

	Lloydminster Catholic School Division – Administrative Procedures	
	AP 517 – Purchase Card User Manual	
Related LCSO AP's	AP 515 – Purchasing	
Form(s)	F 517.1 – PCard Cardholder Agreement F 517.2 – New Purchase Card / Purchase Card Change Request F 517.3 – Missing Purchase Card Receipt	
References:	<i>The Education Act, 1995</i> sections 85, 87 The Education Regulations, 2019 sections 72, 73	
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Background

The primary objective of the Purchasing Card (PCard) 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 online purchases.

The PCard 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. PCards may be used for the purchase and payment of goods where it is efficient, economical and operationally feasible to do so.

Definitions

Cardholder – Employees who have been identified based on position and budgets that have been authorized to have a PCard issued to them for the purposes of making approved purchases on behalf of the Board.

Budget Manager – The specific positions within the Division that have been given authority to make expenditures from specific budgets. In schools, the budget manager is always the Principal. A budget manager may delegate their authority but cannot delegate their accountability.

PCard Administrator – LCSO Chief Financial Officer, Financial Controller, Accounts Payable Clerk

General Guidelines

1. Who can have a purchasing card?

- 1.1. An employee of LCSD that a budget manager deems appropriate to delegate spending authority for a specific purpose/program within the budget manager's oversight.
- 1.2. F517.1 – PCard Cardholder Agreement must be completed upon identifying a need for a cardholder. Authorization is completed by the budget manager (usually School Principal or supervisor) and returned to the Chief Financial Officer for approval.
- 1.3. Each PCard will have a unique number and will be issued in the name of the Board employee who has been authorized to use that card. The card is non-transferable to any other employee, even if that other employee is also authorized to use a PCard on behalf of the Board. Only the person to whom the card is issued may use the card.

2. How does the purchasing card work?

- 2.1. The PCard is for business use only.
- 2.2. The PCard is a commercial credit card. It works similarly to your personal credit card except that there are specific merchant limitations and individual transaction and monthly transaction limits. Each time you use your PCard, an electronic process verifies that your purchase is within the predetermined limits. If your purchase does not comply, the supplier will not be able to process your payment.

3. Responsibilities

3.1 Cardholder

- 3.1.1. Complete and sign a PCard Employee Agreement.
- 3.1.2. Immediately sign the card upon receipt to prevent unauthorized purchases.
- 3.1.3. Maintain card security to prevent unauthorized charges against the account.
- 3.1.4. Adhere to all responsibilities and restrictions established for the PCard.
- 3.1.5. Spend within allotted budgets.
- 3.1.6. The PCard is not intended to bypass established procedures in the school/department or offices. If the budget manager's approval is required prior to making a purchase, the cardholder must obtain that authorization prior to making a purchase.
- 3.1.7. Obtain an itemized receipt for every transaction at the point of purchase.
- 3.1.8. Code each transaction within BMO Spend Dynamics within stated timelines.
- 3.1.9. Resolve any billing discrepancies with the supplier.
- 3.1.10. Notify BMO 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.
- 3.1.11. Notify the PCard Administrator (Division Office) of lost stolen cards, billing discrepancies, fraudulent activity, etc.

3.2 Budget Manager

- 3.2.1 Budget Manager will have access and visibility to the cards that they oversee within BMO Spend Dynamics. It is the responsibility of the budget manager of all cardholders to monitor the PCard usage of those cardholders to ensure compliance with school division administrative procedures and budget.
- 3.2.2 Spend within allotted budgets.
- 3.2.3 Establish and/or change card limits based on needs.
- 3.2.4 Ensure the appropriate general ledger budget code distribution has been supplied for each transaction.
- 3.2.5 Approve all purchases, coding, and receipt images weekly and ensure all transactions are approved within 5 days of the month end BMO statement date.

3.3 PCard Administrator – Division Office

- 3.3.1 Primary contact person for BMO.
- 3.2.6 Primary contact person for questions regarding the use of PCards for the division.
- 3.3.2 Develop and distribute program literature and materials.
- 3.3.3 Obtain approval to add, change, or cancel a PCard.
- 3.2.7 Inform Cardholders of their responsibilities and obligations for use of the PCard.
- 3.2.8 Develop and provide cardholder training.
- 3.2.9 Assist in problem resolution.
- 3.2.10 Maintain PCardholder Agreements, Cardholder Limits and Change Requests and ensure appropriate approvals are documented.
- 3.2.11 Audit program compliance and receipt retention.
- 3.2.12 Identify future PCard program application and enhancements.
- 3.2.13 Process the monthly PCard payment.
- 3.2.14 Interface transactions within the General Ledger.
- 3.2.15 Audit appropriateness of GL account numbers and compliance with Division`s Purchasing AP.

4. PCard Transactions

Statements are issued monthly on the 4th day of the month and will include all transactions from the 4th day of one month to the 3rd day of the following month.

4.1. Cardholders will:

- 4.1.1. Login into BMO SpendDynamics.
- 4.1.2. From the top ribbon menu select Card Transactions and click on the relevant statement period.
- 4.1.3. Select transaction to code:
 - i. Account – this is the general ledger account that you want to charge the expense to
 - ii. Subledger – this is the subledger to use, if applicable

- iii. GST – this is the total amount of GST paid on the invoice / receipt
 - 1. In most instances PST should not be charged. If charged on the invoice contact LCSD Finance Team. PST should not be recorded separately and is not to be added to the GST amount.
 - iv. Transaction description – enter details of the purchase
 - v. Paperclip icon – attach the invoice/receipt of the transaction
- 4.2. Budget Managers will review transactions and coding. If they approve the transaction, g/l coding and image, they will approve within BMO SpendDynamics. If they do not approve, they will ask for further information in BMO SpendDynamics.
- 4.3. If a problem occurs please contact the PCard Administrator at the Division Office for assistance.
- 4.3.1. Violations
- i. Lack of required supporting documentation is a Cardholder violation. The cardholder will be cautioned the first time. Continued violations will result in use of the PCard being revoked and the PCard cancelled.
 - ii. Failure to code by month end all transactions and attach all supporting documentation may result in the PCard being suspended until the reconciliation and supporting documentation is submitted unless other arrangements are made with the PCard administrator. Reconciliations that are consistently submitted late will result in the PCard being revoked and cancelled.

5. Receipts/Invoices

- 5.1. It is the cardholder's responsibility to get a receipt from the supplier for each transaction. Save your receipts! Receipts must be uploaded into BMO SpendDynamics. Receipts that do not clearly list the items purchased, including all applicable taxes are not considered adequate documentation. If you lose a receipt, attempt to get a copy from your supplier. If it is impossible to get a copy, use the PCard missing receipt form 517.3 and provide information required and have your supervisor sign it as an authorized proof of purchase.
- 5.2. 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.
- 5.3. Paper receipts should be stored with the cardholder for a minimum of 3 months from the date of purchase.
- 5.4. Receipt and Return of Goods**
- 5.4.1. 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.
- 5.4.2. If goods need to be returned, the Cardholder is responsible for coordinating returns directly with the Supplier, as well as securing the appropriate credit.

5.5. Cash Refunds Are Prohibited

- 5.5.1. At the time of return, request that the Supplier issue and send a credit transaction slip to verify that credit was given. The Cardholder will be required to attach this transaction slip to the transaction in BMO SpendDynamics.

6. Restricted Purchases

- 6.1. **GIFT CARDS:** Purchase orders must be prepared and submitted to the Chief Financial Officer for approval **prior** to the purchase of any gift card or gift certificate.

- 6.2. **PCards must NOT be used for the following:**

- 6.2.1. PERSONAL AND PRIVATE USE

- a. Meals, shopping, etc.
- b. Accumulation of other rewards for personal use based on purchases made with a Division PCard (or any other method) is prohibited.

- 6.2.2. Purchases considered inappropriate use of Division funds including the purchase of alcohol and/or alcoholic beverages, lottery tickets or other betting

- 6.2.3. CASH ADVANCES

- 6.2.4. Purchases that are split to avoid the cardholder's single transaction item value

- 6.2.5. Travel Related Expenses:

- a. Fuel for your vehicle if you drove your vehicle (\$/km reimbursed)
- b. Meals (reimbursed per diem rate)

- 6.3. **Violations**

- 6.3.1. The School Division must be reimbursed immediately for the amount of the personal purchase. Use of the PCard may be revoked and the PCard cancelled. Any violation of this policy may be investigated and could result in termination and/or criminal prosecution.

- 6.3.2. The cardholder will be cautioned the first time regarding inappropriate and Unauthorized Purchases. Continued violations will result in use of the PCard being revoked and the PCard cancelled.

7. Disputed or fraudulent charges

- 7.1. Disputed or fraudulent charges are transactions on your PCard that do not accurately reflect the transactions made by the cardholder (wrong amount, purchase not made by the cardholder, etc.).
- 7.2. The cardholder shall notify BMO and the PCard Administrator upon noticing a disputed charge. The PCard Administrator will monitor the account for a credit.
- 7.3. In the event of fraudulent activity, a new card will be issued.

8. Managing Cardholder Declines

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

- 8.1. Exceeded monthly credit limit (note that the School Division's "month" for Mastercard purposes is the 4th of one month to 3rd of the following month)

- 8.2. Exceeded transaction limit (total dollars including applicable taxes)
- 8.3. Merchant Category Code (MCC) block
- 8.4. Card number or expiry date entered incorrectly by merchant
- 8.5. If a purchase is declined, you should contact PCard Administrator who will determine the reason for the decline and advise the Cardholder how to proceed.

9. Lost or Stolen Cards

The Cardholder must notify BMO and PCard Administrator immediately of any lost or stolen cards. The lost or stolen card will be cancelled, and a replacement card will be issued. BMO customer service representatives are available 24 hours a day, 365 days a year at 1-800-361-3361.

10. 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 PCard Administrator.

11. Cardholder Credit Limit

This limit is the maximum dollar amount authorized for a cardholder within the 30 day billing cycle. The credit limit assigned to your PCard is disclosed in the PCard Agreement.

Spending limits for each cardholder may vary per card and have been set based on need to purchase services and materials for the Division. Should your requirement to purchase materials and services change, the spending limits will be reviewed and adjusted accordingly. F517.2 – New Purchase Card / Purchase Card Change Request must be completed and signed by the Budget Manager to change the PCard credit limit. This form then must be forwarded to the PCard Administrator one week prior to the date of the adjustment

12. Audit

You are responsible for the transactions identified on your PCard account. The PCard Administrator will periodically conduct audits of transactions to ensure compliance with PCard policies and procedures.

13. PCard Cancellations

If it is necessary to cancel a PCard, the Budget Manager is responsible for collecting and cutting the PCard and notifying the PCard Administrator. The PCard Administrator will immediately cancel the card.

13.1. Reasons for cancellation:

- 13.1.1. Cardholder is no longer employed by the School Division;

- 13.1.2. Cardholder on leave from duties;
- 13.1.3. Cardholder assignment has changed and is no longer required to purchase materials and services on behalf of the Division;
- 13.1.4. Cardholder is requested to surrender the PCard due to violation of policies; or
- 13.1.5. Cardholder elects to discontinue participation in the program.

14. Cardholder Key Contacts

BMO Bank of Montreal Customer Service	corporate.clientservices@bmo.com
BMO Bank of Montreal Lost/Stolen Reporting	1-800-361-3361
School Division PCard Administrator	780-808-8585 (phone) accountspayable@lcsd.ca