


Purchase Cards (PCard)

	<p>External References:</p>	<p>Adopted:</p> <p>Amended: August 18, 2017</p>
	<p>Internal References:</p> <ul style="list-style-type: none"> • AP 515 Purchasing • AP 516 Payments 	

Background

The purpose for having Sun West School Division MasterCard Purchase Cards (PCards) is to establish a convenient, efficient, and cost-effective method to purchase and make payment for small dollar transactions and to provide schools with a simple method for direct purchases. The goal of the program is to free up valuable staff time from the more administrative requisition and purchase order process to allow more time for services for students.

The Purchase Card Program is not intended to replace existing procedures as outlined in Administrative Procedures 515 Purchasing. Instead, it is intended to provide flexibility and autonomy to cardholders while complementing current purchasing practices. The program is designed to reduce the requisition process, paperwork and cycle time for small dollar items. The program also allows the Division to authorize individuals the privilege of purchasing supplies on behalf of the Division without having to pay out of their own pocket. Record keeping will be essential to ensure the success of this program. Current Division reimbursement procedures require retention of itemized receipts and is required for both your protection and for audit purposes.

Procedures

1. Control Features Built into the Purchase Card (PCard) Program

Purchase card authorization controls are set in accordance with the Division’s purchasing and accounting procedures. These Include:

- Single transaction limits for individual cardholder
- Monthly charge limits for individual cardholder
- Spot checks performed through exception reporting to identify any misuse of the card (i.e. more than one transaction on same item, to same vendor, on same day, etc.).
- Merchant Blocking.

1.1 Examples where purchase cards may be used:

The following examples are general guidelines only. School restrictions may apply. Check with your principal, school secretary or the Business Manager for specific guidelines.

- Subscriptions, resource materials such as books, software and miscellaneous instructional materials that require prepayment.
- Catering or small dining services for meetings or school based professional development days
- Instructional and operating supplies not covered by existing purchasing agreements.
- Postage.

1.2 Examples of where purchase cards may NOT be used:

- All personal purchases, including the purchase of alcohol
- In conjunction with any retail points cards (i.e. Air Miles, or using personal Co-op numbers for purchases)
- Cash advances or other financial services
- Lottery tickets or other betting
- Any item exceeding the single transaction limit in value (including GST, shipping)
- Where purchases are split to avoid the cardholder's single transaction item value
- Procurement of temporary help
- Any product or service normally considered an inappropriate use of Division funds
- Where a blanket, cover or open purchase order is in place (i.e. ink and toner cartridges, stationary supplies, janitorial supplies, etc.)
- Any commitment requiring a purchase agreement, contract or similar arrangement obligating the Division to further services
- Any purchase intended to bypass the Division's obligation to the competitive bidding process
- Services normally provided through another department's purchase orders (i.e. a school purchasing items that should be purchased through the Facilities Department)
- Hazardous materials
- Purchase of fuel for personal vehicle
- Personal professional development registrations.

1.3 Merchant categories that have been blocked from use: (If a category has been blocked the card will be denied if used for that category.)

- Betting
- Cash advances and other financial services

2. General Information

Capital equipment is not currently included under the Purchase Card program. A capital item is one, which meets the following two criteria:

- Exceeds \$1,000 in value, and
- Will be used for more than one school year.

Principals/supervisors will receive reports providing transaction details by cardholder. These reports are designed for management to monitor purchases made with the PCards. It is the responsibility of the principal/supervisor of all cardholders to monitor the PCard usage of those cardholders.

Each cardholder is responsible for the security of their PCard and the transactions made against it. The purchase card is issued to each individual's name and purchases are to be made by that individual only. Although the card is issued in individual's name, it is the property of the Division and is only to be used for Division purchases.

The Division's Business Manager will maintain a central listing of all cardholders, limits, etc. Principals/supervisors may request reports for their respective location at any time.

Remember, you are committing Division funds each time you use the purchase card. There is an obligation on the part of all cardholders to use their PCard responsibly.

It is the responsibility of each cardholder to obtain an itemized receipt for every purchase made on the purchase card. PCards may be suspended for repeated invalid/missing receipts. Some purchases do not provide adequate receipts (i.e. car wash). These types of transactions will be reviewed as they occur. Preference should be given to vendors who provide adequate receipts.

Improper use of the card for accumulation of personal "points" from purchases made with a Division purchase card is strictly prohibited. Such practices would be considered misappropriation of Division funds. This will result in disciplinary action up to and including termination of employment.

3. On Site Pick Up, Telephone and Internet Purchases

3.1 On Site Pick Up Purchases

The steps of a typical pick up order include the following:

- The cardholder selects goods and presents the vendor with the BMO MasterCard Purchase Card.
- The cashier totals the sale and obtains authorization from BMO MasterCard Purchase Card.
- The cardholder either verifies the transactions by providing an electronic Personal Identification Number (PIN) or signs a detailed cash register receipt and receives a copy of the detailed receipt to be retained (supplier's GST number must be on cash register receipt) to attach to his/her monthly statement.

3.2 Telephone Purchases (use this method with extreme caution due to credit card fraud possibilities)

The steps of a typical telephone order include the following:

- The cardholder selects goods and services then calls the supplier with the order.
- The cardholder instructs the vendor to charge goods or services to his/her BMO MasterCard Purchase Card number.
- The cardholder must instruct the supplier to perform the following:
 - Forward a detailed receipt or invoice to the cardholder for confirmation (this needs to be attached to the monthly statement).
 - Ensure the GST number is on the receipt.
 - Ensure vendors/suppliers in the United States ship by U.S. mail insured to avoid excessive shipping and customs clearance charges for small dollar purchases.

3.3 Internet Purchases (use this method with extreme caution due to credit card fraud possibilities)

The steps of a typical internet order include the following:

- The cardholder selects goods or services online.
- The cardholder processes the payment to his/her BMO MasterCard Purchase Card number.
- The cardholder prints off a screen print, detailing all of the items purchased/ordered prior to finalizing it. This will need to be attached to the BMO MasterCard statement.
- In many cases, you are able to print the actual receipt once payment has been processed. This may be the ONLY receipt issued so please safeguard it.
- The cardholder must ensure the following:
 - The screen print (or original receipt) is attached to the statement.
 - The GST number is on receipt.
 - Vendors/suppliers in the United States ship by U.S. mail insured to avoid excessive shipping and customs clearance charges for small dollar purchases.
 - When making purchases, do not save your PCard number on the website as some vendors store card numbers (i.e. Amazon).

NOTE: Making a telephone or internet purchase does not absolve the cardholder from requiring a detailed receipt for the items purchased.

4. Reconciliation, Record Retention and Payment

The Purchase Card Program carries Division liability, not individual liability. Cardholders will not be required to pay monthly statements using personal funds. The Purchase Card Program does not impact personal credit ratings in any way. One master invoice is generated by BMO Mastercard each month for the entire Division and WILL BE PAID BY THE DIVISION. Account activity, however, is subject to monthly audit by the Business Manager and annually by the external auditors.

It is required that you retain all itemized receipts for goods and services purchased. If you purchase via phone or online, ask the supplier to include the itemized receipt with the goods when the product is shipped to you. This receipt is the only original documentation specifying whether or not tax has been paid against the purchase.

Each cardholder will receive a monthly statement of any transactions made against the card during the previous month. The statement will be available through BMO Spend Dynamics. The link to the website is: <https://www.bmospenddynamics.com/secure/welcome.asp>.

Cardholders will have until the last day the month to reconcile their purchases in the BMO Spend Dynamics system. This includes:

- Allocating transactions to the appropriate accounts in the General Ledger
- Scanning and uploading copies of the receipt/invoices for the purchase
- Indicating the amount of the purchase
- Separating out the GST from the purchase made.

After the items have been reconciled, the transactions will be locked for further accounting code changes and the data will be transferred into the Division's financial information system. Adjustments to accounting code distributions after the transactions have been locked will need to be completed with a journal entry by the Business Manager.

Each principal/supervisor will have access to a summary of all cards and transactions for their location.

5. Making a Purchase

The cardholder is responsible for reconciling all his/her transactions each month. The following controls are required:

- 5.1 The cardholder retains all receipt documentation for purchases made. Each MUST be substantiated with a detailed, itemized receipt. In the event that a receipt is missing, it is the responsibility of the cardholder to obtain a duplicate receipt and submit it with the other documentation.
- 5.2 The cardholder reconciles all PCard receipts
- 5.3 Cardholder verifies each receipt's GST charges are supported with a GST number.
- 5.4 The cardholder enters the appropriate account code information for their transactions/purchases.
- 5.5 The cardholder makes a notation on the receipt as to how the expenditure relates to a school program or activity.
- 5.6 The cardholder must upload an image of the receipt within BMO Spend Dynamics to the transaction (original receipt kept on file with the cardholder).
- 5.7 The cardholder must submit their transactions through BMO Spend Dynamics once they have completed the coding and receipt attachment.

5.8 Responsibility rests with the purchase card user and account code holder to ensure all transactions are accurate and legitimate. Any suspected discrepancies must be identified and appropriate action must be taken by the cardholder to resolve the issue (see #7 Purchase Card Dispute Process).

5.9 Payments will be made on the basis of the authorization of the principal/supervisor.

5.10 The Business Manager will perform regular spot checks, to ensure compliance with the above.

5.10.1 Non-Itemized Receipt

- Does not include GST number or amount
- Does not indicate items purchased

5.10.2 Itemized Receipt

- Includes GST amount and number
- Lists each item purchased and the dollar charge for that item

5.10.3 Missing Receipts

Occasionally, a detailed receipt is misplaced or not obtained at the time of the purchase. If this is the case, **IT IS THE RESPONSIBILITY OF THE CARDHOLDER TO OBTAIN A REPLACEMENT RECEIPT IMMEDIATELY.** The receipt should be obtained and submitted at the same time with the original statement. A replacement receipt may be obtained in a number of ways:

- Visiting the store/vendor to obtain a reprint of the receipt
- Contacting the vendor and receiving a copy of the receipt via fax, mail, or email.

If a replacement receipt cannot be obtained prior to the submission deadline of the last day of the month, the following must occur:

- The cardholder must complete a "Missing Purchase Card Receipt" form and upload it to the area in BMO Spend Dynamics where the receipt should go.
- The cardholder must forward a copy of the form to the purchasing card administrator for review. The cardholder must indicate in writing to the Business Manager the steps that have taken place to attempt to locate the missing itemized receipt.
- The cardholder must submit their transactions through BMO Spend Dynamics once they have completed the coding and form attachment.

Upon receipt of the "Missing Purchase Card Receipt" form, the Business Manager will review the purchase and, if necessary, send an email to the cardholder that the missing itemized receipt would need to be located and submitted to the Business Manager by the end of the month following the original purchase transaction. Should the missing receipt not be forwarded to in this timeframe, the purchase may be deemed a "personal purchase" and the cardholder will be contacted to make payment to the Division.

5.10.4 Continued Missing Itemized Receipts

Missing receipts must be an exception and not a normal practice in the use of purchase cards. Individuals who fail to submit the required itemized receipts on three or more occasions during the school year will have their card suspended until adequate receipts are provided to the Business Manager.

6. Card Cancellation

6.1 Termination of the BMO MasterCard purchase card may be made for all the following reasons:

- Misuse of the card (i.e. splitting of purchases, personal purchases, alcohol, purchases, etc.),
- Repeated missing detailed receipts not submitted in BMO Spend Dynamics by the last day of the month following the purchase,
- Permitting others to use your card,
- Failure to submit monthly transactions through Spend Dynamics with receipts by the last day of each month.

6.2 The following are steps for when a card is cancelled, an employee leaves the Division or changes positions in the Division and no longer requires use of the card:

6.2.1 The principal/supervisor of the cardholder is responsible for collecting and cutting the purchase card in half immediately upon staff retirement, resignation or termination.

6.2.2 Principal/supervisor of cardholder notifies the Business Manager and returns the destroyed purchasing card immediately in a secure, sealed envelope marked "Confidential" to the Business Manager at the Sun West School Division Office with a completed "Purchase Card Change Request" form.

6.2.3 The Business Manager notifies BMO MasterCard to cancel the card.

7. Purchase Card Dispute Process (when records do not agree with statement)

The cardholder is responsible to follow up on any purchase which they do not feel is a purchase they made. When the cardholder identifies a discrepancy, they must initiate a dispute and follow through to resolution with the following:

7.1 If you determine it is a supplier error, do the following:

- Contact the supplier immediately to rectify the billing problem. If the supplier agrees that an error had been made, they will credit your purchase card account. Cash or cheque refunds to the cardholder are strictly forbidden!!
- Make a note on the statement indicating you have contacted the supplier and the dispute status.
- Ensure the correction appears on the next cardholder statement.
- Send the statement to the Business Manager; and
- If the dispute is not resolved to your satisfaction, lodge a dispute with BMO MasterCard to begin an investigation.

(Note: Problems with suppliers such as late delivery are not considered to be disputed items and must be settled directly with the supplier.)

7.2 If you determine it is a BMO MasterCard error, do the following:

- Identify discrepancy to BMO MasterCard.
- Note that the item is in dispute on the transaction in BMO Spend Dynamics. Include a note to indicate that you have contacted BMO MasterCard and the status of the dispute.
- Submit the transaction through BMO Spend Dynamics, and
- Ensure correction appears on next cardholder statement.

Any items disputed must also be copied to the Business Manager. BMO MasterCard will investigate items disputed by a cardholder for up to 60 days from the statement

cutoff date. After that date, no changes can be made.

8. To Change Purchase Card Information

To change the purchase card information on existing cards: (i.e. cardholder name, credit limit, address, school/location, etc.):

- A "Purchase Cardholder Change Request" form can be obtained from the Business Manager upon request.
- The completed form is forwarded to the principal/supervisor for approval.
- The Business Manager ensures the form includes the principal/supervisor's signature prior to advising BMO MasterCard of the changes requested. This includes adjustments to transaction limits.

9. Contact Information

9.1 Primary Contact

Jamie Cowell, Business Manager, Sun West School Division
Direct Line: (306) 882 4961
Division Office Phone Number: 1 (306) 882 2677
Email: jamie.cowell@sunwestsd.ca

9.2 Other Division Contacts

Rhonda Saathoff, Business Supervisor, Sun West School Division
Novalee Heatherington, Accounting Clerk, Sun West School Division
Division Office Phone Number: 1 (306) 882-2677

9.3 Lost or Stolen Cards

The BMO MasterCard purchase card is Division property and should be secured just as you would secure your own personal credit cards. If your card is lost or stolen, notify BMO MasterCard Customer Service by telephone immediately at 1-800-263-2263 (24 hours a day/7 days a week). The lost/stolen card will be cancelled and a replacement card issued within two business days. Also contact the Business Manager to notify her the card has been lost/stolen (1 (306) 882-4961).

9.4 For Miscellaneous Information during Banking Service Hours, for example:

- Answering questions about account balances
- Emergency card replacement
- The dispute process
- Problem resolution of any purchase

Contact BMO directly, there is a number on the back of the Purchase Card you can call.

10. Managing Cardholder Declines

Several factors may create a situation for a card decline. These include:

- Exceeded monthly credit limit (note that the Division's "month" for BMO MasterCard purposes is the 24th of one month to the 23rd of the following month)
- Exceeded transaction limit (total dollars including applicable taxes)
- Merchant Category Code (MCC) block (blocking the ability to purchase at specific merchants)
- Card number entered incorrectly by vendor
- "Expiry date" entered incorrectly by vendor

- Invalid PIN (personal identification number) entered
- Improper card placement in POS (Point of Sale) system, resulting in an invalid card reading

If a purchase is declined, you may contact BMO MasterCard Customer Service at the number on the back of the Purchase Card. The Customer Services Representative (CSR) has direct access to all purchasing information and can readily determine the reason for the decline. Cardholder declines remain accessible by the BMO MasterCard Customer Service personnel for 3 days. Once the reason for the decline has been determined, this information should be directed to the Business Manager for review and/or changes. Cardholders may not request changes directly from the BMO MasterCard Customer Service Centre. (Note: If a card number is entered incorrectly by a vendor, or the vendor tries to process a MasterCard number, the transaction will be declined but will not show within the customer service personnel's terminal.)

When requesting decline information from BMO MasterCard Customer Service, the cardholder will need to supply the following:

Name of Company	Sun West School Division #207
Card Number	
Cardholder Name	
Security Information	
Date of Transaction	
Amount of Transaction	
Phone	1-306-882-2677
Toll Free	1-866-375-2677
Fax	1-306-882-3366
Address	501 – 1st Street West Box 700 Rosetown, Saskatchewan S0L 2V0