

Halton District School Board *Administrative Procedure*

Topic:	Corporate Purchasing Card Program
Effective:	January 2019
Cross-Reference:	Broader Public Sector Procurement Directive; Code of Ethics Policy; Procurement Policy; Administrative Procedures: Agreements and Contracts with Government Agencies; Code of Ethics; Decentralized Budgets; Fraud Prevention and Management; Procurement; School Fundraising; School Generated Funds; Third Party Agreements; Travel and Expense Reimbursement;
Revision Date:	June 2023
Review Date:	June 2027
Responsibility:	Superintendent of Business Services

INTENDED PURPOSE:

This administrative procedure will establish the roles and procedures necessary to ensure that the program is administered appropriately. These procedures are based on the best practices of school boards in the province.

The Purchasing card is intended to facilitate the purchase and payment of materials and services required to conduct Board business. The key benefits of this program include an alternate method of paying for low dollar consumable items and services; a reduction in the number of purchase requisitions, invoices, cheque requisitions, employee reimbursements, and petty cash transactions; faster receipt of products and services; and quicker receipt of payments by vendors.

In addition, the use of corporate purchasing cards complements existing procurement processes, without eroding good business practices or circumventing internal controls. The purchasing card is not intended to avoid or bypass the board's Procurement Administrative Procedure.

PROCEDURE:

The Halton District School Board assumes responsibility for all authorized charges on Board Purchasing cards. The site card holders and individual cardholders are not personally liable for approved business expenses. Although the card is issued in the name of a school or employee, it is the property of the board and is to be used only for board purchases.

Use of the card for personal purposes is strictly prohibited. Card users will be held liable for any misuse or wilful disregard of policies or operating procedures which result in a loss of money, fraud or collusion.

If circumstances arise that are not specifically covered in this administrative procedure, the claimant or card user must consult with the Purchasing Card Administrator and adopt the most cost effective approach for the purchase of material or service.

PURCHASING CARD ELIGIBILITY:

The following representatives from the HDSB are eligible to use Purchasing Cards:

- Members of the Administrative Council (Director, Associate Director, Superintendents, Executive Officer of Human Resources).
- Secondary and Elementary School Administrative staff. Principals may allow School Councils to access the purchasing card under limited circumstances and provided that all procedures are followed.

- Board Administrative staff where:
 - a) There is an ongoing and/or frequent need to purchase goods and services due to job requirements (i.e. on-line ordering of goods and services, etc.): and
 - b) It is unreasonable for the employee to be out of pocket for these purchases; and
 - c) There is no other method available to pay for these goods and services (i.e. billing by vendors, central ordering by the Purchasing Department, etc.), and
 - d. Use of the purchase cards brings efficiency to the purchasing process.
- Secondary and elementary school staff are able to use a site card with the approval of the principal for the purchase of materials and services required to conduct school business.
- Business Services staff for the purchase of corporate goods and services.
- All prospective cardholders will be required to submit a Purchasing Card Employee Agreement.

Exceptions are subject to the approval of the Superintendent of Business Services.

OPERATIONAL PROCEDURES:

The following operational procedures will govern the use of the purchasing card:

- a) The Purchasing card may be used for purchases up to a single transaction limit and monthly maximum dollar allowance set for each card. Monthly spend limits are fixed and cannot be increased without the approval of the Purchasing Card Administrator and Superintendent of Business. Requests for purchasing card increases can take up to 72 hours to be processed by the card provider. Ensure supporting documentation is attached including approvals according to the Approval Authority Schedule in the Procurement AP.
- b) All purchasing cards will have a default budget code account associated with them. The expenditures made on the card will be charged to the default budget code. Expenditures can be allocated to a different budget code as required through the reconciliation process. The only exception are cards held by the Purchasing Department which will not have a default budget code.
- c) Merchant category code (MCC) blocking is in effect to prevent the usage of vendors not relevant to school board operations.
- d) Unless notified otherwise by the school or cardholder, the Finance Department will process full payment of charges on account. To avoid the payment of interest, payments to the bank shall be made within twenty-five (25) days following the monthly statement date.
- e) Only the person to whom the Purchasing card has been signed out to, with the budget holders permission, may use the card. In the case of site cards, a Sign-Out/In Tracking sheet (electronic or hard copy) shall be maintained to know where the card is at all times.
- f) When using the Purchasing Card for telephone or online purchases, every precaution shall be taken to avoid the risk of unauthorized use of the card.
- g) Purchasing Cards may be canceled by Business Services at any time.
- h) All individuals with access to a purchasing card will ensure that it is stored in a secure location.
- i) Accumulation of any benefits from the use of a Purchasing Card shall not accrue to the individual cardholder.
- j) If circumstances arise that are not specifically covered in this administrative procedure, the claimant or card user must consult with the Purchasing Card Administrator and adopt the most cost effective approach for the purchase of material.

PURCHASING CARD RESTRICTIONS:

The purchasing card is intended to facilitate the purchase and payment of materials and services required to conduct Board business. Any limitations established under the Procurement Administrative Procedure apply to the purchasing card program.

Cardholders may **not** use their purchase cards to:

- Bypass an existing tendered contract or existing purchasing procedure.

- Purchase furniture, equipment, IT equipment, software including licenses, unless prior approval has been obtained from the Purchasing Department (Contact the Purchasing Department to purchase these items as well as any other tangible capital assets).
- Split purchases into two or more transactions to bypass approved transaction limits.
- Make any personal purchases.
- Purchase gift cards/certificates for board employees acting in their employment capacity.
- Purchase a cellular phone or Personal Digital Assistant.
- Purchase of alcoholic beverages or cannabis products.
- Obtain cash advances.
- Purchase items that would violate the Travel and Expense Reimbursement, Hospitality, Procurement or any other Board Policy/Procedure.
- Pay for hospitality expenses, unless prior approval has been received from the Superintendent of Business Services or Director of Education.

Exceptions are subject to the approval of the Superintendent of Business Services.

Inappropriate use of the purchasing card could result in:

- suspension or cancellation of a purchase card; and/or
- personal reimbursement by the cardholder and/or
- disciplinary action up to and including dismissal.

RESPONSIBILITIES:

Purchasing Card Controller (Secondary Supervisor – School Business; Administrative Assistant, Elementary; Board Administrative staff) or designate(s) is responsible for:

- a) Use of the Purchasing card in accordance with board administrative procedures.
- b) Maintain a Sign-Out/In tracking sheet (electronic or hard copy) for site cards being used by staff. Cards issued to the named individual, principal, or when the card is used for online ordering in the school office (only when used by the Secondary Supervisor - School Business, Administrative Assistant, Elementary) does not require a sign-out/in tracking sheet.
- c) Collecting appropriate original detailed receipts from staff that have used the purchasing card, including shipping confirmation and/or packing slip for each purchase card transaction. Vendor receipts are to identify the vendor, list of contents purchased, applicable taxes, amount of total purchase and HST number. A purchase chit/slip by itself or photocopy of a receipt is not sufficient proof of purchase.
- d) Use of the Vendor Card Software, at a minimum, on a monthly basis to:
 - Assign appropriate budget code(s).
 - Verify the accuracy of HST to the original receipt and correct the amount if inaccurate.
 - Enter the business purpose and/or explanation for the purchase.
 - Print the month end statement and obtain appropriate approvals.
- e) Submit a printed or scanned copy of the monthly card statement package to the cardholders Principal/Manager/Supervisor or Superintendent for approval each month. Ensuring that the statement review is completed within 30 days from statement date.
- f) Resolving any purchase discrepancies with vendors and/or purchasing card vendors where charges are incorrect or cannot be verified and obtaining credit notices that may be issued following resolution.
- g) Ensuring sufficient funds are available in the appropriate budget prior to making any purchase on the Purchasing card.
- h) Ensuring the Purchasing card is properly safeguarded. If the card is lost or stolen, notify the Card Vendor and/or the Purchase Card Administrator immediately.

Cardholder is responsible for:

- a) Ensuring sufficient funds are available in the appropriate budget prior to making any purchase on the Purchasing card.
- b) Completing the Sign-Out/In Tracking Sheet (secondary and elementary schools).
- c) Use the Purchasing Card in accordance with the above noted procedures.
- d) Ensuring that all goods and services charged to the card are received.
- e) Ensuring that all original receipts are provided for purchases made.
- f) Properly safeguarding the Purchase card. If the card is lost or stolen, notify the Card Vendor and the Purchase Card Administrator immediately.
- g) Upon transfer, retirement, voluntary separation, leave of absence, termination of employment from the Board, or at the request of their supervisor, the cardholder will return the card to the Purchase Card Administrator along with their final card statement with attached original receipts.

Purchase Card Administrator or designate (Purchasing Department) is responsible for the appropriate administration of the Purchasing card which includes but is not limited to the following:

- a) Maintaining a master list of all Purchasing cards noting the name of the site cards or cardholder, the cardholder's work location and the monetary limit of each card.
- b) Oversee the issuance of new Purchasing cards and changes.
- c) Maintaining all documentation pertinent to the management of the program.
- d) Reviewing and recommending changes, if appropriate, to the Superintendent of Business and Treasurer regarding:
 - monthly limits
 - transaction limits
 - approved list of cardholders
- e) Provide in-service for all schools and prospective cardholders.
- f) Determine any excluded goods and services specified by the Board and communicate this information to schools and cardholders.
- g) In conjunction with the HDSB Internal Auditor, monitor the use of purchase cards with respect to conformance of these procedures, and assist in addressing non-conformance of card usage, with the support of the Senior Administration.

Manager of Accounting or designate(s) is responsible to:

- a) Monitor impact if any, of the purchasing card program on the Boards' credit balances.
- b) Receive a master statement for all cardholders and site cards at the same time as the cardholders receive their individual statements.
- c) Process payment within twenty-five (25) business days of receipt of the master statement unless advised otherwise by the cardholder.