

CAL-Card Relationship

The CAL-Card is a U.S. Bank Purchasing Card offered in California through NASPO (formerly the Western States Contracting Alliance - WSCA) tax-funded agencies. The combined spend volume of the entire NASPO consortium results in significant financial benefits for all members. The CAL-Card is offered in California through NASPO tax-funded agencies. The combined spend volume of the entire NASPO consortium results in significant financial benefits for all members.



Additionally, the program enables our clients to take advantage of an already negotiated contract, saving valuable time for efficient implementation and training. The CAL-Card program offers a simplified quarterly rebate program and superior Customer Service. In addition, The City will have a reliable financial partner in U.S. Bank—stable and strong in any economic environment.

The CAL-Card is issued in the name of the cardholder and billed to The City. The program provides a payment mechanism for the acquisition of goods and services up to \$50,000 per transaction (higher limits available upon approval), and allows for flexible spending limits and merchant category codes for each card. The District may also use the CAL-Card for travel related purchases.

Representatives of the California Department of General Services, Procurement Division, work together with U.S. Bank, Visa and the District to ensure the success of the District's CAL-Card program.

CAL-Card Reporting Tools

Our proprietary system for program management and reporting provides the backbone for U.S. Bank's commercial payment solutions. Recognized as best-in-class, Access Online provides all the tools our clients need to manage their commercial card programs.

Access Online offers a feature-rich platform that is easily configured to meet the unique needs of U.S. Bank clients. The City will choose the features and functionality that best support and enhance your processes. Access Online offers effective and efficient management controls as well as complete integration with the City's financial systems.

Supplier Management

Whether the City continues purchasing from current vendors or leverages the vast Visa network of suppliers, U.S. Bank will provide the City with industry leading supplier optimization tools. The U.S. Bank Solution is designed with multiple options for making the most of your supplier relationships: from supplier and ghost accounts for use in targeting particular suppliers, to supplier locator and matching services for ensuring the City is making the most of existing Visa vendors, to our in-house Merchant Payment Services unit for support in adding additional vendors.

Spending Control and Monitoring

The U.S. Bank CAL-Card program provides comprehensive, flexible controls customized online, allowing the City to predetermine spending and transaction limits on each card, controls that eliminate the need for requisition and purchase order approvals while enhancing security.

U.S. Bank authorizes every transaction at the point of sale, using controls the City Program Administrators have specified. All controls can be set down to the individual cardholder level and can be modified on an ongoing basis.

U.S. Bank Payment Analytics

U.S. Bank Payment Analytics is a web-based solution that enhances auditing practices by looking beyond the traditional card controls to provide 100% commercial card transaction monitoring. Using customizable rule templates, The City can automatically review all card transactions and flag suspected card misuse and out-of-policy spending. By automatically running policy rules on all transactions, Payment Analytics dramatically makes cardholder transaction monitoring more targeted, efficient and effective. Program Administrators can receive e-mail notifications of possible non-compliance and spend violations so they can safeguard against commercial card misuse and improve purchasing practices.

Payment Analytics is available 24/7 and does not require new hardware or software. It automatically integrates your commercial card transaction data.

Fraud Prevention Controls

To address the potential unauthorized use of a card, account information or identity to obtaining goods or services, credit or funds by misrepresentation of identity or information, U.S. Bank provides a full range of fraud prevention and investigative services as part of its standard offering to clients.

Driven by a team of dedicated fraud professionals focused on best-in-class service and results for our clients, complete fraud life-cycle support includes:

- ▣ Account Monitoring and Notification
- ▣ Development of Detection Strategies
- ▣ Customized Fraud Risk Controls
- ▣ Intelligence Gathering
- ▣ Complete Investigative Services

The U.S. Bank Solution also addresses the potential for internal misuse. The most effective control against employee misuse comes from the City in a set of well-documented and broadly published policies and procedures. Your U.S. Bank Relationship Manager will assist the City in compiling the documentation. Employee misuse will be greatly reduced—if not eliminated—when employees are made aware of the consequences for misusing the card or account, just as if an employee misuses other organization funds. For additional security, U.S. Bank provides liability insurance, and the Visa liability waiver program covers the City up to \$100,000 per cardholder account.

Transaction Management and Approval

Access Online's Transaction Approval Process allows users to approve and audit transactions. The City can customize the transaction approval process to mirror existing auditing procedures and policies. This feature expedites transaction review and approval, and generates a complete audit trail. In addition, authorized users can update individual cardholder account activity reports in real time allowing them to change allocations on-the-fly.

Reporting

Access Online's comprehensive reporting suite allows users to run predefined standard reports or to define custom reports using the flex data reporting tool. All reports are parameter-driven and offer a high degree of flexibility, and are available in a variety of convenient output formats. Users can generate reports in real time or schedule recurring report delivery.

Financial Extracts

U.S. Bank has successfully integrated our solutions with all major financial systems, including JD Edwards, Oracle, PeopleSoft and SAP. From accounts payable to electronic expense reporting and eProcurement, Effective financial extracts contribute to increased processing efficiencies and cost savings. Access Online allows the City to extract data in the most efficient and convenient format, providing a wide variety of financial extract options to meet your specific requirements.

Order Management

Access Online Order Management connects the City's commercial card program and your eProcurement solution by automating accounting code allocation, and facilitating order and transaction reconciliation. This functionality streamlines the City's procurement strategies, facilitates audit processes and provides enhanced data for management reporting while reducing post payment reconciliation activities. Access Online accepts order data feeds from a variety of eProcurement solutions, which are reconciled against purchasing card financial transactions.

Billing Options

U.S. Bank offers central or individual billing options. The City may elect for each account to receive an individual statement with charges for a single account or a central account with combined billing of all charges for all accounts or groups of accounts. U.S. Bank allows our commercial card clients to choose between monthly or bi-weekly billing cycles, and provides multiple statement delivery options to integrate with The City's data management needs.

Billing Cycles

U.S. Bank offers 19 cycle dates, from the 6th through the 25th day of each month (exclusive of the 19th of each month). If the billing cycle date chosen falls on a Saturday, Sunday or holiday, the data is cycled at the end of the next business day.

Payment Terms

Payment is due within 45 days of the statement date.

Quarterly rebate

The agency's performance rebate is calculated and paid quarterly based on net charge volume of all consortium members in the preceding quarter.

Incentive Share Component #1 – Volume Sales Incentive 1.50 bps

At the end of each quarterly period, U.S. Bank will calculate the net charge volume for the program, and apply the result to the Volume Rebate Factor below in order to determine the qualifying incentive opportunity.

Incentive Share Component #2 – Prompt Payment Incentive .45 bps

At the end of each quarterly period, U.S. Bank will calculate the speed of payment (client held²) performance for the entire program. $(45 - \# \text{ of Average Days to Pay}) / 45 \times \text{Basis Points (percentage)} \times \text{Invoice Amount (Quarter Sales Volume)} = \text{Participating Entity Prompt Payment Incentive}$

²Client Held Days are the number of days from the day U.S. Bank funds a charge transaction to the day payment for that transaction is posted, inclusive of the beginning and ending days, minus 17.

Incentive Share Component # 3 - Visa Large Ticket & Discount Discount Interchange Programs .75 bps

U.S. Bank recognizes that increased commercial card usage is important to your organization's overall procure-to-pay strategy and that program expansion, cost efficiency and expense control are critical components in streamlining your procurement and spending processes. We continue to embrace commercial card expansion initiatives including Visa's reduced interchange programs for our clients' strategic suppliers, which targets large ticket and other discount interchange commercial card transactions. Through these initiatives, the Visa Purchasing Large Ticket and other discount interchange programs, Visa and U.S. Bank help enable many suppliers to accept commercial cards for large dollar transactions. These programs allow our clients to eliminate many administrative processes with their preferred suppliers, saving our clients time and money while capturing data on both their small and large dollar purchases by using their U.S. Bank CAL-Card.

When U.S. Bank CAL-Card customers procure goods from a participating supplier for large ticket or discount interchange rate program qualifying transactions, the supplier receives a reduced interchange fee. In order for a transaction to be considered Large Ticket or subject to a discount interchange rate program from a Visa standpoint, the following needs to occur:

- Suppliers must be able to capture and transport level II and level III data.
- The transaction amount is typically more than \$6,980.

U.S. Bank is pleased to offer a rebate of **0.75%** on your large ticket & discount interchange transactions.

Proposed Fees for CAL-Card

Feature	Fee (USD)
General Fees	
Delinquency Fees ■ Fee assessed on the entire past due amount if full balance is not paid by the due date ■ Fee assessed each subsequent cycle on the entire past due amount	■ 1.0% (Minimum \$2.00) ■ 2.5% (Minimum \$2.00)
Cash Advance Fee	2.5% (Minimum \$2.00)
Convenience Check Fee	2.5% (Minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$5.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$5.00 per additional statement
Draft/Receipt Copy	\$5.00 per draft
Expedited Delivery Fee	\$20.00 per shipment
Non-Sufficient Funds Fee	\$15.00
Foreign Currency Fee (if applicable)	2.5% per transaction
Other	
Custom Mapping	Fee based upon scope of service