



PALLISER REGIONAL SCHOOL DIVISION

PURCHASING CARD
POLICY MANUAL

Table of Contents

Table of Contents	3
INTRODUCTION	4
<i>PROGRAM OBJECTIVE</i>	4
BENEFITS AND EFFICIENCIES.....	5
RESPONSIBILITIES.....	6
HOW DO I GET A PURCHASING CARD?	8
PROCESS OF OBTAINING A PURCHASING CARD	8
HOW DOES THE PURCHASING CARD WORK?	9
<ul style="list-style-type: none">▪ Ordering and Receipts▪ Supplier Rejects Card▪ Receipt and Return of Goods▪ Customs and Excise	
REVIEWING AND RECONCILING MONTHLY TRANSACTION SUMMARIES	11
INCORRECT CHARGES	12
LOST OR STOLEN CARDS.....	12
PRODUCT QUALITY/SERVICE	12
SPENDING CONTROLS	12
AUDITS.....	13
PURCHASING CARD CANCELLATIONS.....	13
DEFAULT G/L ACCOUNT	14
YEAR END	14
TAXES	14
DOCUMENTING TRANSACTIONS	15
RESTRICTED PURCHASES.....	16
VIOLATIONS AND CONSEQUENCES	16
CARDHOLDER KEY CONTACTS	17

INTRODUCTION

Welcome to the Palliser Regional School Division's Purchasing Card Program. The purpose of this program is to provide schools/departments with an easy, low-cost purchase and payment-processing alternative to petty cash and small dollar purchase orders within established purchasing authorization.

We recommend that you read this guide in its entirety before requesting and/or using your Purchase Card. This manual provides a variety of information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled monthly and miscellaneous information about the program.

PROGRAM OBJECTIVE

The primary objective of the Purchasing Card Program is to provide a more convenient, efficient, cost-effective method of purchase and payment for small dollar transactions and to provide schools with a simple method for direct purchases.

The Purchasing Card Program is not intended to replace other established procedures. Instead, it is intended to provide flexibility and autonomy to the cardholder while complementing current existing purchasing and payment guidelines.

Authorized individuals may use Purchasing Cards for the purchase and payment of goods where it is efficient, economical and operationally feasible to do so.

Applications include small dollar transactions where purchase orders are issued; or where cheque requisitions or petty cash are used to acquire goods.

BENEFITS AND EFFICIENCIES

For Cardholder and School Division:

- Flexibility
- Improved relations with suppliers
- More direct and efficient means of obtaining goods and services
- Reduced petty cash/reimbursement handling and processing
- Streamlined approval process
- Fits in your pocket

For Administrative Services:

- Reduced purchase order/invoice processing
- Increased control
- Increased Management Reporting

For Suppliers:

- Increased sales
- Improved cash flow
- Reduced invoice cost
- Opportunity to strengthen customer relations
- Improved payment terms to Suppliers
- Reduced credit risk
- Immediate payment

RESPONSIBILITIES

Cardholders/School Administrators/Supervisors

- Complete and sign a Purchasing Card Program Application and a Purchasing Card Employee Agreement for each card requested and forward requests to your School Administrator or Supervisor for approval.
- The School Administrator or Supervisor forwards the request to the Plan Administrator.
- Immediately sign the card upon receipt to prevent unauthorized purchases.
- Maintain card security to prevent unauthorized charges against the account.
- Use it only for the purchase of items in accordance with School Division policies.
- Obtain a receipt for every transaction at the point of purchase.
- Retain receipts and charge slips.
- Reconcile receipts to the Monthly Transaction Summary on the AccessDirect website.
- Return the signed Transaction Summary together with all relevant original receipts to your School Administrator or Supervisor for approval within 14 days.
- Notify USBankCorp immediately regarding lost or stolen cards. Notification is required to release the School Division from liability for charges incurred by someone other than the cardholder.
- Notify Customer Service representative at USBankCorp of any billing discrepancies posted on the Monthly Transaction Summary that cannot be resolved with the supplier. USBankCorp will place these charges in dispute status until they are resolved.
- Notify the Plan Administrator of lost/stolen cards, billing discrepancies, and name or department changes.

Plan Administrator

- Process/change/cancel Purchasing Card.
- Establish and maintain school division wide communication.
- Develop and distribute program literature and materials.
- Primary contact person for USBankCorp and the School Division.
- Primary contact person for questions regarding the use of purchasing cards for the Division.

- Ensure Division purchasing card application and cardholder agreements are completed correctly and approved accordingly.
- Forward the card application to USBankCorp for processing.
- Inform the Cardholders of their responsibilities and obligations for use of the Purchasing Card.
- Maintain Purchasing Cardholder Agreements, Purchasing Card Applications, Cardholder limits and change requests.
- Assist in problem resolution.
- Audit program compliance and receipt retention.
- Notify appropriate personnel of non-compliance issues and assist them in enforcing non-compliance measures.
- Ensure cardholders confidentiality.
- Identify future Purchasing Card Program applications/enhancements.
- Develop and provide cardholder training.
- Work with cardholders to identify appropriate supplies.
- Process the monthly Purchasing Card payments to the bank.
- Store and file all Cardholder original receipts and monthly statements as per Canada Revenue Agency guidelines.
- Interface transactions with General Ledger.
- Audit appropriateness of GL account numbers.

Customer Service

- Offer individual cardholders a full range of telephone information services.
- Provide 24 hour service, seven days a week.
- Take orders for replacement of damaged card(s) from Plan Administrator.
- Provide account balances.
- Answer credit limit inquiries.
- Provide general account information
- Take duplicate statement request.
- Receive lost/stolen card reports.
- Process disputes.
- Receive name, credit limit and account changes (ie summer suspension) from the Plan Administrator.
- Activate new cards.

HOW DO I GET A PURCHASING CARD?

Any employee who matches the following criteria is eligible for a purchasing card:

- holds a regular permanent position
- has the responsibility for making purchases on behalf of his/her School/Department,
- has the approval of his/her School Administrator or Supervisor

PROCESS OF OBTAINING A PURCHASING CARD

STEP 1

A request must be made to the School Administrator or Supervisor for the Purchasing Card Program Application and a Purchasing Card Employee Agreement. These forms are available from the Plan Administrator.

STEP 2

All Purchasing Card Applications and Agreement forms are to be completed by the employee and directed for approval to the authorized School Administrator or Supervisor. Subsequent changes must follow the same approval process.

STEP 3

Once approved, the application is forwarded to the Plan Administrator for processing.

STEP 4

The Plan Administrator is responsible for ensuring that every Cardholder is informed of the transaction and credit limits of their Purchasing Card as well as their responsibilities and the restrictions regarding the use of the Purchasing Card. Each Cardholder will be provided with a copy of the completed Purchasing Card Employee Agreement.

STEP 5

A Purchasing Card will be available within two weeks and is released with a Purchase Card Package; consisting of the Visa application, Purchase Cardholder Agreement, Purchase Card Manual, US Bank Login Information, and Visa card. All forms requiring signatures must be sent back to the Finance Officer. Copies of any forms can be kept by the Cardholder.

HOW DOES THE PURCHASING CARD WORK?

The Purchasing Card is for **business only**.

The Purchasing Card is a commercial credit card. It works similarly to your personal credit card except that there are specific merchant limitations and monthly or annual transaction limits. Each time you use your Purchasing Card, an electronic process verifies that your purchase is within the predetermined limits. If your purchase violates these limits, the supplier will not be able to process your order.

ORDERING AND RECEIPTS

When placing an order by phone, mail or internet:

1. Inform the Supplier that you are ordering on your School Division Purchasing Card.
2. Give your name as it appears on the Card, the VISA Purchasing Card number and expiry date.
3. Give accurate **delivery/shipping information**, including:
 - School/Work place
 - Contact name
 - Street Address
 - Phone number

***billing information** will be the Palliser Regional Schools name and address

4. Request that:
 - Confirmation of the order, including costs, be emailed to the Purchaser if ordering over the internet.
 - "Credit Card Purchase" be marked on the outside of the package, and
 - A priced packing slip or detailed sales receipt be enclosed.

When purchasing goods or services in person:

1. Give the Supplier your Purchasing Card for processing.
2. Obtain the **itemized** receipt and the VISA transaction slip from the Supplier at the time of the purchase.

Get a receipt from the supplier for each transaction. **Save your receipts!** Receipts will be used to reconcile your monthly Purchasing Card Transaction Summary/Statement. **Receipts that do not clearly list the items purchased are not considered adequate documentation.** If you lose a receipt, attempt to get a copy from your supplier.

Receipts include charge slips, cash register receipts or priced packing slips. For subscriptions, a copy of the renewal notice or initial subscription request is a receipt.

All receipts must include the following information:

Purchasing Card #

Itemized description of goods or service purchased

Supplier name

Transaction date

Transaction total

GST

GST Registration Number

GL Code (provided by the Cardholder, School Administrator or Supervisor)

SUPPLIER REJECTS CARD

If the Supplier rejects the Purchasing Card it will be for one of the following reasons:

- The Supplier has been purposely excluded from the Purchasing Card Program. (For more information about specific exclusions, contact the Plan Administrator.)
- The person presenting the card is not the registered cardholder.
- The Purchasing Card has reached its individual or monthly/annual transaction limit. In this case, contact your School Administrator or Supervisor regarding your limit.

RECEIPT AND RETURN OF GOODS

It is the cardholder's responsibility to ensure receipt of goods and to follow up with Suppliers to resolve any delivery problems, discrepancies and/or claims for damaged goods.

If goods need to be returned, the Cardholder is responsible for coordinating returns directly with the Supplier, as well as securing the appropriate credit. The Supplier may provide and require the use of a Returned Material Authorization Number (RMA). This number should be clearly marked on the package label when returning goods. **CASH REFUNDS ARE PROHIBITED!**

At the time of return, request that the Supplier issue and send a VISA credit transaction slip to verify that credit was given. The Cardholder will be required to attach this transaction slip to their monthly Transaction Summary as supporting documentation.

If more information regarding the return of goods is required refer to the Standard Operating Procedures or contact the Plan Administrator.

CUSTOMS AND EXCISE

If an order is from out of the country, applicable duty and/or taxes will be incurred in one of three ways:

1. Through the School Division's customs brokers
2. Via courier, the courier may request payment of these charges at the time of delivery:
 - School Division contracted couriers will invoice for their services.
 - Non-contracted couriers can issue an invoice for payment that will be sent to Accounts Payable.
 - You can also pay for these charges with your Purchasing Card.
3. Through Canada Post:
 - Canada Post will require your Customer Account Number or cash before the package is released.

REVIEWING AND RECONCILING MONTHLY TRANSACTION SUMMARIES

Your monthly Purchasing Card Transaction Summary will be available around the 11th day of each month for verification (on the AccessDirect website). The Plan Administrator will send out an email telling you to log on and reconcile. You will be given till the end of the month to complete your reconciliation and send it into Central Office.

It is the **responsibility of the Cardholder** to verify that he/she has received the monthly summary and verify the accuracy of the summary by reconciling the receipts to the summary. **The website address is www.accessdirect.usbank.com.**

You are checking for:

- Amounts on the VISA Transaction Summary different from your receipts. (The difference may be shipping or handling charge.)
- Items on the summary that you did not purchase.

Sign the summary. Your signature confirms that:

- The charges are correct with any exceptions noted.
- All receipts are attached.
- All purchases are authorized district purchases.

Forward the signed summary and receipts to your School Administrator or Supervisor for their authorized signature. The signed summary and receipts will be forwarded to the Plan Administrator for processing.

INCORRECT CHARGES

If you find a discrepancy between your receipt and statement, call the supplier immediately to resolve the discrepancy. If the matter remains unresolved, contact the Plan Administrator at 403-328-4111. If a transaction on the monthly summary does not belong to you, contact the USBankCorp Purchasing Card Customer Service at 1-800-588-8067 and advise the Plan Administrator.

LOST OR STOLEN CARDS

The Cardholder must notify the USBankCorp VISA and the Plan Administrator immediately of any lost or stolen cards. The lost or stolen card will be cancelled and a replacement card will be issued. USBankCorp VISA Customer Service representatives are available 24 hours a day, 365 days a year at 1-800-588-8067.

PRODUCT QUALITY/SERVICE

If you receive a product that is either incorrect or defective, allow the supplier a reasonable amount of time to either, replace the product, resolve the service issue, or issue you a credit before you turn the matter over to the Plan Administrator.

SPENDING CONTROLS

Cardholder Single Transaction Limit

This is the maximum dollar amount authorized per transaction. Unless advised otherwise, the single transaction limit per card (including all taxes/shipping/handling/etc.) is your monthly/annual limit.

Cardholder Monthly Credit Limit

This is the maximum dollar amount authorized for a cardholder within a 30 day billing cycle; each cardholder's limit is authorized by the School Administrator or Supervisor.

Cardholder Annual Credit Limit

This is the maximum dollar amount authorized for a cardholder for a fiscal year (September 1 to August 31); each cardholder's limit is authorized by the School Administrator or Supervisor.

Spending limits for each cardholder will vary per card and have been set by the School Administrator or Supervisor. To allow for ongoing use of each Purchasing Card, cardholder monthly spending limits are replenished automatically by the bank on the day following the issue of the School Division statement. The statement day is set for the 12th of each month. Cardholder balances are cleared at midnight on the 11th of each month.

Annual limits will be replenished on September 1.

To request an adjustment to your credit limit, a written request approved by the School Administrator or Supervisor must be forwarded to the Plan Administrator. Each request received will be reviewed to determine the viability of the request.

AUDITS

The Financial Services Supervisor will periodically audit the program for compliance with Purchasing Card policies and procedures.

You are responsible for the transactions identified on your summary. If an error is discovered, you are responsible to show that the error or dispute resolution process has been invoked.

PURCHASING CARD CANCELLATIONS

If it is necessary to cancel a Purchasing Card, the Cardholder, School Administrator or Supervisor must return the appropriate Purchasing Card to the Plan Administrator. The Plan Administrator will contact the USBankCorp to immediately cancel the card.

Reasons for cancellation:

- Cardholder is no longer employed by the School Division.
- Cardholder goes on leave without pay.
- Cardholder is requested to surrender the Purchasing Card due to violation of policies.
- Cardholder elects to discontinue participation in the program.

DEFAULT G/L ACCOUNT

Each Purchasing Card is associated with a General Ledger expense account number. Expenses not re-allocated by the cardholder/School Administrator/Supervisor before the cut-off date will be charged to the default G/L account and it will be the School Administrator/Supervisor's responsibility to initiate a journal entry with the Plan Administrator to charge it to the appropriate account.

YEAR END

Special accommodations will be made for year-end activities. A memo will be sent out on an annual basis to inform Cardholders of cut-off dates for processing Purchasing Card transactions in order to have charges appear on the current year's final monthly account report.

*** All Purchasing Cards will be suspended from the 3rd week in June to the 3rd week in August unless a request has been made and approval given by the School Administrator or Supervisor and the Plan Administrator notified.**

TAXES

Taxes and rebates will be calculated using the following basic assumptions.

- Alberta purchases have been charged GST
- Out of province Canadian purchases have been charged GST, but not PST.
- Out of country purchases will not have been charged with GST or PST.

In all instances, both taxes are payable by the School Division and will be debited against the cardholder's account accordingly.

The GST on any imported goods is being charged separately by Canada Post or the courier handling the delivery, or by the School Division's Custom Broker.

The Plan Administrator shall be notified of **book purchases** to adjust the tax code accordingly. This is so the district can recover 100% of the GST paid.

DOCUMENTING TRANSACTIONS

Every charged transaction and credit transaction made using the Purchasing Card must be supported by valid and complete documentation. **Not providing supporting documentation for all transactions is a Cardholder violation.** Below is an explanation of what is considered acceptable supporting documentation and an explanation of what information must be included on each piece of documentation.

Acceptable supporting documentation

Acceptable supporting documentation is defined as:

- Receipt together with VISA transaction slip from the Supplier
- Priced (including taxes) invoice/packing slip.
- Order forms, or a copy of the form, for dues, subscriptions, registrations, and similar items.
- Invoice showing "Credit Card Payment".
- Copies of VISA transaction records sent directly from the Bank in place of lost documentation.
- Comments of purchase validity on the reconciliation

Information that must be on the documentation

The documentation for every transaction made on the Purchasing Card must include the following information. If this information is not included in the supporting documentation then it must be written directly on the documentation by the Cardholder.

- Supplier identification (Merchant Name)
- Date purchase was made
- **Description and quantity of each item purchased**
- Per item cost if available
- Cardholder identification – name and number
- Supplier's GST number

If original supporting documentation is lost contact the Supplier to provide a copy of the original documentation. If the Supplier is unable to provide documentation, contact USBankCorp directly at 1-800-588-8065 to provide a copy of the transaction slip. Failure to do this is considered a cardholder violation

RESTRICTED PURCHASES

The Purchasing Card must **NOT** be used for the following:

- Personal and private use
- Inappropriate purchases
- Cash advances
- Donations
- **Purchase of alcohol and/or alcoholic beverages**
- Controlled items such as hazardous material
- Centrally controlled budget items such as furniture and equipment
- Contracted Goods and Services
- Maintenance contracts
- Extended Rentals or Leasing
- Direct employment of individuals

VIOLATIONS AND CONSEQUENCES

Violation: Personal Purchases

It is against School Division policy to use School Division funds to purchase items for personal use. Personal purchases could jeopardize the School Division's tax status, permits and Supplier contracts. Additionally, the School Division is burdened with the cost of processing non-School Division purchases and reimbursements.

Consequence:

The School Division must be reimbursed immediately for the amount of the personal purchase. If not done so immediately, use of the Purchasing Card can be revoked and the Purchasing Card cancelled. Any violation of this policy may be investigated and could result in termination and/or criminal prosecution.

Violation: Inappropriate Purchases

Purchase of any inappropriate items or services on the Purchasing Card. See list of restricted items under RESTRICTED PURCHASES #2.

Consequence:

The cardholder will be cautioned the first time. Continued violations will result in use of the Purchasing Card being revoked and the Purchasing Card cancelled.

Violation: Failure to Provide Required Documentation

Lack of required supporting documentation is a Cardholder violation.

Consequence:

The cardholder will be cautioned the first time. A second violation will result in an audit being carried out and cancellation of the card.

Violation: Failure to Reconcile Monthly Transaction Summary

Failure to reconcile and forward a copy of the Cardholder Transaction Summary to the Plan Administrator, with all supporting documentation, within 14 days.

Consequence:

The account will be paid as presented in the monthly Cardholder Expense Report with a warning to the School Administrator or Supervisor. Further violations will result in suspension of the card.

In the event of willful or negligent default of the above, the School Division shall take any action deemed appropriate, that is permitted by law.

CARDHOLDER KEY CONTACTS

USBankCorp Customer Services Hours of Service: 8:00am – 8:00pm	1-800-588-8065 (Please note, this number is on the back of your card)
USBankCorp Lost/Stolen Reporting 24 hours a day; 7 days a week	1-800-588-8067 (Keep this number in your home phone book and your wallet as well)
School Division VISA Administration Financial Services Supervisor	Cindy Rogers 328-4111 (phone) 380-6890 (fax) cindy.rogers@pallisersd.ab.ca
Plan Administrator Finance Officer	Megan Conway 328-4111 (phone) 380-6890 (fax) megan.conway@pallisersd.ab.ca