

## US Bank CAL-Card Program Frequently Asked Questions (FAQ)

- **Is there an annual card fee?**
  - No.
- **What are the real costs to an agency for participating in the CAL-Card Program?**
  - The CAL-Card is a "no cost" program unless an unpaid invoice has accrued late penalties; late penalties are assessed on day 46 from the invoice date. The late payment penalty is based on the State of California Dept of Finance Budget Letter set each fiscal year.
- **Is there a minimum card count or spend required to start a program?**
  - There is no minimum card count or spend requirements within the CAL-Card Program.
- **What are the terms for payment?**
  - Payment terms are 45 days from the date of each monthly statement of account/invoice.
- **What is the interest rate?**
  - This program is set up for accounts to be paid in full each invoice/billing period. For unpaid, undisputed balances 46 days or older, there is a late payment interest rate established annually by the State of California, Department of Finance, according to the State's Prompt Payment Act, see [www.pd.dgs.ca.gov/calcard](http://www.pd.dgs.ca.gov/calcard), click on Program Information, for the most current Budget Letter from the Department of Finance. If the accrued monthly penalty amount is seventy-five dollars (\$75) or less per invoice, the penalty shall be waived and not paid by the agency, (SAM 8474.3). State agencies are required to report late payment to Department of General Services.
- **Are there rebates to an agency from U.S. Bank?**
  - There is a Prompt Payment Rebate, Volume Sales Rebate and Average Transaction Rebate. From [www.pd.dgs.ca.gov/calcard](http://www.pd.dgs.ca.gov/calcard), click on Program Information for rebate information. Rebates will be calculated and paid quarterly, by check, to the agency on the 50<sup>th</sup> day from the quarter end, as long as the calculated rebate equals or exceeds \$75.00.
- **Can the CAL-Card be used for both commodities and services?**
  - Yes. The CAL-Card can be used to procure commodities and services, provided that the purchase is within the authorized CAL-Card dollar limit. The CAL-Card may also be used for purchases from California Multiple Award Schedules (CMAS) and Master Agreements. The purchase must be in accordance with the authorized dollar limits, State laws, rules and Purchasing Authority guidelines, all applicable policies and procedures, specific contract term or specific agency guidelines and requirements.
- **Who is responsible for errors, omissions and intentional misconduct by an agency or an employee?**
  - The State, each participating university, participating division, or local government agency is responsible for their own errors and

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omissions. When a card has unauthorized charges, a dispute process procedure must be followed to free the agency from financial responsibility. When an employee makes unauthorized charges, U.S. Bank provides VISA Waiver Liability coverage within specific program criteria, provided that the employee is terminated.

- **Describe liability for the Participating Agency for the following:**
  - Fraudulent use of the card by cardholder
  - In the event a card is stolen, forged or lost
  - If a merchant accepts a procurement card order without obtaining prior authorization or forces a transaction for the purchase
    - The Agency is liable for fraudulent use of the card by a Cardholder. Each CAL-Card has VISA Liability Waiver coverage up to \$5,000 per card when an agency has 1 to 4 valid cards and up to \$100,000 per card when an agency has 5 or more valid cards. VISA Waiver Liability is available upon written request provided the agency cancels the card account and terminates the employee per the terms of the contract.
    - In the case of a lost or stolen card, the agency's liability ends as soon the Cardholder contacts U.S. Bank Customer Service. In addition, the Cardholder should immediately notify their Agency Program Coordinator.
    - Fraudulent transactions posted to the account are referred to the U.S. Bank's fraud investigation unit. The Cardholder has 60 days from cycle date to report fraudulent charges.
    - A merchant who does not receive authorization or forces a transaction on a charge is liable for that charge.
- **What does a Cardholder do if their CAL-Card is lost or stolen?**
  - The Cardholder should immediately contact U.S. Bank Customer Service and their Agency Program Coordinator to report the lost card. U.S. Bank has a 24-hour a day, 7 days a week, Customer Service number for reporting lost or stolen cards. The number is 1-800-227-6736. A new account will be established and a new card issued. All charges are moved to the new account and unauthorized charges will be cleared by subsequent credits issued by U. S. Bank Fraud Investigative Services. Additional information is located at [www.pd.dgs.ca.gov/calcard](http://www.pd.dgs.ca.gov/calcard).
- **Which merchants accept the CAL-Card?**
  - The CAL-Card is a VISA purchase card. Any merchant that can accept a VISA credit card can accept a CAL-Card.
- **What if the merchant does not currently accept a VISA credit card, but desires to become a VISA merchant?**
  - The merchant may contact U.S. Bank for merchant/supplier set up by calling 1-800-334-1941. All merchant questions regarding U.S. Bank's card processing will be answered. Also, the merchant should be encouraged to evaluate various bankcard processing

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programs to determine which financial institution best meets their needs.

- **Who should be involved in the development of an agency's CAL-Card Program procedures?**
  - The development of the procedures should include cross-organizational staff. Include all stakeholders in the development of your agency's procedures including the agency Program Administrator, representatives from Fiscal, Accounting, Purchasing, Receiving and all Budget Managers.
- **What happens if a Cardholder's statement shows an incorrect charge?**
  - The Cardholder is responsible for working with the merchant to attempt to resolve the incorrect charge. If the issue cannot be resolved by working with the merchant, the Cardholder is required to formally dispute the charge. The Cardholder is responsible for completing and submitting the Cardholder Statement of Questioned Items (CSQI) form to U.S. Bank within 60 days from the Statement of Account date for any charges that are to be disputed. A copy of the dispute form (CSQI) is added to the Cardholder Statement packet for internal auditing, and a copy is immediately faxed or mailed to U.S. Bank. The disputed amount is deducted from the Statement of Account total with the balance approved for payment.
- **Can the CAL-Card be used for emergency purchases?**
  - Yes, provided that your agency's procurement rules for emergency purchases are followed. In emergency situations, some agencies elect to temporarily raise card limits to accommodate emergency purchases; this can be done with U.S. Bank approval. For State agencies, as in any instance of emergency, your agency's management approval is likely required. This should be further supported by a justification to maintain the public health, welfare or safety and/or the supplies or services needed in an emergency situation.
- **Can the CAL-Card be used for travel expenses?**
  - **State Agencies:** No. The CAL-Card cannot be used for travel per diem expenses, these include: air or ground transportation, lodging and meals. The State has contracts in place for air travel, car rentals and utilizes an American Express employee credit card for all travel expense needs.
  - **Local Agencies:** Yes. Local Agencies can use the CAL-Card for travel expenses, if it falls within the agencies CAL-Card program guidelines. Check with your Agency Program Coordinator or fiscal management for direction.
- **What authority is required for State agencies to purchase with the CAL-Card?**
  - State agencies are required to have a purchasing authority, which is granted by the Department of General Services, Procurement

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Division, prior to participating in the CAL-Card Program. Batched CAL-Card invoices submitted to the State Controller's Office for payment must reference the appropriate purchasing authority number(s).

- **Does U.S. Bank collect 1099 data?**
  - The tracking and reporting of services for 1099 reporting is the responsibility of the participating agency. Taxpayer identification information is available monthly via Access Online 1099 reporting. However, it is still the participating agency's responsibility to collect the State agency Std. 204, Payee Data Record form and for local agencies the Internal Revenue Service W-9 form.
- **Are State agencies required to collect Payee Data Records, Std. 204 form for CAL-Card transactions?**
  - Yes. State agencies are required to have a completed Payee Data Record, Std. 204, on file for each supplier. This data is used to prepare 1099 reporting information for the Franchise Tax Board. Agencies are also required to report to the Employment Development Department any spends to a service contractor equaling \$600 or more. For more information regarding this requirement contact EDD at (916) 657-0529.
- **What should I do if a merchant does not charge sales tax?**
  - If a merchant is registered to do business in the State of California, but did not charge sales tax, you may request a new invoice with sales tax included or your agency may declare the tax on the reporting document to the State Board of Equalization.
  - If the merchant is located in another state and not registered to do business in the State of California the merchant should not collect sales tax; however, they may collect use tax as a courtesy to your agency. If the merchant charged a use tax, your agency does not need to report the amount to the Board of Equalization. If your agency was not charged the use tax, you do need to report the use tax amount to the Board of Equalization. The use tax rate should be the same as the sales tax rate at the location where the goods are used or consumed.
- **What should I do if the sales tax rate charged is different than the rate at my location?**
  - If a merchant is registered in the State of California but ships from an out of state location they should charge the sales tax rate at the location where the goods are used or consumed. You may request a new invoice or your agency can report the correct rate to the Board of Equalization. If the merchant charges 7.25% and your rate is 8.25% your agency is responsible for reporting and paying at the 8.25% rate.
  - **Questions? - - Board of Equalization at 1-800-400-7115 Mon. - Fri. 8:00 AM - 5:00 PM**
- **Can more than one person charge on a single card?**

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- No. Cards are issued in the individual Cardholder's name with a signature required on the reverse side of the card. If an attempt to purchase is made by a person other than the Cardholder, the transaction can be declined and the card can be confiscated.
- **Can a Cardholder be restricted by merchant types?**
  - Yes. The CAL-Card Program contract has an established Merchant Category Codes. Each card can have access to specific categories according to purchasing needs. The agency Program Administrator may utilize Access Online to set merchant authorization controls or contact U.S. Bank as needed.
- **How can a Cardholder be prevented from over spending?**
  - Each card can be set up with a maximum single transaction, daily, monthly, quarterly and annual maximum spending limits, not to exceed the assigned State purchasing authority of 100,000. Higher limits are available upon approval of the Department of General Services (for State agencies) and U.S. Bank. In addition, limits can be placed on the number of transactions per day and per month for each Cardholder.
- **What if there is a need to increase a single transaction or monthly total expenditure amount?**
  - Your agency Program Administrator can change limits in Access Online real time 24/7.
- **Can the Cardholder change Merchant Category Codes, transaction limits or monthly expenditure limits?**
  - No. Only the agency Program Administrator or Alternate agency Program Administrator can establish a new Cardholder, delete Cardholders or make any changes to established card limits and Merchant Category Codes.
- **Can the CAL-Card be used for cash advances?**
  - No. The CAL-Card cannot be used for cash advances. Cash advances and other high risk or cash-related Merchant Category Codes are excluded from the CAL-Card Program.
  - If an attempt is made to purchase one of these high risk cash-related items, the transaction will automatically decline. The agency Program Administrator can request quarterly management information reporting providing data on each card with declined transaction activity.
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- **What does a Cardholder do if they have a problem using the CAL-Card? For example, they attempt to use the card at their local merchant and the charge is declined.**
  - When a transaction is declined the Cardholder or the Agency Program Coordinator may contact U.S. Bank Customer Services to determine the reason why the transaction was declined. If the decline was due to dollar limits or MCC codes the Agency Program Administrator may make the changes in Access Online or may

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contact U.S. Bank so the transaction may be completed. The agency Program Administrator or Alternate is the only person authorized to make changes to a Cardholder account. Common reasons for declined transactions include:

- Card not activated
  - Card spend or transaction limits have been reached
  - Merchant Category Code is blocked
- Cardholders should contact their agency Program Administrator if they feel that their Merchant Category Codes or card limits should be adjusted.
- **If the master contract between the State of California and U.S. Bank is amended, must I amend my addendum to the contract also?**
  - No. Each addendum to the master contract contains the following language, which incorporates all past and future amendments:
  - "Master Services Agreement DGS MSA 5-06-99-01 and its amendments are incorporated by reference and made a part of this agreement."
- **Does the Master Service Agreement require participating agencies to complete a new "Addendum" each Fiscal Year?**
  - No. Agencies need only complete one Addendum document referencing their starting date through to the end of the Master Service Agreement term, October 19, 2006 to October 18, 2011. If an agency wishes to end the agreement, they simply provide written notice, 30 days in advance of their desired end date.
- **Once an agency submits a Request to Participate how soon could the agency receive CAL-Cards?**
  - U.S. Bank will contact your agency within three business days of receipt of your Request to Participate form, a signed Std. 213 or local agency addendum plus three years of audited financials. U.S. Bank stands ready to move at whatever pace the agency requires to establish their program. Credit review will take no more than 2 weeks. During the credit approval process, implementation meetings can be scheduled and the program set up forms can be completed and submitted to U.S. Bank. Once credit is approved, the accounts set up forms are input into the U.S. Bank computer system. Cards are issued within 5 business days and mailed to the agency designated locations. See Implementation Process at [www.pd.dgs.ca.gov/calcard](http://www.pd.dgs.ca.gov/calcard).
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- **Describe capabilities for designing and supplying a card identified as a local agency Procurement Card.**
  - U.S. Bank will support all of the card plastic stock, graphics, logo, and embossing parameters. U.S. Bank will graphically produce the card plastic stock inventory as provided by the State of California. U.S. Bank agrees to make changes to the card plastic stock at no charge during the contract period, if so requested by the State. The

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local agency's name can be embossed on each CAL-Card. The agency also has the option of adding their agency seal or logo as a graphic on the card at no cost. For detailed information, review the CAL-Card Master Service Agreement or contact a U.S. Bank Account Coordinator at 1-800-254-9885 Option 3, Ext. 31302.

- **Is it possible to place a digitized picture ID on each procurement card?**
  - No. This option is not available.
- **Is a report available that tracks purchases by city, state and zip code?**
  - Yes. There are many reports in Access Online that provide vendor information. Specifically, there is the Transaction Detail report in the Financial Management reports that will provide the vendor name, city, state and zip code. US Bank also provides data files in standard layouts that can be used to import into your financial system. The US Bank Account Coordinator or Relationship Manager can assist you with the specific files.
- **What is the term of the current contract? The current contract term is:**
  - October 19, 2006 to October 18, 2011 (Five years fixed, plus one (2) year option for extension)
- **Is there an option for a multiple billing cycle?**
  - Yes. Larger CAL-Card Programs can now go to a multiple billing cycle to better disburse workflow in the monthly reconciliation to payments process. U.S. Bank's platform provides multiple billing cycle dates between the 6<sup>th</sup> and 25<sup>th</sup> with exception to the 19<sup>th</sup>.
- **Can a charge be disputed?**
  - If an error in Cardholder billing occurs, or if a problem with merchandise or services billed cannot be resolved between the Cardholder and merchant, the Cardholder must notify U.S. Bank of the dispute by completing the Dispute form in Access Online or by completing a hard copy Dispute form and faxing to US Bank. In many cases, it is necessary for the Cardholder to submit supporting documentation, such as a copy of a postal receipt, credit voucher or transaction log. The Dispute Form must be received by U.S. Bank within 60 days from the cycle date noted on the Cardholder Statement of Account on which the questioned charge first appeared. Timely attention to a disputed item is essential to ensure that VISA chargeback/dispute rights do not expire. A list of valid chargeback or dispute reasons is on the Dispute Form with the exception of the request for a duplicate receipt. A lost receipt is not a valid reason to withhold payment.
  - The Dispute form may also be used to request a copy of a specific sales draft (receipt). This can be useful when a Cardholder has lost his/her copy of the sales draft. This request however, is not

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considered a dispute and the transaction should be authorized for payment.

- Dispute Forms should be directed by mail or fax to:
- U.S. Bank Disputes  
P.O. Box 6346  
Fargo, North Dakota 58125-6346  
Fax: (701) 461-3466

- **Can freight charges be disputed?**

- A quote for freight cannot be disputed. If a Cardholder authorizes the charge, signs a charge slip or authorizes the charge for an online transaction, and the amount charged to the monthly Cardholder Statement of Account differs from the signed receipt or online order then the freight is disputable.

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- **Can CAL-Card be used to purchase on the Internet when PAY-Pal is the processor?**

- Yes, as long as the receipt provides the name of the vendor.
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