving official immediately.
7. If the P-Card is lost or stolen, I will immediately notify U.S. Bank by telephone and confirm the telephone call to U.S. Bank by email to the Program Administrator at pcard@sfgov.org. I will also immediately notify my supervisor.
8. As the P-Card is City and County of San Francisco property, I understand that I may be periodically audited to comply with internal control procedures designed to protect City and County of San Francisco assets. This may include being asked to produce the card to validate its existence and account number. I may also be asked to produce receipts and statements to audit its use.

4. The form will then be routed to the CFO for approval with an e-mail alert. If CFO is the cardholder, the Department Head will need to approve online instead.
5. The P-Card Administrator at the Controller's Office will then review the new card enrollment and approve or reject, as appropriate. If the card enrollment includes an emergency credit limit proposal, the request will be routed to the AOSD Director or the Controller for approval depending on the request amount.
6. Upon complete approval of the card enrollment, an e-mail confirmation will be sent to the initiator, the cardholder, and all approvers.

1.4.3 | To Modify, Replace, or Cancel a Card

This section provides a step-by-step overview of how to modify, replace, or cancel a P-Card using form automation.

1. The initiator (Department Coordinator or his/her designee) logs into <https://conforms.sfgov.org/> using the City e-mail and password.
2. The initiator selects *P-Card Change/Cancellation Form Online* and will be requested to complete the form for change of credit limit or replacement/cancellation of the card.
3. Once submitted, the cardholder will receive an e-mail alert to approve the card enrollment online.
4. The form will then be routed to the CFO for approval with an e-mail alert. If CFO is the cardholder, the Department Head will need to approve online instead.
5. The P-Card Administrator at the Controller's Office will then review the modification or replacement/cancellation and approve or reject, as appropriate. If the modification includes an emergency credit limit proposal, the request will be routed to the AOSD Director or the Controller for approval depending on the request amount.
6. Upon complete approval of the card modification or cancellation, an e-mail confirmation will be sent to the initiator, the cardholder, and all approvers.