

PURCHASING CARD PROCEDURES MANUAL



School District 5
Purchasing
Card

Procedures Manual

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1. INTRODUCTION

School District 5 (Southeast Kootenay) utilizes the Bank of Montreal (BMO) Purchasing Card (P-Card) Program as a convenient and simplified purchasing and payment method.

The objectives of the P-Card Program include the following:

- To provide users with a convenient, efficient and cost-effective means to acquire low value goods and services
- To reduce the costs and paperwork required to purchase low value goods and services;
- To reduce use of petty cash
- To reduce/eliminate the need for use of personal funds and employee reimbursements with cheque requisitions
- To eliminate the use of gift cards
- To improve management reporting on purchasing activities

The Purchasing Card Program is *not* intended to replace existing procedures for purchase of technology (see Schedule 1) through the technology department, or contracts.

Although the P-Card is issued in an individual's name, the charges incurred are the liability of School District 5.

Cardholders do not require personal credit applications and the program does not impact your personal credit rating in any way.

Employees are required to sign a "Purchasing Cardholder Acknowledgement" and attend an orientation and training session upon receiving a P-Card.

2. TO OBTAIN A CARD OR CHANGE CARD INFORMATION

- 1) The following are the steps taken to obtain a *new* P-Card:
 - a) The "Purchasing Card Application" form can be requested from the Purchasing Card Administrator or Accounting. Fill it out accordingly and have it signed by your Principal/Manager and email it to ap@sd5.bc.ca at the Board Office.
 - b) If approved, the application will be forwarded on to Accounting for processing and Accounting will contact you when the card comes in and will follow up regarding an orientation session.
 - c) If not approved, the application will be forwarded back to your Principal/Manager.
- 2) To change the P-Card information on *existing* cards: (i.e., default GL budget code, cardholder name, credit limit, school/location, etc.)

- a) Request a “Purchasing Card Change Request” form from Accounting.
- b) Once the Principal/Manager approves it, forward it to Accounting.

Cardholders may not request changes directly from BMO.

3. CARDHOLDER RESPONSIBILITIES

- **The Purchasing Card is for business use only**
- **Cardholders are responsible for the security of their cards.**
- **You are the only person authorized to use your card. Do not give out your card number or your PIN. This will be considered willful misuse of the card which can lead to disciplinary action, up to and including termination.**
- **Your card is for use at your current location in your current position only. If you leave your current position, you must turn your card over to the Purchasing Card Administrator. The card will either be cancelled or move with you to your new location/position if it is determined that you will require one in your new job.**

4. CARD REPLACEMENT

You must call BMO when

- your card is lost or stolen (notify your card Administrator as well); or
- the vendor has difficulties with the card (error messages, too many digits).

Bank of Montreal Service Representatives can be reached at:

Canada and the USA: 1 800-361-3361

International: 1-514-877-0330

You must contact your Purchasing Card Administrator when

- your card is lost or stolen;
- vendors have ongoing difficulties accepting your card;
- you know or suspect that a co-worker has obtained your card number and is using it to make purchases in your absence; or;
- there are charges on your statement that are not yours.

**Prime: Vintee Kaushal, Accountant; Cell: (250) 919-6365 Board Office:
(250) 417-2077**

**Backup #1: Darlene Soper, Accounting Services Manager: (250) 417-
2056**

**Backup #2: Sandy Gronlund, Executive Assistant to Secretary
Treasurer: (250) 417-2055**

Card Declined

A card may be declined for a number of reasons such as:

- If a card number is entered incorrectly by a merchant, or
- the merchant tries to process the MasterCard as a Visa Card
- maxed credit limit (the billing cycle is from the 4th to the 3rd)

If you are not sure why your card is declined, please call the number on the back of the card.

(General Inquiries: 1-800-263-2263)

Responsibility rests with the Cardholder 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 Section 8 Purchasing Card Dispute Process)

AUTHORIZED PURCHASES

(These examples are general guidelines only. School restrictions may apply. Check with your Principal, Secretary, or the Accounting Department for specific guidelines.)

- Subscriptions, resource materials such as books, software, miscellaneous instructional materials.
- Seminar/workshop registrations The name of the conference needs to be clear and the attendees listed
- Catering or food for meetings (**Note: A list of attendees must be provided.**)
- Instructional and operating supplies not covered by existing purchasing agreements.
- Home economics housewares and notions; Groceries
- Travel related expenses such as, hotel accommodation, airfare, taxis, public transit, car rentals, ferries, conference and seminar fees, and meals up to the per diem limits (**Note: Every P-Card transaction requires the receipt to be scanned and the image linked in Spend Dynamics**, and the originals must be submitted with your “Travel Request and Claim Form”).
- U.S. purchases of other authorized purchases
- Online purchases from **secure** websites – See Section 6. Online Purchasing

- **SGF (School Generated Funds) or trusts – code ALL to 0-0000-1-02-34201-???** Where ??? is 3-digit school location code

5. UNAUTHORIZED PURCHASES

- Gift cards
- All personal purchases, including the purchase of gasoline for personal vehicles
- Alcohol
- In conjunction with any PERSONAL retail points cards (as required by Canada Revenue Agency regulations)
- Cash advances or other financial services
- Lottery tickets or other betting
- Technology items listed in Schedule 1 on page 10 of this document.
- Where purchases are split to avoid the cardholder’s single transaction item value
- Payment of honorariums or wages (consultants, contractors, cultural groups).
- Any merchant, product or service normally considered an inappropriate use of District funds
- Where a negotiated bulk or open purchase order is in place with a supplier.
- Any commitment requiring a purchasing agreement, contract or similar arrangement obligating the District to future services (leases or rental agreements prohibited)
- Any purchase intended to bypass the District’s obligation to the

- competitive bidding process
- Services normally provided through Maintenance Department work order

6. GENERAL INFORMATION

Principals/Managers will access reports online providing transaction details, summaries, exceptions by cardholder. These reports are designed for management to monitor purchases against budget made with the P-Card.

- The District's statement "month" for card purposes is the 4th of one month to the 3rd of the following month with payment occurring three business days after statement cutoff.
- It is the responsibility of the Principal/Manager to monitor the P-Card usage of their cardholders.
- It is the responsibility of each cardholder to obtain an itemized receipt for every purchase made on the P-Card. Failure to do so may result in the item being considered a personal purchase.

7. ONLINE PURCHASING

(Use this method with extreme caution due to credit card fraud possibilities.)

Online Safety Tips

Check for the 's'

Make sure the website you are purchasing on has an address that starts with <https://> rather than <http://>. The 's' means the site uses encryption to scramble information and adds a layer of security [http](http://) sites don't have.

Check for the padlock



Check for a seal

It isn't a perfect guarantee of security, but most legitimate websites carry some sort of seal of approval from an organization like McAfee, Better Business Bureau, VeriSign or TRUSTe which lets consumers know that the trustworthiness of the vendor has been verified. These seals can be faked, but if there is no seal at all, you may want to reconsider buying from that website.

Don't Shop in Public

Only shop online from your own computer and if using Wi-Fi, with a private Wi-Fi connection

Be careful with emails

No email is 100% secure – never put your P-Card number in an email.
Never shop directly through a link sent to you in an email.

Obtain a Detailed Printed Receipt

Just as with any other type of purchase, a detailed itemized receipt showing what was bought; pricing; total; sales taxes if any, and method of payment is required for online purchases. Sometimes it can be a bit tricky getting this.

In many cases, you are able to print your actual receipt once you have processed the payment; this may be the ONLY receipt issued so please safeguard it. It might be advisable to do screen prints when placing the order to get the detail required. Usually detailed receipts will be emailed to the buyer.

8. RECONCILIATION, RECORD RETENTION, AND PAYMENT

All P-Card transactions will be continually audited internally and are subject to further audit by external auditors.

It is required that you obtain all itemized receipts for goods and services purchased. This receipt is the only original documentation specifying whether or not tax has been paid against the purchase.

Each Cardholder will scan the receipt directly to an Image Library in Spend Dynamics. Then the image can be easily linked to the card transaction and will be available for viewing by the Approver and Accounting.

“Travel Request and Claim Forms” require that original receipts be attached, otherwise **receipts for the school year must be kept by the Cardholder until October 1st of the next school year** by which point the Audit and Financial Statements will be final.

G/L Budget Codes

- Each P-Card will have a specific default G/L or Budget code assigned by the Principal/Manager of the Cardholder and all weekly card transactions will automatically be charged to that code unless edited prior to saving the transaction.
- If a purchase should be charged to a different GL or Budget code, write the code on the receipt so that it can easily be checked when reviewing P-Card transactions online prior to Principal/Manager review and approval.
- The Cardholder and/or Principal/Manager or other delegate are collectively responsible for ensuring transactions are charged to the correct budget code and that a legible and complete image of all receipts are scanned and linked to the correct transaction.
- **Requests for journal entries to move incorrectly coded transactions should be minimal** and must be authorized by the approving Principal/Manager.
- **Code ALL School Generated Fund (school trust) purchases to 0-0000-1-02-34201-??? (??? Is 3-digit school location)**

9. MAKING A PURCHASE

The cardholder is responsible for reconciling all their transactions each week. The following controls are required:

1. The purchaser retains all receipt documentation for purchases made. Each purchase **requires** that a **legible and complete receipt image is linked to it.**

Does **not** include GST number
Does **not** include GST amount
Does **not** indicate items purchased

Does include Gratuity/Tip is applicable

Both receipts must be attached.

SUBWAY 19995
5103 46TH ST
ROCKY MTN HOUAB

CARD NUMBER 47151600****3091
EXPIRY DATE 0806
CARD TYPE VISA 9190
DATE/TIME 2004/09/28 15:45:56
RECEIPT NUMBER S47112731-215-212
PURCHASE
TOTAL AMOUNT **\$71.52**

01 APPROVED-027 AUTH. # 026769
THANK YOU

CARDHOLDER COPY

School District No. 8
Administrative Proc

Itemized receipt acceptable per auditor

***** RECEIPT IS REPRINTED *****

SALE RECEIPT
Store #19995 tko 09/28/04 15:45:26
Subway Sandwiches & Salads
5103-46 street
Rocky Mountain House AB T4T 1A9
GST#896528957
403) 844-9442
Trans# 283 Clerk 15 Dwr 1 TRDT 092804
Receipt # 0000287845 Reg-ID REG-MAIN

ITEM	QTY	PRICE	MEMO	PLU
CHICK	fr 1	TD\$ 6.9059cANY	4735	
EY	fr 1	TD\$ 6.2059cANY	223	
EY	fr 1	TD\$ 6.2059cANY	223	
21oz	1 T \$	1.49	2	
	1 T \$	1.09	20	
SUBMELT	fr 1	TD\$ 6.9059cANY	226	
NOTTL JU	1 T \$	1.87	45	
COOKIE	1 T \$	0.55	11	
COOKIE	1 T \$	0.55	11	
PIZZA	fr 1	TD\$ 4.4059cANY	241	
CHIPS	1 T \$	1.09	20	
JK-21oz	1 T \$	1.49	2	
CTRID	fr 1	TD\$ 5.9059cANY	223	
CTRID	fr 1	TD\$ 5.9059cANY	223	
JK-21oz	1 T \$	1.49	2	
JK-21oz	1 T \$	1.49	2	
eriChFt	fr 1	TD\$ 6.9059cANY	226	
JK-32oz	1 T \$	1.49	2	
JK-21oz	1 T \$	1.49	2	
JK-21oz	1 T \$	1.49	2	
NOTTL JU	1 T \$	1.87	45	

SUBTOTAL \$ 66.84
GST \$ 4.68

TAKE-OUT **TOTAL \$ 71.52
Credit AMT TEND \$ 71.52

CHANGE DUES 0.00
Stamps earned this sale: +16.

Thank you for choosing Subway!

***** RECEIPT IS REPRINTED *****

Includes GST # and amount

Lists each item purchased and the dollar charge for that item

ust 2021

10. 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.**

. 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 fax copy of the receipt
- Contacting the vendor and receiving a copy of the receipt by mail

In the event the replacement receipt is not available from the vendor by following the steps above, the Cardholder must complete the “Missing Itemized Receipt” form.

This form **MUST** be completed in full and signed by:

1. the Cardholder and
2. the Principal/Manager.

The completed and signed form must then be scanned and linked to the transaction online.

11. CARD CANCELLATION

Cards MUST be cancelled upon termination of employment.

Cards may also require cancellation for the following reasons:

- Change of location or assignment
- Long term leaves of absence
- Work stoppages
- Making or attempting Unauthorized Purchases
- Repeated failure to provide detailed receipts by established deadlines
- Permitting others to use your card, disclosing card number, PIN, etc.
- Abuse of the default GL/Budget Code

Steps to be taken when a card is cancelled due to resignation or termination

1. Principal/manager of cardholder is responsible for collecting and cutting the purchasing card in half immediately upon staff resignation or termination.

2. Principal/manager of cardholder notifies the Purchasing Card Administrator and returns the destroyed purchasing card immediately in a secure, sealed envelope marked "Confidential" to the Purchasing Card Administrator with a completed Purchasing Card Change Request Form.
3. The Purchasing Card Administrator notifies the purchasing card provider to cancel the card.

12. PURCHASING CARD DISPUTE PROCESS

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:

Supplier Error

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 has been made, they must credit your purchasing card account. **Cash or cheque refunds to the cardholder are strictly forbidden!**
- Make a note in Spend Dynamics description field indicating you have contacted the supplier and the dispute status.
- Ensure the correction appears on your card in a timely fashion, and when it does upload and link the document received from the vendor for the credit, or if none, upload and link the original receipt again.
- If your dispute is not resolved to your satisfaction, lodge a dispute with the purchasing card provider 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.)

BMO Error

- Identify discrepancy to BMO. *General Inquiries: 1-800-263-2263*
- Make a note in the description field in Spend Dynamics to indicate the provider has been contacted and status of the dispute.
- Ensure the correction appears and when it does, upload and link the document received for the correction, or if none, upload and link the original receipt again and make explanatory notes in the description field if necessary.

Any items disputed must also be copied to Accounting. Purchasing card provider will investigate items disputed by a cardholder for up to 90 days from the statement cutoff date. After that date, no changes can be made.

SCHEDULE 1

SCHOOL DISTRICT NO. 5 (SOUTHEAST KOOTENAY) Items that MUST be purchased through IT Department

- * Desktop Computers
- * Laptop Computers
- * Tablet Computers - including I-pads, Android, etc.
- * Printers
- * Projectors
- * Laptop Cart
- * Network Gear such as Switches, Routers & Wireless, and Cables
- * Software Purchases (including iPad Apps)
- * Smart boards & related Peripherals
- * Video Conferencing Equipment
- * Monitors
- * Document Cameras
- * Projector Bulbs
- * iPad Cases
- * Spheros (Wintergreen)
- * Laptop Batteries (Dell)
- * Laptop Adapters (Dell)
- * Video Cables