



Executive Officer's Report

To: Imperial LAFCo Commissioners

From: Tyler Salcido, Executive Officer

TRS

Item #: 9a

Subject: Credit Card Usage Policy

Date: March 27, 2025

Time: 8:30 a.m.

Location: El Centro City Council Chambers
1275 W. Main Street, El Centro, CA 92243

Report

Background:

Imperial LAFCo occasionally requires the use of credit cards for travel, training, and other authorized expenditures that further the Commission's statutory and operational responsibilities. Currently, there is no formal policy governing the use of Commission credit cards.

Staff has developed a comprehensive Credit Card Usage Policy (the "Policy") to ensure proper oversight, accountability, and compliance with applicable state and local regulations. Establishing this policy will help prevent misuse of public funds, maintain transparency, and set clear guidelines for authorized personnel.

Policy Overview:

Key provisions of the proposed Policy include:

- **Authorization and Issuance:** Only individuals explicitly approved by the Executive Officer or Commission may hold a Commission credit card. Card limits and usage terms are defined and subject to periodic review.

- **Allowable Expenditures:** Permissible costs are clearly listed, focusing on legitimate Commission-related expenses (travel, training, minor equipment, etc.).
- **Prohibited Expenditures:** Personal purchases, cash advances, and other non-essential or unapproved charges are strictly disallowed.
- **Documentation and Reporting:** All transactions must be supported by itemized receipts, and cardholders must submit supporting documentation to finance staff.
- **Enforcement and Accountability:** Violations may result in disciplinary action, requiring repayment of unauthorized charges, or revocation of card privileges.

Fiscal Impact:

A well-defined Credit Card Usage Policy protects the Commission from financial risk and liability. By clarifying allowable uses and requiring supporting documentation, the Commission reduces the likelihood of improper or erroneous expenses. The Policy should not impose any significant additional costs on the Commission; rather, it helps maintain prudent oversight of existing expenditures.

Options

- Option #1:** Approve and adopt the Credit Card Usage Policy as presented.
- Option #2:** The Commission may direct staff to make modifications and return with a revised policy at a subsequent meeting.
- Option #3:** The Commission may decline to adopt the policy.

Recommendation by the Executive Officer

The Executive Officer recommends that LAFCo consider all information presented in both written and oral form. The Executive Officer then recommends, assuming no significant public input warrants to the contrary, that LAFCo take the following action:

- Option #1:** Approve and adopt the Credit Card Usage Policy as presented.

EXHIBIT A: Credit Card Usage Policy

EXHIBIT B: Draft LAFCo Resolution #2025-XX

EXHIBIT A

Credit Card Usage Policy



CREDIT CARD USAGE POLICY

1. Purpose

This policy establishes guidelines for the use of credit cards issued by Imperial LAFCo (the Commission). Its primary goal is to ensure that all expenditures are for legitimate business purposes, properly documented, and approved, while maintaining accountability and safeguarding company funds.

2. Scope

This policy applies to all Imperial LAFCo employees, commissioners, and agents who are authorized to use the Commission's credit cards. It covers:

- Card issuance
- Authorized expenditures
- Documentation and reporting
- Reconciliation and payment
- Violations and enforcement

3. Card Issuance and Custody

- a. **Authorized Holders:** Only individuals expressly approved by the Executive Officer or Commission Board (as applicable) may obtain and hold a Commission credit card. Each card will list either Imperial LAFCo's name and/or the assigned cardholder's name.
- b. **Card Limits:** The Executive Officer (or designee) will determine appropriate credit limits based on operational needs and budgetary constraints. Changes to these limits must be approved by the Commission or the Executive Officer.
- c. **Security and Safekeeping:** Cardholders are responsible for securing the credit card in their possession. Under no circumstances should a credit card be shared with or loaned to any unauthorized individual.

4. Authorized Expenditures

Authorized credit card expenditures include, but are not limited to:

- a. **Travel and Training:** Airfare, hotel, meals, transportation, and conference or seminar fees, when in accordance with Commission-approved travel policies.
- b. **Operational Purchases:** Office supplies, minor equipment, membership dues, and other necessary expenditures directly tied to the Commission's functions.
- c. **Emergency Purchases:** With prior verbal approval from the Executive Officer (or designee), the credit card may be used for urgent, unexpected expenses required to maintain business continuity.

5. Prohibited Expenditures

The following purchases are strictly prohibited unless expressly approved in writing by the Commission:

- a. **Personal Purchases:** Any personal or non-work-related items (including incidental personal charges while traveling).
- b. **Cash Advances:** Withdrawing cash from ATMs or purchasing gift cards without explicit prior approval.
- c. **Split Transactions:** Splitting a single purchase into multiple charges to circumvent purchase limits.
- d. **Unauthorized Vendors:** Any vendor or merchant that has been restricted due to compliance or legal considerations.
- e. **Excessive or Non-Essential Expenditures:** Lavish meals, entertainment, or other non-essential purchases without clear business justification.

6. Documentation and Receipts

- a. **Receipt Retention:** All original, itemized receipts must be retained and submitted for every credit card transaction. Credit card slips alone are insufficient unless they clearly detail each item purchased.
- b. **Supporting Documentation:** Conference registrations, hotel folios, event flyers, or other documentation shall be submitted to finance staff.

7. Review, Reconciliation, and Payment

- a. **Monthly Statements:** Upon receipt of the credit card statement, the cardholder (or designated staff) must reconcile each transaction with the supporting receipts.
- b. **Approvals:** The Executive Officer (or designee) must review and approve reconciled statements.
- c. **Timely Payment:** The Commission's finance staff ensures that statements are paid in full on or before the due date to avoid finance charges or penalties.

8. Compliance and Monitoring

- a. **Audit and Oversight:**
 - The Commission's Executive Officer and finance staff may conduct periodic audits or spot-checks of credit card statements and backup documentation.
 - Independent auditors may also review credit card usage during routine or special audits.
- b. **Policy Violations:**
 - Misuse or unauthorized charges may result in disciplinary action, including revocation of card privileges, reimbursement obligations, or other consequences in line with Commission policies and applicable laws.

9. Disputed Charges

If a cardholder identifies a questionable or incorrect charge:

- a. **Notification:** The cardholder must immediately notify finance staff and the credit card issuer to dispute the charge.
- b. **Documentation:** The cardholder must provide relevant documentation or evidence supporting the dispute (e.g., receipts, correspondence).
- c. **Resolution:** The Commission's finance staff will work with the credit card issuer to resolve the dispute and ensure the charge is removed or corrected.

10. Card Cancellation

- a. **Separation or Role Change:** When a cardholder resigns, retires, is terminated, or changes roles, the credit card must be returned immediately to the finance staff.
- b. **Lost or Stolen Cards:** Cardholders must promptly notify the finance staff and the credit card issuer if a card is lost or stolen. The Executive Officer may then direct staff to request a replacement card if necessary.

11. Policy Review and Updates

This policy will be reviewed annually (or as needed) by the Executive Officer and finance staff to ensure alignment with changing regulations, Commission needs, and best practices. Any recommended changes must be approved by the Commission.

Acknowledgment:

All employees, officers, or agents authorized to use an Imperial LAFCo credit card must sign an acknowledgment of this policy, indicating that they have read, understood, and agree to abide by its terms and conditions.

EXHIBIT B

Draft LAFCo Resolution #2025-XX



IMPERIAL LOCAL AGENCY FORMATION COMMISSION

March 27, 2025

RESOLUTION #2025-XX OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF IMPERIAL APPROVING AND ADOPTING A CREDIT CARD USAGE POLICY

RESOLVED, by the Local Agency Formation Commission of the County of Imperial, State of California, that:

WHEREAS, Imperial LAFCo ("the Commission") is responsible for efficiently and transparently administering local agency formation and boundary matters within its jurisdiction; and

WHEREAS, the Commission may from time to time require the use of organizational credit cards to facilitate approved expenditures for legitimate public purposes, such as travel, training, conferences, and other Commission-related activities; and

WHEREAS, it is in the best interest of the Commission to have a clear and concise Credit Card Usage Policy to ensure accountability, transparency, compliance with applicable laws, and prudent stewardship of public funds; and

WHEREAS, the Commission has reviewed and found it necessary to adopt a Credit Card Usage Policy; and

WHEREAS, on March 27, 2025, the Commission met, discussed, and voted to approve and adopt the Credit Card Usage Policy.

NOW, THEREFORE, BE IT DETERMINED, ORDERED AND RESOLVED as follows:

1. **Adoption of Policy:** The Commission hereby adopts the Credit Card Usage Policy (attached hereto as Exhibit A) as the official policy governing the issuance, use, and administration of the Commission's credit cards.
2. **Implementation:** The Executive Officer, or designee, is authorized and directed to take all necessary actions to implement the Credit Card Usage Policy, including establishing procedures and controls consistent with the policy.
3. **Periodic Review:** The Commission directs the Executive Officer and designated finance staff to periodically review the Credit Card Usage Policy, at least annually, and recommend updates as necessary to reflect changes in laws, regulations, or Commission needs.
4. **Superseding Other Policies:** Any prior resolutions, policies, or directives of the Commission that are inconsistent with this resolution are hereby repealed or superseded to the extent of such conflict.

5. **Effective Date:** This resolution and the associated Credit Card Usage Policy shall become effective immediately upon its adoption.

PASSED, ADOPTED, AND APPROVED this **27th** day of **March 2025**, by the following roll call votes:

AYES:

NAYES:

ABSTAINED:

ABSENT:

Jesus Escobar, Chair