



**ITEM ID:** 2026-111-0

**TRANSMITTAL DATE:** February 20, 2026

**MEETING DATE:** February 27, 2026

**TO:** Board of Directors

**FROM:** Tom Schamber, Chief Financial Officer

**SUBJECT:** Approval of Purchasing Card (P-Card) Program Policy

### **Issue**

SCRRA currently manages two separate credit card programs to complete purchases of relatively small-dollar convenience goods and services. The purpose of this Policy is to consolidate those programs and provide formal and consistent guidance for the operation of one streamlined Purchasing Card (P-Card) Program. This Policy was created as a new document, and replaces FIN - 8.10, "Corporate Credit Cards", in its entirety.

### **Recommendation**

It is recommended that the Board approve the Policy.

### **Strategic Commitment**

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair, investing in the development of our employees and maintaining fiscal sustainability.

### **Background**

SCRRA currently manages two credit card purchasing programs, as follows:

- The Finance Department oversees the Corporate Credit Card Program, which allows for timely purchases of goods and services typically related to training, travel, Board

meetings, employee recognition, emergency safety, and other items outside of core train operations and maintenance. This program allows a small number of authorized users to bypass lengthy administrative requirements of the official procurement process (no budget requisitions or purchase orders are required), subject to appropriate controls and purchase limitations. The card program is currently offered via a small-business commercial credit card (Bank of Montreal (BMO) as issuer) with 27-day payment terms and a high purchasing threshold to obtain cash rebates. There are no built-in controls on cardholder purchasing activity (e.g., blocked merchant categories) beyond monthly credit limits.

- The Contracts, Procurement, and Materials Management Department (CPMM) oversees the second SCRRA credit card program, which has primarily focused on small-dollar purchases of items necessary for operations. Cardholders are limited to two CPMM procurement specialists, who work with individual SCRRA departments to purchase items on credit cards through the formal procurement process, which requires advance submission of budget requisitions and purchase orders. Each purchase, regardless of dollar amount, currently requires input from multiple parties, including CPMM, Budget, Accounts Payable, and the department for which the purchase is made. This program is offered via the U.S. Bank Cal-Card Program. CAL-Card is a VISA purchase card provided through a State of California leveraged procurement agreement (LPA) and offered to participating state and local government agencies, offering advantageous terms and features versus typical commercial credit cards. Some of these benefits include extended payment terms, generous cash rebate programs, extensive online reporting and reconciliation features, and merchant-blocking protections consistent with the State of California local agency requirements.

## **Discussion**

Under the restructured P-Card Program, individual department P-Cardholders can obtain an expanded scope of supplies and services without completing a requisition and purchase order, subject to approved budget and transaction limitations, along with other provisions determining eligibility. This will eliminate the administrative demands of the procurement process and significantly improve the turnaround time on orders. It also reduces the administrative burden of managing separate card programs and provides one consistent framework to effectuate small dollar convenience purchases.

Management's plan is to: (1) eliminate the Corporate Credit Card Program (BMO), and (2) restructure the existing P-Card program (Cal-Card). The main differences between the existing and the new P-Card Program are: (1) Cardholders will reside at the Department level in a decentralized model vs. current centralized purchasing limited to CPMM staff, and (2) purchases will not need to follow formal procurement requirements and paperwork, as long as they meet eligibility conditions which include, among other criteria, that no single purchase transaction may exceed \$10,000 or a lower amount as set by the CFO per each card issued.

Certain limitations are imposed within the Policy to ensure strong internal controls, including the provision that inventory purchases can only be made on P-Cards by members of CPMM staff. In addition, capital asset and grant-funded purchases are not allowed on P-Cards, as appropriate tracking and internal controls cannot be reasonably assured. Exception management requires the advance written approval of the CFO.

The Finance Department, under the direction of the CFO, will be responsible for administering the Program and providing adequate controls and oversight. In addition to the provisions of the attached Policy, a detailed Standard Operating Procedure document (SOP) for P-Card procedures will be distributed to all Program participants. All Department Cardholders and their respective Chiefs will be required to sign an acknowledgement of the Policy and SOP requirements, in addition to attending training before purchasing cards may be issued. Monthly audits of policy and procedure compliance will be completed by the CFO's designated Program Administrator(s).

### **Budget Impact**

While there is no immediate Budget impact to this report, increases in cash rebate income are anticipated due to: (1) migration of existing BMO card activity to the Cal-Card (more generous rebate provisions) and (2) increased credit card purchase volume due to the program's anticipated expanded use.

### **Next Steps**

This Policy will go into effect upon approval by the Board.

Prepared by: Vivien Avella, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

### **Attachment(s)**

[Attachment A - P-Card Policy](#)

[Attachment B - P-Card Policy Redline to Corporate Credit Card Policy](#)

[Presentation - Purchasing Card Program Policy](#)