XXXX: PURCHASING CARD (A/P)

Approved: 25 02 11

BACKGROUND

To enhance efficiency and cost-effectiveness in purchasing and payments, Pacific Rim School District provides a purchasing card program. This program streamlines the procurement process, reduces paperwork, expedites vendor payments, and empowers school and department budget managers. It also eliminates the need for personal reimbursements and large petty cash funds.

The purchasing card program includes controls to ensure purchases are made only from approved suppliers and within designated spending limits. While cards may be issued to individual cardholders, their personal credit ratings are not affected. Responsibility for all charges remains with the school or department, not the cardholder.

PROCEDURE

1. Purchasing card

1.1. The Secretary Treasurer or designate authorizes the Finance Department to issue a purchasing card to any trustee or employee at a school, district office or department, where appropriate and within the Board's approval for use.

1.2. The issuance of a purchasing card represents the district's trust in the Cardholder. The Cardholder is expected to comply with the established guidelines within this Administrative Procedure.

1.3. The purchasing card account is a separate entity established by Board authorization for use by individuals at schools, district offices or departments.

1.4. Authorized cardholders must only use purchasing cards for school district permitted purchases and for payment of goods and services within their authorization limits.

2. Responsibilities

2.1. The purchasing card program administration, including interaction between the Pacific Rim School District and the purchasing card financial institution will be managed by the Finance Department. These responsibilities include, and are not limited to:

2.1.1. Establishing with the purchasing card financial institution, a purchasing card account in the name of the applicant (the cardholder), with an appropriate credit limit as per appendix B.

2.1.2. A Supervisor or Budget Manager is responsible for ensuring that each cardholder has a copy of the Purchasing Card Policy and the Purchasing Card Administrative Procedure. They must ensure that the cardholder has signed the Purchasing Card Enrollment Form - Appendix A as acknowledgement of their responsibilities and obligations.

2.1.3. Maintaining a database of all cardholders.

2.1.4. Authorizing the issuance of new cards, arranging for card cancellation, and card replacement with the financial institution.

2.1.5. Maintaining approved merchant category codes.

2.1.6. Assisting in problem resolution with the Financial Institution.

2.1.7. Monitoring transactions for unusual activity or non-compliance on terms of usage and initiating appropriate action if necessary.

2.1.8. Developing and providing cardholder training.

2.2. The purchasing cardholder is the individual, who has responsibility for the purchasing card and overall management of its use and accepts full responsibility for the use of the card once activated, including:

2.2.1. Reading and agreeing to the terms of use of the purchasing card and acknowledging it by signing a copy of the Purchasing Card Enrollment Form in Appendix A.

2.2.2. Authorizing disbursements within the acceptable limits of the spending authority.

2.2.3. Reviewing and reconciling all purchasing card transactions on a monthly basis, using the Finance Departments reconciliation process as outlined in this Administrative Procedure and in Appendix B.

2.2.4. Maintaining card security to prevent unauthorized charges against the account.

2.2.5. Ensuring purchases are in accordance with district policies, regulations, and best business and accounting practices.

2.2.6. Ensuring that all purchasing card purchases that require shipment are delivered to a school or district address only.

2.2.7. Notifying the purchasing card financial institution and the Purchasing Card Program Administrator of lost or stolen cards immediately.

2.2.7.1. Once reported to the financial institution, the account will be blocked instantly, minimizing the potential risk exposure. Verbal reports of lost or stolen purchasing cards must be followed up in writing to the Purchasing Card Program Administrator by email.

2.2.7.2. The school or department may be liable for any unauthorized use of the purchasing card until notification of loss, theft or cancellation has been reported to the financial institution by the cardholder.

2.2.8. Notifying the Purchasing Card Administrator of disputed charges within fifteen days of the statement date and after attempting resolution directly with the merchant, 2.2.9. Adhering to all conditions, permissions, and restrictions on card usage as identified in Section 3, and Section 4, of this document.

2.2.10. Advising the Purchasing Card Program Administrator of any changes in assignment (including termination) or personal information such as name or workplace address. Before leaving for their new assignment, the purchasing card holder should ensure that all purchases made up to the point in change of their assignment are reconciled.

2.2.11. Returning the purchasing card to their direct supervisor upon termination or retirement from the school district.

Purchasing card approver responsibilities

2.3. The purchasing card approver is the individual who is responsible for verifying purchases of purchasing card holders assigned to them and is responsible for ensuring that purchases are appropriate and in compliance with purchasing card guidelines and district administrative procedures. The purchasing card approver for the Superintendent will be the Secretary Treasurer.

In all other cases, the purchasing card approver must not be a subordinate in the direct reporting line of the purchasing card holder. In no circumstances should an individual be an approver of their own purchasing card. The purchasing card approver plays a critical role in ensuring the integrity of the purchasing card program at the department/school level. Approvers are responsible for:

2.3.1. Reviewing all submitted purchasing card transactions of assigned purchasing card holders on a monthly basis using the Financial Institutions online web portal.

2.3.2. Monitoring transactions of assigned purchasing card holders for appropriateness, compliance and documentation including explanations for unusual purchases.

2.3.3. Approving purchasing card transactions of assigned purchasing card holders in a timely manner.

2.3.4. Taking appropriate action if transactions are non-compliant.

2.3.5. Notifying the Purchasing Card Program Administrator of change in departmental purchasing card program participants including new assignments or terminations.

3. Non-Authorized Purchases

3.1. The purchasing card must not be used for the following types of transactions:

3.1.1Personal purchases (except for associations/professional dues approved by the employer),

3.1.2 Alcohol, tobacco, and drugs,

3.1.3 Cash advances,

3.1.4 Wages and salaries, including temporary help, as these must be paid directly by the Payroll Department to facilitate compliance with legislative and contractual requirements,

3.1.5 Donations of any kind,

4. Authorized Purchases subject to certain conditions or limitations

4.1. Use of the purchasing card for the following types of transactions are subject to certain conditions and or limitations:

4.1.1 Travel, hotels, restaurants, or entertainment (See Administrative Procedure 4020 Personal Expenses on Official District Business or The Trustee Remuneration and Expenses Administrative Procedure).

4.1.2 Fuel and gasoline (requires pre-authorization from Purchasing Card Administrator). Fuel and gasoline purchases for fleet vehicles and school buses must be purchased using district authorized Fuel Cards.

4.1.3 Gifts and Gift Cards require pre-authorization from the Purchasing Card Administrator

4.1.5 Purchases of goods (excluding travel and training) in excess of $1,000, including taxes and delivery (unless authorized by the Purchasing Card Administrator).

4.1.6 Extended rentals or leasing of equipment or vehicles (unless authorized by the Purchasing Card Administrator),

4.1.7 Goods and/or services currently covered by district contracts, standing offer agreements or provided by other departments (unless authorized by the Purchasing Card Administrator).

5. Transaction and Credit Limits

5.1 Each purchasing card will be established with a default monthly credit limit as per Appendix B.

5.2. Each purchasing card will have a per-transaction limit as outlined in Appendix B.

5.3. Transactions cannot be split to circumvent the per transaction limit unless authorized by the Purchasing Card Administrator. Splitting transactions may result in a suspension or cancellation of the purchasing card.

5.4. Monthly credit limits and per transaction limits can be temporarily increased to facilitate large expenditures, for example airfares for school trips.

5.4.1. Requests for temporary increases must be authorized by the purchasing cardholder's approver and the Purchasing Card Administrator.

5.5. Upon request, and at the discretion of the Purchasing Card Administrator, individual purchasing card credit and transactional limits may be set at higher amounts based on operational requirements.

6. Reviewing and Approving Purchasing Card Transactions

6.1. Every cardholder is required to review their transactions by logging into the Financial Institution's web portal.

6.1.1. The cardholder will be provided with a user ID and password to access their account information on the Financial Institution's web portal.

6.1.2. Transactions can be reviewed any time during the month.

6.2. The same billing cycle will apply to all cardholders. The purchasing card statement date is the 11th of the month.

6.3. The cardholder must submit their monthly purchasing card transactions by the last business day of the month.

6.3.1. If purchases made on a purchasing card are to be paid with school-based funds, the purchasing card holder must send a school-based cheque along with the Mastercard reconciliation to the Board Office. These transactions should be coded to an account code determined by the Finance Department.

6.3.3. The details of the purchase where the nature of the transaction is not obvious or requires further explanation due to the amount of the transaction should be indicated on the reconciliation.

6.4 The cardholder must print their statement monthly, attach all receipts, and include explanations as necessary.

6.5 The school/department clerical should review the package to ensure that all receipts are attached to the printed statement. Statements and receipts must be retained in the district for seven years and will be stored in the Finance Department.

6.6 Approvers must review and authorize the monthly transactions of their assigned purchasing cardholders. The card holder is responsible for submitting their reconciliation and receipts to the approver. All purchasing card reconciliations should be sent to the Finance Department by the last day of the month.

7. Procurement Card Accounting Procedures

7.1 The purchasing card financial institution will provide one master bill for all purchasing cards, by transaction, for each statement period in a shared excel document provided by the finance department. Please contact the Senior Accounts Clerk for access to new shared excel documents.

7.2 The card holder or delegate will enter the charges to the specific general ledger account for each transaction.

7.3 Payment of the purchasing card master bill will be made by the Finance department through an automatic withdrawal.

7.4 The Finance department will review the charges for general accuracy and will advise the Purchasing Card Administrator of any material discrepancies.

7.5 Should the purchasing card holder wish to change a general ledger account code for a particular transaction after it has been entered into the system, such request should be sent to the Finance Department by completing a journal entry form.

7.6 All purchasing card transactions are subject to audit through established internal or external procedures to determine whether they are being used in accordance with this procedure and guidelines provided. Internal audits will be held monthly selecting 5-6 different purchasing card holders per month.

7.7 Adequate supporting documentation is required for all district purchasing card transactions. Missing receipts result in additional workload for the Finance Department. It also increases the risk of the district recording inappropriate expenditures and results in the loss of GST recoveries that the district would otherwise have been entitled to.

7.7.1 Repeated instances of missing receipts my result in the cancellation of the cardholders purchasing card.

7.7.2 If the purchase exceeds $500, the cardholder will be required to ask for a duplicate of the receipt.

7.7 Account inquiries should be forwarded to the Senior Accounts Clerk

RESOURCES AND REFERENCES

SD 78 Fraser Cascade Policy 4045
SD 5 Southeast Kootenay Administrative Procedure 516 Appendix

Pacific Rim School District

Purchasing Card Enrollment Form - Appendix A

1. Employee/Trustee Information:

Full Name: ____________________ **Employee ID:** ____________________

Department: ____________________ **Position/Title:** ____________________

Email Address: ____________________ **Phone Number:** ____________________

4. Cardholder Agreement:

By signing below, I acknowledge that I have read the Purchasing card policy and administrative procedure. I agree to adhere to all district policies and administrative procedures related to the use of the Purchasing card.

Furthermore, I understand that this Card is the property of the Bank of Montreal Mastercard, assigned to me on behalf of Pacific Rim School District and that in the event of wilful or negligent default of these obligations, the Pacific Rim School District shall take recovery action, deemed appropriate, that is permitted by law. I agree to return this Card upon request of the Purchasing Card Administrator

- **Signature:** ____________________
- **Date:** ____________________

5. Approvals:

Immediate Supervisor:

- **Name:** ____________________
- **Signature:** ____________________
- **Date:** ____________________

Finance Department:

- **Name:** ____________________
- **Signature:** ____________________
- **Date:** ____________________

6. Purchasing card delegate: ____________________

7. Purchasing card number: ____________________

Please submit the completed form to the Purchasing Card Administrator via email to *secretarytreasurer@sd70.bc.ca*

The personal information collected on this form is collected in accordance with section 26 of the *Freedom of Information and Protection of Privacy Act* (FIPPA). It will only be used for the purposes specified in this form. If you have any questions about the collection, use, or disclosure of this information, please contact the Manager of Corporate Services at 250-720-2770.

Credit and Transaction Limits - Appendix B

Position	Purchasing Card Limit	Transaction Limit
Senior Management	$ 15,000	$ 7,500
Exempt Management	$ 10,000	$ 5,000
School Principal	$ 5,000	$ 2,500
Department Head or Lead Hand	$ 3,000	$ 1,500
Employee	$ 1,500	$ 1,000
Trustee	$ 3,000	$ 1,500

Credit and transaction limits will be reviewed yearly in June.

Monthly Purchasing card transactions procedure.

1. The cardholder (or delegate) will log into the purchasing card system and print off their statement on the 11th day of the month.

1.1. Documentation & Receipts

- Obtain and retain itemized receipts for all transactions
- Attach receipts to the monthly statement for reconciliation.
- Ensure all purchases comply with district polices and approved spending limits

1.2. Monthly Reconciliation

- Review the monthly P-Card statement for accuracy.
- Reconcile transactions by comparing receipts with the statement.
- Identify and report any discrepancies or unauthorized transactions.

1.3. Submission to Finance Department

- Fill out the shared excel spreadsheet with the appropriate Vendor Name, Date, Description and account number.
- Sign and obtain the supervisor's approval before submission.
- Submit the reconciled statement with supporting documentation by the last day of the month to the Senior Accounts Clerk.