

**WILLOWS UNIFIED SCHOOL DISTRICT**  
**Office of the Superintendent**

**Date: 03/28/11**

**Request For Placement on Board Agenda:**

**AGENDA TOPIC: Implement Cal Card Purchase Card Services**

**PRESENTER: Betty Skala, Director of Business Services**

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**Background Information:**

Cal Card is a VISA purchase card program through an agreement with the State of California and US Bank. Refer to Management Memo – Cal Card Purchase Card Program (A 1-4).

It affords a public entity under the State of California's umbrella to make purchases similar to other purchase card programs but with limitations assigned to individual card holders as authorized by Willows Unified School District and within the guidelines of the State of California. Benefits include rebates such as average transaction; volume sales and prompt payment (refer to B), on line access to cardholders and program administrators, and 45 days to make payment, whereas traditional purchase cards have a very narrow windows for payment turnaround.

We are requesting authorization from the Board to implement the Cal Card Visa purchase card program on behalf of Willows Unified School District.

**Recommendations:**

Board gives authorization to the Superintendent and their designee to enter into all necessary agreements to implement the Cal Card Program and authorize Superintendent to authorize the issuance of purchase cards to district cardholders, establishing limits and conditions as necessary.

# MANAGEMENT MEMO

SUBJECT: **CAL-CARD: PURCHASE CARD PROGRAM**

NUMBER: <b>MM 04-06</b>
DATE ISSUED: January 26, 2004
EXPIRES: <b>JANUARY 26, 2005</b>
ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES

REFERENCES:  
SUPERSEDES MANAGEMENT MEMO 03-12 ISSUED JUNE 12, 2003

**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

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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**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.

**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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**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.

**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](mailto: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>

## Rebates (Incentives) to Agencies

For the purpose of earning and receiving rebates, Participating Agencies will continue to receive the rebate structure included in the previous contract (# 5-00-CC-02) until December 31, 2006. Rebates as described in this contract (# 5-06-99-01) will begin January 1, 2007, paid by the 50th calendar day from the end of the quarter.

### 1. Average Transaction Rebate

The following formula will be used to determine the Average Transaction Incentive for each participating agency:

$$\frac{\text{Total Sales (Quarterly)}}{\text{\# of Transactions (Quarterly)}} \times 0.75 = \text{Average Transaction Rebate}$$

Distribution of the Quarterly Average Transaction Rebate shall include the following condition:

Computed Quarterly Average Transaction Rebate to the Participating Agency shall not exceed 2% of the Participating Agency's Quarterly Total Spend. Amount in excess of 2% of the Participating Agency's Quarterly Total Spend shall be forwarded to the Department of General Services under the heading of Administrative Fee - Excess Quarterly Average Transaction Rebate.

### 2. Volume Sales Rebate

The following formula will be used to determine the Volume Sale Incentive for each participating agency:

$$\text{Total Sales (each individual participating agency)} \times .00393 = \text{Volume Sales Rebate}$$

### 3. Prompt Payment Rebate

The following formula will be used to determine the Prompt Payment Incentive for each participating agency:

$$\frac{45 - \text{Client Held Days}}{45} \times .0045 \times \text{Quarterly Volume Sales}$$

**Questions Regarding Rebates? Contact: [calcard@usbank.com](mailto:calcard@usbank.com)**

1st Quarter Rebates 2009

2nd Quarter Rebates 2009

3rd Quarter Rebates 2009

4th Quarter Rebates 2009

1st Quarter Rebate 2010

2nd Quarter Rebate 2010

3<sup>rd</sup> Quarter Rebate 2010

4th Quarter Rebate 2010