AP 571 – PURCHASING CARD – COMMERCIAL CREDIT CARD PROGRAM

BACKGROUND

This procedure is for the use and control of purchasing cards (a commercial credit card) for the purpose of obtaining goods and services required by Saskatoon Public Schools.

Purchasing cards are used in order to provide an efficient method of processing and controlling the large volume of purchases by Saskatoon Public Schools which, while low in dollar value, are time sensitive for the ordering schools and offices and consume a disproportionate amount of purchasing, finance and administration resources to process.

DEFINITIONS

The following are definitions or terms used in this procedure:

1. “Purchasing card” or “PCard” A special type of credit/charge card, with individualized controls, issued by a financial institution, and used to make approved purchases.

2. “Board” Saskatoon Public Schools

3. “Cardholder” Employees and designated and approved non-employees who have been authorized to have a purchasing card issued to them for the purpose of making approved purchases for the Board.

4. “Budget Manager” The specific positions within Saskatoon Public Schools that have been given authority to make expenditures from specific budgets. In schools, the budget manager is always the Principal. A budget manager may delegate his/her authority but cannot delegate his/her accountability.

PROCEDURES

1. Obtaining a Purchasing card:

   1.1. To obtain a purchasing card an application must be completed, authorized by the budget manager (usually school principal or office supervisor) and returned to purchasing services. The application can be found on the portal.

   1.2. Each purchasing card will have a unique number, and will be issued in the name of the Board employee who has been authorized to use that card. The card is non-transferable to any other employee, even if that other employee is also authorized to use a Purchasing card on behalf of the Board. Only the person to whom the card is issued may use the card.

   1.3. Although it is not encouraged, in cases where a non-employee is asked to purchase material on behalf of the school on a regular basis and using their own funds is not a practical option, a card may be obtained with authorization from the budget manager and the chief financial officer.
1.4. Prior to receiving a Purchasing card, the new cardholder must complete a training session and complete and sign a Purchasing card employee agreement confirming they fully understand and agree to conform to this procedure when using the Pcard.

2. Authorization to Purchase:

2.1. Computer Devices - Purchase of computer devices, including iPads, android tablets, PCs, laptops, notebooks and/or related technology devices are NOT to be made using Pcard or from retail stores or supplier websites directly by school staff. All purchases of this type of equipment are to be made using the requisition web ordering system and placed with purchasing services and are subject to the approval of the chief technology officer and established Saskatoon Public Schools’ standards.

2.2. Furniture - Unless authorized in advance by the Manager of Purchasing Services, purchases of furniture items are not to be made using the Pcard. Purchases of furniture items are to be placed using the requisition web ordering system and placed with purchasing services and are subject to established Saskatoon Public Schools’ standards and models.

2.3. Apps for Computer Equipment - All purchases of apps for computer devices are to be made using the Pcard assigned to each school or office specifically for the purchase of apps. These purchases are NOT to be made using any individual cardholder’s card.

2.4. The Purchasing card is not intended to bypass established procedures in the school or office. If budget manager’s approval is required prior to making a purchase the cardholder must obtain that authorization prior to making a purchase.

2.5. All purchases made with the Purchasing card shall be subject to Procedure 515, including all requirements for competitive bidding.

2.6. The Purchasing card is not intended to bypass established contract arrangements for supply of material and services. Information on established models of equipment and supplies or services and the contracted suppliers can be found on the purchasing services intranet site: http://internal/purchasing. If the Purchasing card is to be used, the card holder is expected to make themselves familiar with the established contracts in place and make the purchase accordingly.

3. Programmed Limits:

3.1. Each purchasing card issued will have an established single transaction limit. Individual card transaction limits will be established by the budget manager or the employee’s supervisor and the purchasing card program administrator up to a maximum of $1,000. Transactions attempted over the established transaction limit will be rejected.

3.2. As well each card will have an established monthly limit. This limit will be established by the budget manager or supervisor and the Purchasing card program administrator and is usually set at about $5,000 per month.

3.3. The single transaction limit and/or the monthly limits can be increased to cover specific large purchases (example: book fair) upon approval by the budget manager or immediate supervisor and the Manager of Purchasing Services. An increase in single transaction limit can be requested by e-mailing the Manager of Purchasing Services with a copy to your budget manager or immediate supervisor.
4. Supplier Category Exclusions:
   4.1. Certain types of suppliers are blocked for use by all Purchasing cards and the card will be declined if a purchase is attempted from one of these types of suppliers. Some examples, but not all of the types of suppliers which are blocked are:
      4.1.1. liquor vendors
      4.1.2. dating/escort Services
      4.1.3. gambling transactions
      4.1.4. automated cash disbursement
      4.1.5. direct marketing companies
   
   Full details on all types of suppliers blocked can be obtained from purchasing services.

5. Other Limits:
   In addition to the programmed limits, cardholders must not use a PCard in the following circumstances:
   5.1. Any purchase intended to bypass the division’s obligation to the competitive bidding process,
   5.2. To circumvent any Board policy, legislation or budgetary control system,
   5.3. Any commitment requiring a purchasing agreement, contract or similar arrangement obligating the division to future services,
   5.4. Splitting of purchases into two (2) or more transactions to bypass the transaction limits.
   5.5. Cash advances or other financial services,
   5.6. Lottery tickets or betting,
   5.7. Where a standing purchase order contract is in place (for example: stationery supplies, AV equipment),
   5.8. Services normally provided through the maintenance department work order.
   5.9. Gift certificates to be given to staff or non-staff to facilitate shopping (example: a gift card is purchased from a grocery store and given to another employee or student who is required to pick up groceries using the certificate),
   5.10. Temporary help,
   5.11. Liquor purchases.

6. Personal Purchases:
   6.1. Purchasing cards are not to be used for personal use such as meals, shopping, etc. Personal use of a purchasing card could result in immediate cancellation of the card and further disciplinary action as deemed necessary.
   6.2. Accumulation of air miles or other rewards for personal use based on purchases made with Division purchasing card (or any other method) is prohibited.
7. Conflict of Interest:

As per Administrative Procedure 515.11 – Conflict of Interest: “Except with the approval of the Chief Financial Officer, the Division shall not purchase any goods or services from Division employees or from companies in which Division employees have an ownership interest.”

8. Refunds:

No cardholder may accept cash or cheque from a supplier who is making a refund pertaining to a transaction previously charged to a purchasing card. The supplier in all cases must issue a credit to the purchasing card.

9. Travel Expenses:

Purchasing cards can be used for the following travel related expenses:

9.1. Airfare and hotel accommodation to authorized events,
9.2. Rental vehicles and fuel for the rental vehicle,
9.3. Registration fees to authorized events (workshops, conventions, symposiums, etc.)

If any of these expenses will exceed your single transaction limit (see point 3.3) contact purchasing services and request an increase prior to travelling.

Purchasing cards are not to be used for the following travel related expenses:

9.4. If you drive your own vehicle do not use your purchasing card to buy fuel for your car. (See Administrative Procedure 504.1.2 – Reimbursement for Expenses) using prevailing division rates for mileage.
9.5. Do not use the purchasing card to obtain meals while travelling to authorized events. (See Administrative Procedure 504.1.3 – Reimbursement for Expenses), using established per diem allowances for meals.

10. Honoraria/Gifts:

10.1. Purchasing cards are not to be used for payment of honoraria for services provided. (See Administrative Procedure 506 – Honoraria.)
10.2. Purchasing cards may be used to obtain gift certificates intended as a gift for services provided up to a maximum of $50 per individual per year.

11. Liability – Board:

The liability for authorized use of the purchasing card rests with the Board, and not the individual cardholder. Neither the Board nor the cardholders is liable for unauthorized use of a card following loss or theft of the card.

12. Liability – Cardholder:

Cardholders will be held liable for any misuse of a card, or willful disregard of policy or procedures, which result in fraud, collusion, or loss of money. Misuse of the card may result in disciplinary action.
13. Reconciliation and Payment of Monthly Statements:

Purchasing card payments are processed as follows:

13.1. A monthly statement of each cardholder’s transactions for the monthly billing cycle will be emailed to the designated school or department administrative assistant who will distribute the statements to the appropriate cardholder. The monthly billing cycle begins on the 16th of the month and ends on the 15th of the following month.

13.2. Purchasing services will advise all cardholders of the date that authorized transaction reports and receipts must be submitted to the purchasing services department.

13.3. Each cardholder is responsible to create a report using the web-based reporting system indicating the correct budget number to be charged, a description of the item purchased and the original copy of the receipt for the purchase.

13.4. The school budget manager will authorize the report and send it to purchasing services by the deadline each month.

14. Card Cancellation or Personnel Leaving:

The following are steps to be taken when a card is cancelled or an employee leaves the division:

14.1. The budget manager of cardholder is responsible for collecting and cutting the Purchasing card in half immediately and notifying purchasing services.

14.2. The Manager of Purchasing Services will notify the bank to cancel the card.

15. Change of employee location, name or other detail:

Cardholders are responsible to advise purchasing services if they are changing schools or work locations. This is done using a Pcard change in location form found on the portal.

Other changes such as a name change or other detail can be emailed to purchasing services.

16. Disputed Charges:

Disputed charges are handled as follows:

16.1. Items charged on monthly statements of accounts that do not accurately reflect the transactions made by the cardholder (wrong amount, purchase not made by cardholder etc.) are considered to be disputed items.

16.2. The cardholder shall notify the Manager of Purchasing Services immediately upon noticing the item. The Manager of Purchasing Services will notify the bank immediately.

16.3. Payment for the disputed item will be charged to the cardholders’ default budget. Purchasing services will monitor the card to make sure a credit is received for the item and to resolve the dispute with the bank. The credit will be assigned to the cardholder’s default budget.

17. Authorization of Monthly Reports

All monthly reports shall require the signature of the cardholder and the approval of the authorizing budget manager. Where the cardholder and the budget manager are the same individual, a second
signature is required and may be either the approvers second in command (school principal may have the vice principal sign as authorizer) or the immediate supervisor of the approver.

18. Convenience Cheques

For companies who do not accept Visa, schools may use ‘Convenience Cheques”. These cheques have space to identify the Visa number and the name of the cardholder. When the cheque clears the bank it will show up as a transaction on the cardholder’s Visa statement.

The Bank will apply a $2 service fee for each cheque issued.

18.1. Use of Convenience Cheques

These cheques can be used for purchases from companies who do not accept Visa or for reimbursing parents for purchases made on behalf of the school in excess of petty cash limits. Use of convenience cheques must be in compliance with this administrative procedure.

18.2. Convenience cheques are not to be used for staff reimbursements or for Honoraria. For information on Honoraria see Administrative Procedure 506.

RESPONSIBILITIES

1. Cardholder

The cardholder is responsible for:

1.1. Staying within the allotted budget,

1.2. Adhering to all responsibilities and restrictions established for the purchasing card by the Board,

1.3. Submitting the purchasing card employee agreement form to purchasing services.

1.4. Accounting for all purchases made with the purchasing card with appropriate detailed original receipts and for resolving any discrepancies,

1.5. Creating and submitting monthly statements with detailed original receipts to the budget manager for approval on a timely basis so as to meet monthly deadlines. Summary invoices or summary cash register slips are not acceptable.

1.6. Ensuring that the purchasing card, monthly statements and other documents bearing the card number are kept in a secure location with controlled access and immediately notifying the purchasing services department, budget manager of any loss or theft of the card.

1.7. Informing the purchasing services department of changes to purchasing card data including work location (changing schools or departments), name changes or changes to budget numbers used.

1.8. Monitoring their purchasing card activity on-line to ensure fraudulent activity is detected as early as possible. If a cardholder consistently does not fulfill the responsibilities listed here, such as submitting monthly reports and receipts, the Manager of Purchasing Services may revoke the card temporarily or permanently.
2. Budget manager:
   
   2.1. Staying within allotted budgets.
   
   2.2. Assessing the need for purchasing cards based on operation requirements,
   
   2.3. Reviewing, approving, signing and submitting on a monthly basis, all statements and receipts to purchasing services department by the date specified each month.
   
   2.4. Monitoring and controlling the use of purchasing cards within the school or department, to ensure that the use of purchasing cards conforms to board policy and to this procedure.

3. Administrative Assistant

   3.1. Receiving all monthly statements by email and distributing them to cardholders within the school or department,
   
   3.2. "Coaching" and helping cardholders in the school or department to submit monthly their own individual reports using the on-line reporting and monitoring system.
   
   3.3. Submitting monthly reports authorized by the budget manager to purchasing services by the date assigned each month ensuring that all necessary receipts are included.

4. Card Coordinator (Manager of Purchasing Services)

   The Manager of Purchasing Services is responsible for:

   4.1. The overall coordination and monitoring of the purchasing card program, including this procedure manual, and the purchasing card employee agreement.
   
   4.2. Monitoring the use of purchasing cards with respect to conformance to this procedure.
   
   4.3. Contacting and advising cardholders of non-conformance to this procedure and resolving any discrepancies with cardholders.
   
   4.4. Processing the issuance or cancellation of purchasing cards with the issuing bank.
   
   4.5. Training all new cardholders
   
   4.6. Processing changes to card limits as approved by the budget manager.
   
   4.7. Assisting cardholders to resolve disputed charges and other matters
   
   4.8. Maintaining database of information on all cardholders with card status, limits, address and budget codes
   
   4.9. Keeping an audit file of receipts and reports for access by internal and external auditors

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