



## AP 571 – PURCHASING CARD – COMMERCIAL CREDIT CARD PROGRAM

### BACKGROUND

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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 controlling the large volume of purchases by Saskatoon Public Schools.

### DEFINITIONS

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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 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”             | 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 accounting department. |

### PROCEDURES

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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 can be found on the procurement page of the SPS learn 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. Prior to receiving a purchasing card, the new cardholder must review the training videos and sign the purchasing card employee agreement confirming they fully understand this agreement when using the PCard. This training can be found on the SPS learn portal or by contacting [pcard@spsd.sk.ca](mailto:pcard@spsd.sk.ca).



## 2. Conflict of Interest

This aligns with Administrative Procedure 515: Procurement which states:

*“ 15. Conflict of Interest*

- 15.1. No employee of the division shall purchase or lease any goods or services from or through the division for personal use or gain. If any purchase or contract is made contrary to this regulation the division shall not be bound thereby.*
- 15.2. 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. The Chief Financial Officer may approve the purchase of goods or services from employees and from companies in which employees have an ownership interest, only if the goods or services required are not readily available from another source.”*

## 3. Authorization to Purchase

- 3.1. Computer Devices - Purchase of computer devices, including iPads, android tablets, PCs, laptops, notebooks and/or related technology devices are NOT to be made by school staff using a PCard. Purchases of this type are to be made using the requisition web ordering system or placed with procurement services. Purchases made outside the requisition web through procurement services are subject to the approval by the Chief Technology Officer.
- 3.2. Furniture - Unless authorized in advance by the Manager: Procurement 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 are subject to established Saskatoon Public Schools' standards and models. All appliances for schools need to be purchased through the requisition web or by contacting [purchasingmail@spsd.sk.ca](mailto:purchasingmail@spsd.sk.ca) for a quote before purchase.
- 3.3. 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.
- 3.4. The purchasing card is not to be used to make purchases for PayPal accounts. If there is no other payment method available, permission must be obtained from the Manager: Procurement Services and the relevant superintendent. All detailed receipts must be submitted to procurement services to reconcile the PayPal account.
- 3.5. The purchasing card will have limited options to purchase gift cards, all gifts cards receipts must have the recipient's name attached. The following are the situations where a gift card may be purchased:
  - 3.5.1. Phone cards allow students to access school information, communicate absences and be made aware of emergencies. These purchases must have the details of use on the receipt in place of a name.
  - 3.5.2. Nutrition or food gift cards may be purchased if approved by the budget manager, the Manager: Procurement Services and the relevant superintendent.



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- 3.6. All purchases made with the purchasing card shall be subject to administrative procedure 515: Procurement, including all requirements for competitive bidding.
  - 3.7. 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 requisition web. If you cannot find the items, you are looking for please request a quote by emailing [purchasingmail@spsd.sk.ca](mailto:purchasingmail@spsd.sk.ca). 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.
4. Programmed Limits
    - 4.1. Each purchasing card issued will have an established single transaction limit. Individual card transaction limits will be established by the budget manager and the purchasing card program administrator up to a maximum of \$1,000. Transactions over the established transaction limit must have prior approval by the budget manager or will be rejected.
    - 4.2. 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 set at \$5,000 per month.
    - 4.3. 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: Procurement Services. An increase in single transaction limit can be requested by e-mailing the manager of procurement services with a copy to your budget manager for approval.
5. Supplier Category Exclusions
    - 5.1. 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 the types of suppliers which are blocked are:
      - 5.1.1. liquor vendors
      - 5.1.2. dating/escort services
      - 5.1.3. gambling transactions
      - 5.1.4. automated cash disbursement
      - 5.1.5. direct marketing companies

Full details on all types of suppliers blocked can be obtained from procurement services staff.
6. Other Limits

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

    - 6.1. Any purchase intended to bypass the division's obligation to the competitive bidding process,
    - 6.2. To circumvent any Board policy, legislation, or budgetary control system,
    - 6.3. Any commitment requiring a purchasing agreement, contract or similar arrangement obligating the division to future services,
    - 6.4. Splitting of purchases into two (2) or more transactions to bypass the transaction limits,



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- 6.5. Cash advances or other financial services,
- 6.6. Lottery tickets or betting,
- 6.7. Where a standing purchase order contract is in place (for example: stationery supplies, AV equipment),
- 6.8. Services normally provided through the maintenance department work order,
- 6.9. 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),
- 6.10. Temporary help,
- 6.11. Liquor purchases.

### 7. Personal Purchases

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. If an individual uses the purchasing card for personal use, it is the cardholder's responsibility to contact the Manager: Procurement Services to help resolve the issue.

Accumulation of air miles or other rewards for personal use based on purchases made with division purchasing card (or any other method) is prohibited.

### 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 transaction limit (see point 3.3) contact procurement services and request an increase prior to travelling.

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

- 9.4. Individuals shall not use a purchasing card to buy fuel for their car. (See Administrative Procedure 504: Reimbursement for Expenses, Section 1.2, using prevailing division rates for mileage.)



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- 9.5. Do not use the purchasing card to obtain meals while travelling to authorized events. (See Administrative Procedure 504: Reimbursement for Expenses, Section .1.4, 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 only be used to obtain gift cards as per Section 3.5. If the gift card is to be used as a gift for services, there is a maximum limit 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 cardholder and any delegates. This email will be sent out on the 16<sup>th</sup> of each month. The monthly billing cycle begins on the 16<sup>th</sup> of the month and ends on the 15<sup>th</sup> of the following month.
- 13.2. 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. This is to be completed within 7 days of receiving your statement email.
- 13.3. The school budget manager will electronically approve any expense reports on the web-based system by the 25<sup>th</sup> of each month.
- 13.4. All monthly reports shall be completed on the web-based system by the cardholder. This will generate the electronic approval process of the authorizing budget manager. Where the cardholder and the budget manager are the same individual, the designate will be set by budget process in accounting shall electronically approve.



#### 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 destroying cards immediately and notifying procurement services.
- 14.2. The Manager: Procurement Services will notify the bank to cancel the card.

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

Cardholders are responsible to advise procurement services if they are changing schools or work locations. This is done using a PCard change in location form found on the portal. As part of the annual school year end and school start up process, the procurement department will request an update for this list.

Other changes such as a name change, or other detail can be emailed to [pcard@spsd.sk.ca](mailto:pcard@spsd.sk.ca)

#### 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 disputed items.
- 16.2. The cardholder shall notify the Manager Procurement Services immediately upon noticing the item. The Manager: Procurement Services will notify the bank immediately.
- 16.3. Payment for the disputed item will be charged to the cardholders' default budget and to ensure the credit is assigned to the same budget.

### **RESPONSIBILITIES**

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#### 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 with appropriate detailed original receipts and for 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 attachment of proper detailed digital receipts meets monthly deadlines. Summary invoices or summary cash register slips are not acceptable.



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- 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 immediately notifying the Procurement Services Department, budget manager of any loss or theft of the card.
- 1.9. Informing the Procurement Services Department of changes to purchasing card data including work location (changing schools or departments), name changes or personal purchases. Any personal purchases must be sent to [pcard@spsd.sk.ca](mailto:pcard@spsd.sk.ca) for directions on payment options.
- 1.10. 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: 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 operation requirements.
- 2.3. Reviewing and approving on a monthly basis, all expenses and receipts on 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.
- 2.7. Any delegated budget manager must conform to all the above responsibilities.

### 3. Administrative Assistant

The Administrative Assistant is responsible for:

- 3.1. Reviewing all monthly statement emails distributed to the cardholders within the school or department.
- 3.2. “Coaching” cardholders in the school or department, offering advice on proper budget numbers and confirming cardholders submit their monthly expense reports using the on-line reporting and monitoring system.
- 3.3. Ensuring monthly reports are authorized by the budget manager by the date assigned each month.

### 4. Manager: Procurement Services

The Manager: Procurement 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. Ensuring system checks and approvals maintain a two-person review and authorization, including final authority for any expense approvals.
- 4.3. Monitoring the use of purchasing cards with respect to conformance to this procedure.



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

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