

Title: **PROCUREMENT CARDS**

Adopted: December 2021

Reviewed:

Revised: October 2023

Related: Policy 2004: Procurement Cards

Policy 2002: Expenditure Guidelines

Procedure 2002A: Expenditure Guidelines

**PURPOSE**

* 1. The purpose of this procedure is to outline the expectations pertaining to the use of Procurement Cards (P-Cards) including information on the acceptable uses and limitations of KidsAbility School Authority P-Cards.

**PROCEDURES**

1. To minimize risk and financial expense to the School Authority, P-Cards will only be issued to authorized staff who have a legitimate business reason for having a P-card and who need to use the P-Card on a regular basis in carrying out their assigned duties.
2. Any new P-Cards issued to staff must have the approval of the Principal, as well as final approval from the Authority of Trustees before the card is ordered.
3. Any changes to P-Card limits must also receive formal approval from the Chair of the KidsAbility School Authority Finance Committee.
4. Each credit card will have a unique number, and will be issued in the name of the Authority employee who has been authorized to use that card. The card is not transferable to any other employee, even if that other employee is also authorized to use a credit card on behalf of the Authority. Only the person to whom the card is issued may use the card.
5. Issuance of credit cards will be made approximately 10 working days from the date that the card Issuer receives the application form.
6. Upon receipt of the credit card, the cardholder will sign the Employee Acknowledgement of Responsibilities form and the back of the card.
7. Cancellation of credit card - The cardholder will discontinue use and return the card, cut in half, to the Authority for cancellation:

- when specifically requested to return the card by the Authority.

- upon termination of employment with the Authority

1. Card Renewal - Each credit card is issued for a period of approximately three (3) years starting with the month in which the card is issued. Cards will be automatically renewed unless the Authority’s card administrator advises the card issuer otherwise.

**Limitations**

1. Each P-Card is established with a monthly credit limit (including taxes), which can be found on the P-Card agreement.
2. Programmed Limits - All purchases must be made within the limits of the school budget and all purchases are to be in accordance with Authority policies and procedures. Credit card limits are set for each individual card and all limits include all taxes where applicable.
3. In addition to the programmed limits, Cardholders must **NOT** use the credit card in the following circumstances:

a) to purchase excluded goods and services specified by the Authority;

b) to purchase alcoholic beverages (liquor, wine, beer);

c) to obtain cash advances;

d) to bypass Authority purchasing policies and restrictions;

e) to place an order via cellular phone;

1. to make personal purchases. Personal purchases include, but are not limited to gifts or acknowledgements for employees, and contributions to retirement events. Such expenses should be via contribution, a local social fund or individual collections.
2. to circumvent any Authority Policy, Legislation or Budgetary control system,
3. to provide payment to other school authorities, KidsAbility Center or the KidsAbility Foundation;
4. as honoraria (payments of fees for services performed by individuals not employed by the school authority);
5. P-Cards must not be used for purchasing items for which the Authority has a blanket purchase order or a vendor agreement with specific ordering instructions. This includes, but is not limited to, the following:

* Courier services;
* Custodial and maintenance services and supplies;
* Bussing;
* Toner Cartridges; and
* Photocopy and specialty paper.

1. Cardholders may make purchases by quoting the credit card number to vendors. This may be done by telephone, or in person. The cardholder must ensure that:

- records of purchases made with a credit card are retained by the cardholder for reconciliation account verification and audit purposes, (i.e., credit card receipts and original sales invoices, credit notes, vendor notices, etc.).

- the appropriate provincial sales tax and Goods and Services Tax are paid where applicable.

- for over‑the‑counter transactions, the cardholder will certify that the goods have been received or the services have been rendered by signing the sales slip; when goods are shipped, the cardholder must ensure that the shipment matches the order or sales slip.

- for telephone or facsimile orders, the cardholder must request the vendor to submit a copy of the sales slip with the shipment.

1. In general, P-Card purchases are limited to vendors in Canada and the U.S.A.
2. Authority P-Cards must not be tied to a ‘Paypal’ or like payment service account. If no other payment option exists, contact Accounts Payable.
3. Personal use could result in immediate cancellation of the school credit card and further disciplinary action as deemed necessary. If the card is used for personal use accidentally, the cardholder must immediately notify Accounts Payable and pay for the item charged to the card.
4. No cardholder may accept cash or a cheque from a vendor who is making a refund pertaining to a transaction previously charged to a credit card. The vendor in all cases must issue a credit to the credit card.
5. The liability for authorized use of a credit card rests with the Authority, and not the individual cardholder. The liability to the Authority for the unauthorized use of a credit card following loss or theft of the card is limited to $50.00. The Authority is not liable for any unauthorized use of the card, which occurs after notification of loss, theft or cancellation has been received by the card Issuer.
6. Cardholder(s) will be held liable for any misuse of a card, or willful disregard of policy or procedures, which result in fraud, collusion, or a loss of money. Misuse of the card may result in disciplinary action.
7. Purchases made outside Canada will be converted to Canadian funds at a rate established by the card issuer.
8. If it is determined that a P-Card purchase violated School Authority regulations or guidelines, reimbursement in full must be provided by the cardholder via personal cheque made payable to the KidsAbility School Authority.

**Approval Process and Payment**

1. It is the responsibility of Principal and Accounts Payable to review all statement transactions before approving. Any discrepancies, questions or issues should be resolved with the cardholder.
2. Resolution for improper use of a P-Card is the responsibility of Principal as is any disciplinary action arising from the misuse.
3. Expenses associated with the school credit card in the name of the Principal must be approved a member of the KidsAbility School Authority Finance Committee.

1. Credit card payments are processed as follows:

- The card issuer will provide one bill monthly to the Authority, regardless of the number of cards used. The Authority will pay the card issuer according to the payment terms.

- The cardholder will receive monthly statements for verification of charges.

* Cardholders must attach receipts to the monthly statement and must state, when no detail, the purpose and confirm by signature that the credit card receipts match the monthly statement and that purchase is consistent with Authority policies.

**Records and Reporting**

1. The cardholder is responsible for:

a) staying within allotted budget;

b) adhering to all responsibilities and restrictions established for the credit card by the Authority;

c) completing and submitting the Employee Acknowledgement of Responsibilities and Obligations form (Schedule A) to Accounts Payable;

d) Keeping the original receipt and charge slip with a description of the item for each transaction and attaching them to the monthly statement in case there are any discrepancies;

e) ensuring that the credit card, monthly statements and other documents bearing the card number are kept in a secure location with controlled access;

f) immediately notifying the card issuer of any loss or theft of the card;

g) informing the card issuer and the Authority of card cancellation, changes in business address, department, or area of responsibility;

h) returning the card to the Authority for cancellation, as appropriate;

i) keeping supporting documentation (i.e., credit card receipts and original sales invoices, credit notes, vendor notices, etc.) related to all purchases made with the credit card, for reconciliation, account verification and audit purposes;

j) where expenditures are of hospitality in nature, the receipts should indicate the name of individuals entertained and their roles, along with the purpose of the hospitality

1. If a purchase is made online, a printed detailed computer receipt must be attached to the monthly statement.
2. If any documentation is missing, an explanation and details of the transaction including vendor name, date, amount of transaction and description of the item must be attached to the statement.
3. The budget code to which the purchase is to be charged must be included.
4. The monthly statement must be verified, reconciled and signed by the Principal and Accounts Payable and submitted with original receipts attached to Accounts Payable within 10 working days of receipt of the statement.
5. All transactions are subject to both internal and external audit, and supporting documents must be retained for six (6) years plus the current year. If any of the following documentation is requested for an audit and was not kept on file, the records will be obtained from the bank at school/department expense. The Principal must ensure that the following documentation is retained in a secure location for audit purposes:

a) the monthly statement from the card issuer, approved and signed by the cardholder and Principal;

b) a copy of all supporting documentation.

**Returns, Exchanges and Disputes**

1. When merchandise is returned or other adjustments to accounts are necessary, credit notes will be issued by vendors. Such credits must be issued against the same credit card that the original transaction was charged to.
2. It is the cardholder’s responsibility to ensure that any credit for returned items is recorded on the monthly statement and applied to the same account code as the original charge. The original receipt must be attached to the statement on which the original purchase is shown; the cardholder may retain a copy of the receipt for their records if they choose.
3. If the credit does not appear on the monthly statement as expected, the cardholder is to contact Accounts Payable with details of the transaction.
4. Items charged on monthly statements of accounts that do not accurately reflect the transactions made by the cardholder (i.e., card Issuer errors such as wrong amount, incorrect account number, multiple postings of the same item, etc.) are considered to be disputed items.
5. If a charge appears on the monthly statement and the cardholder believes it was made without consent, the cardholder is to notify Accounts Payable and mark the transaction as “D” for “disputed” beside the item in question.
6. Accounts Payable will log the dispute with the vendor.
7. If the questionable item is not a card issuer error (i.e., late delivery, defective goods, wrong price, quantity difference, returned goods, etc.), the matter must be settled directly with the vendor, by the cardholder. Such matters must be drawn to the vendor’s attention immediately so as to minimize the delay in obtaining a credit to the credit card account.

**Lost or Stolen Procurement Cards**

1. It is the cardholder’s responsibility to notify VISA immediately at 1-800-769-2512 if a card is lost or stolen.
2. The cardholder must also notify Accounts Payable indicating that the card has been lost or stolen.
3. If the lost or stolen card should eventually be recovered or found, it must be cut in half and returned to the Authority.

**Additional Procedures**

1. **Change of cardholder location** - to change the cardholder’s location the change of address is expected to be made as soon as possible, to the card Issuer.
2. **Change of cardholder name** – in the case of change in name, the cardholder’s card must be cancelled and a new card must be issued in the new name.

1. **To modify card limits** - the cardholder must forward a request to the Authority for approval. Any change request must be within the limits set by this policy. If approved, the change to the card limits is expected to be made within three (3) working days from the date that the card Issuer is notified.
2. **Transfer of Employee or Termination of Employment -** It is the responsibility of the Principal to inform the Authority of Trustees when an employee is on a leave of absence for over 3 months or terminates their employment with the School Authority.

**SCHEDULE “A”**

**ACKNOWLEDGEMENT OF** **RESPONSIBILITIES AND OBLIGATIONS**

**OF HOLDERS OF SCHOOL CREDIT CARDS**

This document outlines the responsibilities I have as a holder of the KidsAbility School Authority credit card. My signature indicates the following: a) I have read and understand the Credit Card Administrative Policies and Procedures, and all appendices, and agree to adhere to the policy and procedures established for the program; and (b) I have received the KidsAbility School Authority credit card issued in my name.

1. The credit card is intended to facilitate the purchase and payment of low dollar value materials and services required to conduct business. I cannot use the card for personal purposes.

2. Unauthorized use of the card can be considered misappropriation of funds. This could result in i) immediate and irrevocable forfeiture of the card and/or ii) any disciplinary action, which the Authority may deem necessary.

3. I understand that the card must be surrendered upon termination of employment, whether for retirement, voluntary separation, resignation, or dismissal. I may also be requested to surrender the card for reasons not related to my own personal situation, such as reorganization.

4. I will maintain the card with appropriate security whenever and wherever I may use the card. If the card is lost or stolen, I agree to notify the card issuer and the card administrator immediately.

5. The credit card is issued in my name. I will not allow any other person to use my card.

6. I understand that since the Authority is responsible for payment, I may be periodically required to comply with internal control procedures designed to protect the organization’s assets. This may include being asked to produce the credit card records for audit purposes.

7. I understand that I will receive a cardholder monthly statement that will report all activity during the last cycle. I will resolve any discrepancies by either contacting the card issuer, the supplier, or the card administrator as appropriate. I understand that I will be required to obtain a copy of the cash register receipt and/or packing slip, reconcile them with the monthly statement, and retain them for audit purposes.

8. I understand that all charges will be billed directly to and paid directly by the Authority. I understand that the card issuer cannot accept payment from me directly.

9. I understand that the charges made against my card are automatically recorded against the appropriate General Ledger lines and corresponding budget as specified by the School Finance designate. I agree to charge only those purchases consistent with the type of materials and services authorized by the KidsAbility School Authority.

10. Under no circumstances will the credit card be used to circumvent Authority purchasing policies and restrictions.

Employee Signature: Date:

Employee Name: Card #: \_\_\_\_\_\_\_\_ (Please Print CLEARLY)