

# PURCHASING CARDS

## Background

The purchasing card program exists to provide staff with flexibility in purchasing smaller dollar items and to increase operational efficiency for these purchases.

## Procedures

### 1. Purchasing Cards

- 1.1. Purchasing cards will be issued to staff within a department/school as approved by their Supervisor/Principal. To request a purchasing card for a staff member, the department/school must complete the Purchase Card Request Form and submit this to the Director of Finance.
- 1.2. Annually, each cardholder must sign a Cardholder Acknowledgment agreement outlining the procedures surrounding the use of their purchasing card.
- 1.3. Cards cannot be used by anyone other than the named cardholder. Cards are never to be used for personal purchases. Improper use of the card can result in penalties including card cancellation.
- 1.4. The purchasing card is to be used in the following instances:
  - 1.4.1. Purchase of low value tangible goods
  - 1.4.2. Payment of subscriptions and conference registration fees, hotel fees, airline tickets
- 1.5. The purchasing card would not be used in the following instances:
  - 1.5.1. Cash advances
  - 1.5.2. Private or personal use
  - 1.5.3. Where the end user receives a reimbursement allowance such as gas or meal expenses while travelling on District business
  - 1.5.4. Service contracts
  - 1.5.5. Hazardous materials or dangerous goods
  - 1.5.6. Any information technology equipment (computers, ipads, cellular phones, cellular phone accessories etc.)
  - 1.5.7. Casual or temporary labour
  - 1.5.8. Entertainment
  - 1.5.9. Alcohol
- 1.6. Procedure for Order Placement by End Users

- 1.6.1. Individuals who have been issued a purchasing card may use their credit card in performing the normal function of low value order placement following the purchasing card guidelines.

Note: Where goods procured would fall under Provincial Sales Tax Exemption (i.e. certain school supplies, safety equipment and protective clothing and books or periodicals), the use of a purchasing card may eliminate this savings. If the savings is considered to be of value, the normal purchasing process using a purchase order must be used to obtain this exemption.

- 1.6.1.1. The end user determines the vendor and calls to obtain pricing and availability. Every effort is to be taken to ensure that the correct goods are ordered. No backorders allowed.
- 1.6.1.2. The vendor is given the purchasing card number, name of the cardholder and the expiry date.
- 1.6.1.3. The vendor is to be instructed that the notice “deliver to - “end User” is to be noted on the purchasing card slip.
- 1.6.1.4. The vendor is instructed that a separate receipt showing the itemized goods with their individual and total costs together with the vendor’s GST number, must be attached to the purchasing card debit slip. Receipt must show details of the items purchased.
- 1.6.1.5. Goods may be picked up by the end user. When that is not possible, the end user is to give the vendor shipping instructions along with the ship to address.
- 1.6.1.6. Shipments may not be directed to home locations. Any shipping charges must be included with the purchasing card transaction.
- 1.6.1.7. Goods shipped to the District will be delivered to the end user, together with the purchasing card slip and receipts.
- 1.6.1.8. The end user must keep the detailed receipt to match to the month end purchasing card statement.

## 1.7. Reconciliation, Payment and Record Retention

- 1.7.1. As transactions are made, each cardholder will obtain detailed receipts for each purchase.
  - 1.7.1.1. Cardholders will provide to their Accounts Secretary:
    - 1.7.1.1.1. the appropriate general ledger (GL) code (the Accounts Secretary will need this for entry of the transaction); and
    - 1.7.1.1.2. additional supporting information, if required.
  - 1.7.1.2. Cardholders are required to provide additional supporting explanation for:
    - 1.7.1.2.1. Food or drink purchases: reason for the purchase (i.e. business meeting for xyz, number of participants: x, names of participants). Note that the

detailed receipt is the receipt with the list of food items purchased.

1.7.1.2.2. Restaurant meals: reason for the purchase (i.e. business meeting for xyz, number of participants: x, names of participants). Note that the detailed receipt is the receipt with the list of food items purchased.

1.7.1.2.3. Any purchases that seem potentially personal (i.e. clothing, shoes, make up, personal hygiene items): card holders will document the business rationale for the purchase (i.e. props for school play).

1.7.1.3. As soon as practically possible after transactions are made, (i.e. the next business day) cardholders will provide an electronic copy of the detailed receipts to their assigned Accounts Secretary.

1.7.2. The Accounts Secretary is to:

1.7.2.1. Enter the GL code and reason for expenditures. Check that GST displayed is correct and correct if it doesn't match the receipt. Enter a zero if there is no GST. Ensure all transactions are coded prior to the monthly deadline.

1.7.2.2. Monthly, match receipts with transactions in the system. If there are discrepancies, these must be followed up on with the vendor and/or cardholder. If receipts are missing, follow up with the cardholder and notify the Finance Department.

1.7.2.3. Monthly, attach receipts to transactions and obtain the Principal's electronic approval.

1.7.3. The Accounts Payable Clerk assumes that unless advised otherwise that all transactions recorded by BMO are legitimate and payment will be processed without approval by the cardholders. Responsibility rests with the purchasing card users. Accounts Secretaries and supervising management are to ensure all transactions are accurate and legitimate.

1.7.3.1. Disputed items, which are purchases that do not accurately reflect the transactions made by the card holder (such as the wrong amount, multiple postings), are the responsibility of the card holder to resolve. Problems with merchants are also to be settled by the card holder directly.

1.8. Missing Receipts

1.8.1. Adequate supporting documentation is required for all District transactions. Missing receipts result in additional work load for staff, increase the risk of the District recording inappropriate expenditures and cause the District to lose the GST recoveries it would otherwise be entitled to.

1.8.2. Repeated instances of missing receipts may result in the District removing the purchasing card.

1.8.3. If the purchase exceeds \$500, an attempt must be made by the cardholder to secure a duplicate receipt from the vendor. If a duplicate receipt is

successfully obtained, the cardholder must forward this to the Director of Finance.

1.9. Card Return

- 1.9.1. It is the responsibility of the School or Department Administrator to advise the Director of Finance to cancel cards for a cardholder who has terminated their employment with the District or changed job function. The card must then be cut up and returned to the Director of Finance.

1.10. Card Use over the Summer

- 1.10.1. To reduce the risk of inappropriate transactions, the Director of Finance reserves the right to temporarily suspend the purchasing cards of 10 and 11 month employees when school is not in session.

1.11. Lost or Stolen Cards

- 1.11.1. The cardholder must notify the bank immediately of any lost or stolen cards. The lost or stolen card will be cancelled and a replacement card issued within 5 business days. The cardholder must also notify the Director of Finance if a card is lost or stolen.

1.12. Travel

- 1.12.1. Travel procedures are outlined in [Administrative Procedure 513 – Expense Reimbursement of Travel and Request for Cheques](#) for all personnel.
- 1.12.2. If cardholders will be travelling outside of Canada on District or school business and will be using their purchasing cards, they are to call BMO (using the telephone number on the back of their card) to inform them of travel dates, destination and expected purchases. BMO will note this in the cardholder's file and this will reduce the risk that transactions will be declined due to suspected fraud.
- 1.12.3. If cardholders believe trip expenses will potentially exceed card limit, please contact the Director of Finance in advance of the trip to request a temporary credit limit increase.

1.13. Use of personal credit cards

- 1.13.1. Staff who have been issued purchasing cards are expected to use their cards for all District business. It is not appropriate to use a personal credit card instead of the District card as this increases staff workload to process personal reimbursement and the District incurs a cost related to the loss of the 1% rebate provided by BMO for use of purchasing cards.
- 1.13.2. Where staff with purchasing cards have chosen to use their personal card rather than their District issued card except in extenuating circumstances beyond staff control, their school/department will be issued a 1% fee by the District to recover the cost of lost rebate.

## 1.14. Declined Cards

- 1.14.1. BMO tracks all instances of declined card transactions and District staff review these regularly. If a vendor advises you that a transaction has been rejected, first check that the correct purchasing card number, name and expiry date was given. Should the transaction still not be processed, please call the purchasing card Customer Service 1-800 number on the back of the purchasing card and ask them to check to see why the transaction was unable to be processed.
- 1.14.2. Inform District staff if there are issues using your purchasing card.

Reference: Sections 22, 23, 65, 85 School Act  
Income Tax Act  
New West Partnership Trade Agreement

Approved: November 2020