

# STAFF REPORT



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| <b>MEETING DATE:</b>  | <b>December 1, 2023</b>                                                                        |
| <b>SUBJECT:</b>       | <b>Authorize Executive Director to Apply for CAL-Cards with U.S. Bank for Agency Purchases</b> |
| <b>AGENDA ITEM:</b>   | <b>4</b>                                                                                       |
| <b>STAFF CONTACT:</b> | <b>Jessica Carlson, Chief Fiscal Officer</b>                                                   |

## **SUMMARY:**

Staff recommends submitting a Participating Document Package to request approval from U.S. Bank ("USB") to enroll in California's CAL-Card Program ("Program"). An application is not a commitment to join the Program but is the first step to express intent to participate. Participating in the CAL-Card program would alleviate administrative burdens on the agency and purchasing delays for staff.

## **STAFF RECOMMENDATION:**

It is recommended that the Fiscal and Policy Committee:

1. Authorize the executive director to apply for participation in the CAL-Card program with U.S. Bank including executing the necessary forms to apply for the program; and
2. Authorize the executive director to make minor administrative amendments to application forms as requested during the review period.

## **DISCUSSION:**

**Background** – Executive management has been exploring options to reduce the administrative burden of purchasing certain goods and services and for approved staff training expenses. Currently, SRTA has one bank debit card for eligible agency purchases where an invoice process for goods and services is not utilized or possible (e.g., monthly internet services, training conference registration fees, workshop facility rentals). Debit card use is highly restricted, has daily limits, and must remain on, or be returned daily to, SRTA's premises, per policy. Agency employees are reimbursed for approved training and other expenses.

Staff discovered the availability of the state of California's "CAL-Card" procurement card program ("Program"), which is a flexible payment program made available to state, regional, and local public agencies for the purchasing of goods and services. Regional and local public agencies may also use the cards for agency-approved travel expenses. (Weblink: <https://www.dgs.ca.gov/PD/About/Page-Content/PD-Branch-Intro-Accordion-List/Acquisitions/CAL-Card-Program>)

The State of California has a master service agreement with USB to provide VISA bankcard services. The agreement is amended periodically, and current participants are automatically enrolled in the new contract, unless they notify USB that they wish to exit the program.

**How it works** – The CAL-Card program provides individual VISA cards to approved staff of participating agencies. Staff may use the cards for previously approved business expenses, such as workshop supplies, conference registrations, and other training/travel expenses. The cards are issued in the name of the cardholder and invoices are billed to the agency. Graphics easily distinguish a CAL-Card from personal

cards. USB maintains no cardholder information other than their name, work address, and phone number. USB does not collect the cardholder's social security number and they do not perform a credit check on the cardholder. Agency management has full control of each cardholder's card including monitoring of purchases and enabling/disabling cardholder access.

**Increase purchasing power and agency benefits** – CAL-Cards are not meant to replace traditional procurement methods such as contracts for services. However, CAL-Cards can streamline point-of-sale and internet orders (e.g., office supplies, conference registration fees) and simplify the purchase and payment of low-dollar goods. Many merchants don't accept purchase orders but will take a VISA payment. Additionally, it is almost impossible to make airline, rental car, or hotel reservations without such a card.

Staff anticipates the following benefits by participating in the program: reduced paperwork, transparency, increased efficiency by streamlining of the accounts payable process, reduced time involved in procuring low-dollar goods, reduced administrative costs per transaction, improved purchasing procedures for certain transactions like travel reimbursements, and reduced burden on staff.

**Application Process** – There are six "stages" to enroll in the CAL-Card program. Completing the Participating Document Package (application), as recommended herein, is the first stage.

- Stage 1 – Agency completes Participating Document Package.
- Stage 2 – USB confirms receipt of package and conducts review (estimated 20 business days).
- Stage 3 – USB provides enrollment documentation and initiates contact with the agency.
- Stage 4 – Agency completes enrollment documentation, training, and establishes an agency program.
- Stage 5 – USB instructs agency for new card setup (program rollout and account issuance).
- Stage 6 – Agency sets up new cards.

If SRTA's application is approved, staff will draft internal policies and procedures to establish controls for the cardholder and the agency and present them to the Committee and the board of directors for approval prior to SRTA finalizing participation in the program and issuing cards to staff.

**ALTERNATIVES:**

The Committee may decide not to participate in the CAL-Card program or defer the recommendation to be presented at a future SRTA Board of Directors meeting for board approval.

**FISCAL IMPACT:**

There is no fiscal impact to SRTA by applying for the CAL-Card program. The CAL-Card is a cost-free payment mechanism available to government agencies like SRTA. CAL-Cards are Purchasing Cards ("P-Cards"), not credit cards. Other Program benefits include no annual membership or administrative fees or minimum card count.