



POLICIES and PROCEDURES

Responsible Unit	Purchasing Services
Policy Number	P-5
Date Last Updated	27 July 2010
Approving Sector Head	Associate Vice President, Finance & Treasurer
Policy	PURCHASING CARD

The purpose of the Purchasing Card is to provide an efficient and effective method of procuring and paying for low dollar value goods and services. It is intended to streamline and simplify the University's procedure of purchasing departmental miscellaneous goods and services under a prescribed dollar-limit from suppliers who accept payment by VISA. It is intended to be used where it is efficient, economical and operationally feasible to do so. The Purchasing Card Program is not intended to avoid or bypass other appropriate purchasing and payment procedures.

The details of the Purchasing Card Program are contained in the handbook published by the Purchasing Department. Copies of the handbook may be obtained by contacting the Purchasing Card Coordinator.

1. Card Issuance

- (a) Managers may designate one or more of their employees to be cardholders.
- (b) To obtain a Purchasing Card account, the manager must submit the following documents signed by both the manager and the designated employee to the Purchasing Card Coordinator:
 - VISA Purchasing Card Program Cardholder Agreement
 - VISA Purchasing Card program Application FormCardholders must attend a training session with the Purchasing Card Coordinator. By signing the Cardholder Agreement the employee and manager acknowledge their understanding of the terms and conditions and regulations regarding the use of the Purchasing Card account.
- (c) The Purchasing Card Coordinator will arrange for issuance of cards and/or account numbers as required. The Purchasing Card account will be issued in the name of both the University and the individual designated by the cardholder.

2. Use of the Card

- (a) Cards are assigned to the cardholder and shall not be loaned to others.

- (b) All charges shall be paid by the University and shall be charged to an account under the control of the cardholder or the unit budget officer who assigned the Purchasing Card to the cardholder. Each cardholder's purchasing card has a unique VISA number that is linked to the cardholder's General Ledger account number.
- (c) Cardholders shall return their Purchasing Card to the purchasing Department if requested by the Purchasing Card Program Coordinator.
- (d) Personal or willful misuse of the Purchasing Card whether for prohibited, personal or unauthorized purchases, is considered misappropriation of University funds. This will result in loss of card privileges and disciplinary action. Complete listings of valid and prohibited purchase categories are included in the Purchasing Card Handbook.

3. Guidelines

- (a) The Purchasing Card may only be used for transactions that are equal to or less than the prescribed dollar limit in Canadian dollars. Transactions may not be split in order to circumvent this policy. The Purchasing Policy shall be followed for orders that exceed the dollar limit.
- (b) Only the person whose name appears on the purchasing Card shall use it.
- (c) Cardholders shall instruct the supplier to provide an original detailed receipt in addition to a packing slip and other documentation required by the requisitioner.
- (d) Generally, the Purchasing Card shall be used for purchasing low value supplies and services, but shall not be used for among others:
 - purchases greater than the prescribed transaction limit or multiple transactions to avoid the limit
 - cash advances
 - personal use
 - alcohol, narcotics, explosives, radioactive materials and other materials requiring special permits or licenses
 - leasing or rental of equipment in excess of 60 days
 - capital equipment
 - office furniture
 - salaries, wages or consulting and contract fees
 - travel expenses for the cardholder including airline tickets, hotels, meals, vehicle rentals, taxis, etc. (In these situations use the Diner Club International Card.)
 - donations
 - internal purchases (Campus Store, Printing Services, Accommodations, Sodexo)
 - items under ISI Contract – contact the Purchasing Department for contract information and/or refer to Purchasing Card Handbook

Some suppliers and some categories of suppliers are excluded from the VISA Purchasing Card Program. VISA transactions at excluded suppliers will be automatically declined by VISA at the time the card or card number is presented. If there is any question as to why the transaction was declined, the cardholder should contact the US Bank Canada at 1-800-588-8065.

- (e) Items to be returned are the responsibility of the cardholder. Credit for return of merchandise shall be credited to the Purchasing Card account.

- (f) Proof of purchase (i.e., supplier invoice, itemized sales slip, etc.) shall be obtained for each purchase. Cardholders should advise suppliers that full billing cannot occur until full shipment is made. If partial shipment is made, billing for that portion of the order may be processed.
- (g) Duty and taxes are applicable on all foreign shipments.
- (h) The cardholder shall obtain all copies of suppliers invoices, packing slips, etc., and forward with the properly approved billing statement to the Purchasing Department.
- (i) Cardholders must obtain a receipt or invoice that itemizes purchase cost and applicable taxes.

4. Cardholder Status Change

The cardholder shall return the Purchasing Card to the Purchasing Department when his/her status changes, i.e., transfer to a new department, expiry of term, resignation, retirement, termination, etc. The Purchasing Card must not be transferred by the cardholder to any other staff member. When a cardholder no longer requires use of a card, or terminates employment with the University, the cardholder's manager will immediately notify the Purchasing Card Coordinator. The Purchasing Card Coordinator will immediately notify the U.S. Bank Canada.

5. Liability

Liability for payment of charges on the Purchasing Card rests with the University. The cardholder is not personally liable for any charges providing the card has been used in accordance with the conditions set out in the Car Holders Acknowledgement and Agreement and this Policy and Procedure. Personal or willful misuse of the card shall subject the cardholder to disciplinary action including personal liability for all such charges.

6. Lost or Stolen Cards

Lost or stolen Purchasing Cards are to be reported by the cardholder immediately to the U.S. Bank Canada at 1-800-588-8067. This number may be reached 24 hours a day, 7 days a week. After reporting to the U.S. Bank Canada, the cardholder shall also report the lost or stolen Purchasing Card as soon as possible to the Purchasing Card Coordinator at (902) 585-1247.

7. Dispute Resolution

- (a) In the event that an item on the activity statement does not correlate with the monthly record of purchases, the cardholder must immediately contact the supplier and try to resolve the difference. If a credit is required, and the supplier agrees to credit the cardholder account, the cardholder should record the credit in the current month record of activity.
- (b) If a supplier declines to issue a credit to the account, the cardholder should immediately notify the U.S. Bank Canada of any unauthorized charges at 1-800-588-8065 and confirm the notification by facsimile using the Cardholder Dispute Form.

- (c) Disputed charges must be identified and notified to the bank within 30 days of the date of the activity statement. The Purchasing Card Coordinator must be copied on all correspondence with the bank.

The Purchasing Card Coordinator will work with the U.S. Bank Canada to resolve the issue.

8. Accounting

- (a) Accounts Payable will receive a central billing statement from the issuing bank and will be responsible for paying the VISA account. Statements are cut-off on the 20th of each month. IF the 20th falls on a weekend or holiday, the statement is cut-off on the next business day after the 20th.
- (b) Each cardholder will receive a detailed activity statement from the Purchasing Card Coordinator. The cardholder will verify the completeness and accuracy of the statement as follows:
- match all receipts to the VISA statement
 - ensure that there is a detailed receipt for each item that appears on the statement
 - ensure that a description of the goods/services appears on each receipt
 - attach all receipts to the statement
 - ensure that the VISA statement has been signed by the manager
 - retain photocopies of the statement per departmental requirements
- (c) The activity statement and all attachments must be returned to Purchasing by the 5th business day after receipt.

9. Audit

The Business Office will conduct audits, as required, to ensure that card use complies with this Policy and Procedure and to gather statistical data as to card usage.