

Administrative Procedure 515 – Appendix B

Appendix B - PURCHASING CARD PROCEDURES

Background

The Black Gold School Division Purchasing Card (PCard) Program provides a convenient, efficient, and cost-effective method for procuring and paying for lower value transactions. The Purchasing Card Program is not intended to replace existing procedures for purchases. Instead, it is intended to provide flexibility and autonomy to cardholders while complementing current purchasing practices.

PCards should be used to eliminate out-of-pocket purchases, reducing the time and cost associated with processing these transactions:

- Employee expenses (other than mileage and meal allowances);
- Purchase deposits;
- Other low-dollar purchases.

Procedures

1. Authorization controls are set by the Associate Superintendent, Business & Finance. These include:

- Monthly charge limits for individual cardholder.
- Spot checks will be performed to identify any misuse of the card (e.g., more than one (1) transaction on same item, to same vendor, on same day).

1.1 Examples where PCards may be used:

(These examples are general guidelines only. School/department restrictions may apply. Cardholders are to check with their principal/supervisor or the Finance Department for specific guidelines.)

- 1.1.1 Subscriptions, seminar/workshop registrations, resource materials such as books, software, miscellaneous instructional materials that require prepayment.
- 1.1.2 Catering or small dining services for pre-arranged group working lunches for Professional Development (PD) sessions or meetings when the sessions are scheduled for both the morning and the afternoon.
- 1.1.3 Instructional and operating supplies not covered by existing purchasing agreements.
- 1.1.4 U.S purchases only when you can be assured that an original invoice to support the purchase will be issued.

1.2 Examples of where PCards may **not** be used:

- 1.2.1 Meals (see Administrative Procedure 513 - Professional Development, Travel and Meal Expenses)

- 1.2.2 Fuel (personal vehicle)
- 1.2.3 Cash advances or other financial services
- 1.2.4 Lottery tickets or other betting.
- 1.2.5 Donations to Charitable Organizations (to be paid by cheque or Electronic Funds Transfer (EFT))
- 1.2.6 Liquor purchases
- 1.2.7 Any merchant, product or service normally considered inappropriate use of Division funds
- 1.2.8 Any commitment requiring a purchasing agreement, contract or similar arrangement obligating the Division to future services
- 1.2.9 Any purchase intended to bypass the Division's obligation to the competitive bidding process
- 1.2.10 If a purchase order has been issued
- 1.2.11 Personal purchases
- 1.3 Merchant categories that have been blocked:
(If a category has been blocked the card will be denied if used for that category.)
 - 1.3.1 Wire Transfer-Money Orders
 - 1.3.2 Precious Stones & Metals
 - 1.3.3 Jewelry Stores
 - 1.3.4 Furriers and Fur Shops
 - 1.3.5 Antique Shops & Antique Reproductions
 - 1.3.6 Pawn Shops
 - 1.3.7 Duty Free Stores
 - 1.3.8 Financial Institutions/Manual Cash
 - 1.3.9 Financial Institutions/Auto Cash
 - 1.3.10 Financial Institutions/Merchandise
 - 1.3.11 Security Brokers/Dealers
 - 1.3.12 Dating & Escort Services
 - 1.3.13 Massage Parlors
 - 1.3.14 Government Owned Lotteries
 - 1.3.15 Government Licensed Casinos (Online Gambling)
 - 1.3.16 Government Licensed Horse/Dog Racing
 - 1.3.17 Betting/Track/Casino/Lotto
 - 1.3.18 Gambling-Horse Racing, Dog Racing
- 1.4 General Information:

- 1.4.1 Principals/supervisors will receive notifications to review PCard transactions in Atrieve for each cardholder at their school/department.
- 1.4.2 It is the responsibility of the principal/supervisor of all cardholders to monitor the PCard usage and ensure transactions are accurate and legitimate.
- 1.4.3 Purchase information is available on the purchasing card website within 48 hours of merchant posting.
- 1.4.4 Each month the Finance Department will notify each school/department of the deadline to review, enter general ledger coding, upload supporting documentation and approve PCard transactions in Atrieve. All transactions should be verified for receipt of goods and general ledger coding prior to the deadline.
- 1.4.5 Each cardholder is responsible for the security of their purchasing card and the transactions made against it. Cardholders are not to provide their card number to or allow the card to be used by any other person. The PCard is issued to each individual's name and it will be assumed that any purchases made against the card will have been made by that individual.
- 1.4.6 Although the card is issued in individual names, it is the property of the Division and is to only be used for Division purchases. All cards, transactions and records are under the control of the Board.
- 1.4.7 Itemized receipts must be obtained for all purchasing card transactions. The itemized receipt must display the amount, date, place, GST (if applicable) and nature of the expense. Credit card slips are not itemized receipts.
- 1.4.8 All transaction backup (invoice/receipt) must provide adequate documentation explaining the nature and purpose of the expenditure. If the expenditure is for a PD session the name of the PD session must be provided, identifying which employees attended the session (by name or job classification).
- 1.4.9 If for some reason the cardholder does not have receipts or other documentation of the transaction to attach to the statement, they must attach a description of the purchase using the Missing Receipt Documentation Form. Continued incidents of missing receipts or supporting documentation may result in the cancellation of the employee's purchasing card.
- 1.4.10 The Administrative Assistant, Business & Finance will maintain a central listing of all cardholders, limits, etc.
- 1.4.11 Cardholders are committing Division funds each time they use a PCard. There is an obligation on the part of all cardholders to use the PCard responsibly.
- 1.4.12 Improper use of the Division PCard is strictly prohibited and such practices would be considered misappropriation of Division funds. Improper use of a Division purchasing card may result in the purchasing card being terminated and/or disciplinary action up to and including termination of employment.

2. Cardholder Limits

Maximum limits for monthly credit limits will be set as follows:

- Principals/Supervisors - \$5,000
- Secretaries - \$5,000
- Teachers - \$2,500

The Associate Superintendent, Business & Finance may approve higher limits in certain circumstances upon request of the cardholder's Principal/Supervisor. To request a higher limit, the Principal/Supervisor shall submit the Purchasing Card Cardholder Change Request Form to the Administrative Assistant, Business & Finance.

Limits may be temporarily increased for a specific purpose at the request of the cardholder's Principal/Supervisor. All credit limit increases are at the discretion of the Finance Department. To request a temporary increase to a cardholder's limit, the Principal/Supervisor shall email the Administrative Assistant, Business & Finance. The email shall include the amount of the requested temporary increase, the time period for the extension of the limit increase and the rationale for the increase.

3. Reconciliation, Record Retention and Payment

The PCard program carries Division liability, not individual liability and does not impact a cardholder's personal credit rating in any way. One master invoice each month for the entire Division will be paid by the Accounts Payable department. Each cardholder's transactions may be audited by the Finance Department at any time.

Cardholders must retain all receipts for goods and services purchased. If a purchase is made via telephone or online, the cardholder must request that the supplier include the receipt with the goods when the product is shipped.

The following controls are required for the reconciliation of all PCard transactions:

- Each cardholder will provide the secretary/designate with all PCard receipts by the 27th of the month (cycle closing date).
- The secretary/designate will reconcile all PCard receipts with the transactions in Atrieve within five (5) days of receiving notification from the Finance department that the transactions have been uploaded into Atrieve.
- The secretary/designate must review the transactions for each cardholder, enter the general ledger coding and upload the supporting documentation for each transaction. Once all transactions have been reviewed for each cardholder, the secretary/designate will click "Submit for Supervisor Review" to forward the transactions to their principal/supervisor for approval.
- The principal/supervisor must review the transactions, including general ledger coding and supporting document, for each cardholder. Once their review is complete the principal/supervisor will click "Submit for Final Review". By clicking "Submit for Final Review" the principal/supervisor is confirming that all transactions are accurate and legitimate.

- Responsibility rests with the purchasing cardholder to ensure all transactions are accurate and legitimate. Any discrepancies must be identified and appropriate action taken to resolve any problem (Dispute Process).

4. Card Cancellation of Personnel Leaving

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

- Principal/supervisor/designate of cardholder is responsible for collecting the purchasing card immediately and sending it to the Finance Department to be destroyed.
- Principal/supervisor/designate of cardholder completes the Purchasing Card Cardholder Change Request form, indicating that the card is to be cancelled, and forwards it to the Administrative Assistant, Business & Finance.
- The Administrative Assistant, Business & Finance shall notify the bank to cancel the card.

5. Purchasing Card Dispute Process

(when the records do not agree with the statement)

The following steps are to be taken for all PCard transactions in dispute. The cardholder/designate identifies a discrepancy, initiates dispute and follows through to resolution with the following:

- 5.1 If a cardholder/designate determines it is a bank error, the following steps must be taken:
 - 5.1.1 Identify discrepancy to purchasing card provider.
 - 5.1.2 Ensure correction appears on next cardholder statement.
- 5.2 If a cardholder/designated determines it is a supplier error, the following must be taken:
 - 5.2.1 Contact the supplier involved to rectify billing problem. If the supplier agrees that an error has been made, they should credit the cardholder's purchasing card account.
 - 5.2.2 Ensure correction appears on next cardholder statement.
- 5.3 If a cardholder/designate is unable to resolve the dispute, they are to contact the Administrative Assistant, Business & Finance.

6. To Obtain a Card or Change Card Information

- 6.1 The following are the steps taken to obtain a new purchasing card:
 - 6.1.1 Purchasing Card Program Application must be filled out and approved by the cardholder's principal/supervisor.
 - 6.1.2 The employee reviews and signs the Purchasing Card Employee Agreement.

- 6.1.3 Both forms are forwarded to the Administrative Assistant, Business & Finance for processing.
- 6.1.4 Bank distributes the PCard.
- 6.2 To change the PCard information on existing cards:
 - 6.2.1 The Purchasing Card Cardholder Change Request form must be filled out and approved by the principal/supervisor.
 - 6.2.2 The form is forwarded to the Administrative Assistant, Business & Finance for processing.
 - 6.2.3 The Administrative Assistant, Business & Finance advises the PCard provider of changes that are required.

7. Key Contacts

Administrative Assistant, Business & Finance	780-955-6031
Customer Service	1-855-825-9232 (Please note the number is on the back of your card)
Lost/Stolen Reporting	1-844-316-3760 (24 hours a day, 7 days a week)

a. Lost or Stolen Cards

The PCard is Division property and should be secured in the same manner as a personal credit card. **If a card is lost/stolen, the cardholder must notify the PCard provider by telephone immediately.** The lost or stolen card will be cancelled and a replacement card issued. Purchasing card provider emergency customer service representatives provide 24 hours a day, 365 days a year customer service.

b. Managing Cardholder Declines

Several factors may create a situation for a card being declined. These include:

- Exceeded monthly credit limit.
- Merchant category code (MCC) block.
- Card number entered incorrectly by merchant (telephone orders).
- “Expiry date” entered incorrectly by merchant (telephone orders).

If a cardholder is declined, the cardholder may contact the PCard provider customer service. The number is located on the back of the PCard. The customer service representative has direct access to all cardholder purchasing information and can readily determine the reason for the card decline. Cardholder declines remain accessible by the customer service personnel for 3 days. Once the reason for the decline has been determined,

this information (credit limit decline, merchant category control number exclusion, transaction limit, etc.) should be directed to the Administrative Assistant, Business & Finance for review and/or changes. Cardholders may not request changes directly from purchasing card customer service centre.

When requesting decline information from the customer service centre, the cardholder will need to supply:

- Name of Organization
- Cardholder Name
- Card #
- Date of Transaction
- Amount of Transaction