



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 to provide an efficient method of processing and approving the large volume of purchases made by Saskatoon Public Schools.

DEFINITIONS

The following are definitions or terms used in this procedure:

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| 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 trustees 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” | In schools, the budget manager is always the principal. A budget manager may delegate their authority but cannot delegate their accountability. Outside of schools, budget managers are identified by business administration. |

PROCEDURES

1. Obtaining a Purchasing Card
 - 1.1. To obtain a purchasing card, an application must be completed, authorized by the budget manager, and returned to Procurement Services. The application and information regarding the use of the PCard can be found on the Procurement page of the SPS SharePoint site.
 - 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.



2. Authorization to Purchase

- 2.1. All purchases made with the purchasing card shall be subject to administrative procedure 515: Procurement, including all requirements for competitive bidding.
- 2.2. The purchasing card is not intended to bypass established contract arrangements for the supply of materials and services. Information on established models of equipment and supplies or services and the contracted suppliers can be found on the requisition web. If you cannot find the items, you are looking for, please request a quote by submitting a ticket or emailing purchasingmail@spsd.sk.ca.

3. Programmed Limits

- 3.1. Each card will have an established monthly limit of \$5,000.00. This limit can only be changed if approved by the budget manager and Manager, Procurement Services.
- 3.2. The monthly limits can be increased to cover specific large purchases (for example, a book fair) upon approval by the budget manager or immediate supervisor and the Manager, Procurement Services. An increase in the transaction limit can be requested by submitting a ticket or emailing Procurement Services at pcard@spsd.sk.ca, with a copy to your budget manager for approval.

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. Examples of blocked supplier types include:
 - 4.1.1. liquor vendors;
 - 4.1.2. dating/escort services/adult entertainment;
 - 4.1.3. gambling transactions; and
 - 4.1.4. automated cash disbursement.

Full details on all types of blocked suppliers can be obtained from Procurement Services staff.

5. Other Limits

In addition to the programmed limits, cardholders must **not** use a PCard in the following circumstances:

- 5.1. To circumvent any board policy, legislation, or budgetary control system;
- 5.2. For any commitment requiring a purchasing agreement, contract or similar arrangement obligating the division to future services;
- 5.3. For the splitting of purchases into two (2) or more transactions to bypass the transaction limits;
- 5.4. For cash advances or other financial services or payments to a PayPal accounts;
- 5.5. For lottery tickets or betting;
- 5.6. For purchases of computer devices and technology. These should be made through the Information Systems Department;
- 5.7. For services normally provided through the Maintenance Department work order;
- 5.8. For gift certificates to be given to staff or non-staff to facilitate shopping (example: a gift



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card is purchased from a grocery store and given to another employee or student who is required to pick up groceries using the certificate);

- 5.9. For liquor purchases; or
- 5.10. For purchases made for the accumulation of points under loyalty programs or any other rewards for personal use, based on the use of the division's purchasing card (or any other purchasing method used for division expenses). This is strictly prohibited.

6. Personal Purchases

Purchasing cards are not to be used for personal expenses such as meals, shopping, or any other non-business-related purchases. Personal use of a PCard is considered a misuse of organizational resources and may result in disciplinary action. In the first instance of personal use, the employee will receive a written notice from Procurement Services. A second occurrence may result in an administrative fee of \$25.00 charged to the employee to recover processing and reconciliation costs. Continued or repeated instances may lead to the suspension or permanent revocation of PCard privileges. If a personal transaction occurs, it is the cardholder's responsibility to promptly contact the Manager, Procurement Services, to resolve the issue.

7. Refunds

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

8. Travel Expenses

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

- 8.1. Airfare and hotel accommodation for authorized events;
- 8.2. Rental vehicles and fuel for the rental vehicle; and
- 8.3. Registration fees for authorized events (conferences, workshops, conventions, symposiums, etc.).

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

- 8.4. Individuals shall not use a purchasing card to buy fuel for their personal vehicle. (See Administrative Procedure 504: Reimbursement for Expenses, Section 1.2, regarding prevailing division rates for mileage.)
- 8.5. Individuals shall not use the purchasing card to obtain meals while travelling to authorized events. (See Administrative Procedure 504: Reimbursement for Expenses, Section 1.4, regarding established per diem allowances for meals.)

9. Honoraria/Gifts

- 9.1. Purchasing cards are not to be used for payment of honoraria for services provided. (See Administrative Procedure 506: Honoraria.)



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- 9.2. Purchasing cards may be used to obtain gift cards. If the gift card is to be used as a gift for services, there is a maximum limit of \$75 per individual per year. The purchase must be approved by the budget manager and relevant superintendent prior to the purchase. All gift card purchases must have the recipient's name on the receipt. Current employees cannot receive gift cards; all employee payments must be processed by payroll to comply with CRA rules.
- 9.3. Purchases of gift cards using donated funds will follow Administrative Procedure 560 Sponsorship and Donations and may not be subject to the same maximum limit as noted in section 9.2, with appropriate superintendent approval.
- 9.4. Purchases of gift cards for retirement and long-service awards administered by Human Resources may be made using PCards and are not subject to the limits noted as noted in Section 9.2.

10. Liability

The liability for authorized use of the purchasing card rests with the Board, and not the individual cardholder. Neither the board nor the cardholders are liable for unauthorized use of a card following the loss or theft of the card. Any fraud or suspected fraud should be reported immediately to the commercial card fraud department through the toll-free number on the back of the PCard.

Cardholders will be held liable for any personal misuse of a card, or willful disregard of policies or procedures that results in fraud, collusion, or loss of money. Misuse of the card may result in disciplinary action as noted in Section 6.

11. Reconciliation and Payment of Monthly Statements

Purchasing card payments are processed as follows:

- 11.1. A monthly statement of each cardholder's transactions for the monthly billing cycle will be emailed to the cardholder and any delegates. This email will be sent on the 16th of each month. The monthly billing cycle begins on the 16th of the month and ends on the 15th of the following month.
- 11.2. Each cardholder is responsible for creating 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. This is to be completed within seven days of receiving the statement email.
- 11.3. The budget manager will electronically approve any PCard purchases in the web-based system in a timely manner and no later than the 25th of each month. Where the cardholder and the budget manager are the same individual, the designate will be set by the budget process.

12. Card Cancellation or Personnel Leaving

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

- 12.1. The budget manager of the cardholder is responsible for collecting and destroying cards immediately and notifying Procurement Services.



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12.2. The Manager, Procurement Services, will notify the bank to cancel the card.

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

Cardholders are responsible for advising Procurement Services if they are changing schools or work locations by submitting a ticket to the Procurement Services. As part of the annual school year-end and school start-up processes, the Procurement Services will request an update for all school and division departments.

Other changes, such as a name change or other details, can be submitted through a ticket to the Procurement Services.

14. Disputed Charges

Disputed charges are handled as follows:

- 14.1. Items charged on monthly statements of account that do not accurately reflect the transactions made by the cardholder (wrong amount, purchase not made by the cardholder, etc.) are disputed items.
- 14.2. The cardholder shall contact the bank immediately through the toll-free number on the back of the PCard to dispute the charges.

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 Procurement Services;
- 1.4. Accounting for all purchases made with the purchasing card using appropriate detailed original receipts and resolving any discrepancies;
- 1.5. Ensuring all detailed receipts are entered into the system and are clear and legible, all receipts are to be kept for 60 days to ensure that any receipt questions can be resolved,
- 1.6. If there is a missing receipt, the cardholder is responsible for trying to obtain a copy of the original receipt. If the receipt cannot be obtained, then the cardholder may complete a missing receipt affidavit to replace the missing receipt;
- 1.7. Reconciling transactions through the web-based system and ensuring that proper detailed digital receipts are attached and monthly deadlines are met. Summary invoices or summary cash register slips are not acceptable;
- 1.8. Ensuring that the purchasing card, monthly statements and other documents bearing the card number are kept in a secure location with controlled access; and
- 1.9. Monitoring their purchasing card activity online to ensure fraudulent activity is detected as early as possible.

If a cardholder consistently does not fulfill the responsibilities listed here, such as submitting



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monthly reports and receipts, the Manager, Procurement Services, may revoke the card temporarily or permanently.

2. Budget Manager

The budget manager is responsible for:

- 2.1. Staying within allotted budgets;
- 2.2. Assessing the need for purchasing cards based on operational requirements;
- 2.3. Reviewing and approving, on a monthly basis, all expenses and receipts in the web-based program in a timely manner;
- 2.4. Signing and approving any missing receipt affidavits for cardholders;
- 2.5. Managing cardholders and confirming completion of monthly expense reports;
- 2.6. 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; and
- 2.7. Ensuring that any delegated budget manager conforms to all the above responsibilities.

3. Manager, Procurement Services

The Manager, Procurement Services, is responsible for:

- 3.1. Overall coordination and monitoring of the purchasing card program, including this procedure manual and the purchasing card employee agreement;
- 3.2. Ensuring system checks and approvals maintain a two-person review and authorization, including final authority for any expense approvals;
- 3.3. Monitoring the use of purchasing cards with respect to conformance with this procedure;
- 3.4. Contacting and advising cardholders of non-conformance with this procedure and resolving any discrepancies with cardholders;
- 3.5. Processing the issuance or cancellation of purchasing cards with the issuing bank;
- 3.6. Processing changes to card limits as approved by the budget manager;
- 3.7. Assisting cardholders in resolving disputed charges and other matters;
- 3.8. Maintaining database of information on all cardholders with card status, limits, address and budget codes; and
- 3.9. Keeping an audit file of receipts and reports for access by internal and external auditors.

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