

AP 515 – APPENDIX B PURCHASE CARD USER MANUAL

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 on line 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. Purchase Cards may be used for the purchase and payment of goods where it is efficient, economical and operationally feasible to do so.

1. Who can have a purchasing card?

Purchase cards will be issued to individuals to conduct Division business at the sole discretion of the Chief Financial Officer.

2. How does the purchasing card work?

The Purchase Card is for business use 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 individual transaction and monthly transaction limits. Each time, you use your purchasing card, 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 Cardholders

- 3.1.1 Complete and sign a Purchasing Card 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 Use the card only for the purchase of items in accordance with school division administrative procedures (Refer to AP 515 Appendix)
- 3.1.5 Obtain prior approval of all purchases over \$1,000
- 3.1.6 Obtain an itemized receipt for every transaction at the point of purchase
- 3.1.7 Retain receipts and charge slips
- 3.1.8 Reconcile receipts and assign general ledger coding to the BMO Statement monthly
- 3.1.9 Resolve any billing discrepancies with the supplier
- 3.1.10 Return the BMO Statement together with all original receipts to principal/ supervisor within the timelines identified

- 3.1.11 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
- 3.1.12 Notify the Purchase Card Administrator-Division Office of lost stolen cards, billing discrepancies and name, telephone, address or department changes

3.2 Principals/Supervisors

- 3.2.1 Principals/supervisors will receive BMO Statements providing transaction details, summaries, and exceptions by cardholder. It is the responsibility of the principal/supervisor of all cardholders to monitor the purchasing card usage of those cardholders to ensure compliance with school division administrative procedures and budget
- 3.2.2 It is the responsibility of the principal/supervisor to ensure the appropriate general ledger budget code distribution has been supplied for each transaction
- 3.2.3 Principals/supervisors must approve and forward the monthly BMO statement together with all relevant original receipts to The Purchase Card Administrator-Division Office within the timelines identified

3.3 Purchase Card Administrator – Division Office

- 3.3.1 Primary contact person for BMO
- 3.2.4 Primary contact person for questions regarding the use of purchase cards for the division
- 3.3.2 Develop and distribute program literature and materials
- 3.3.3 Obtain approval to add, change, or cancel a Purchase Card
- 3.2.5 Inform Cardholders of their responsibilities and obligations for use of the Purchase Card
- 3.2.6 Develop and provide cardholder training
- 3.2.7 Assist in problem resolution
- 3.2.8 Maintain Purchasing Cardholder Agreements, Cardholder Limits and Change Requests and ensure appropriate approvals are documented
- 3.2.9 Audit program compliance and receipt retention
- 3.2.10 Identify future Purchasing Card program application and enhancements
- 3.2.11 Process the monthly Purchase Card payment and interface transactions with the General Ledger
- 3.2.12 Audit appropriateness of GL account numbers and compliance with Division's Purchasing AP
- 3.2.13 File all cardholder original receipts and monthly statements

4. How to Use:

4.1 When placing an order by phone or mail:

- 4.1.1 Inform the Supplier that you are ordering on your School Division Purchasing card.
- 4.1.2 Give your name as it appears on the card, the BMO Mastercard No. and expiry date.
- 4.1.3 Many vendors will have address verification for credit card, you must provide the Division office address:
6611B-39 Street, Lloydminster, AB. T9V 2Z4
- 4.1.4 Give accurate delivery information, including;
 - School work place
 - Contact Name
 - Street Address
 - Phone NumberRequest that a priced packing slip or a detailed sales receipt be enclosed

4.2 When purchasing goods or services in person:

- 4.2.1 Give the Supplier your Purchasing Card for processing
- 4.2.2 Obtain the itemized receipt and the transaction slip from the supplier at the time of purchase.

5. Receipts

- 5.1 Get a receipt from the supplier to each transaction. Save your receipts! Receipts will be used to reconcile your monthly Purchasing card 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. If it is impossible to get a copy use the Purchase Card missing receipt form 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 Receipt and Return of Goods
 - 5.3.1 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.
 - 5.3.2 If goods need to be returned, the Cardholder is responsible for coordinating returns directly with the Supplier, as well as securing the appropriate credit.
- 5.4 Cash Refunds Are Prohibited!
 - 5.4.1 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 their monthly statement as supporting documentation.

6. Custom and Excise

For international orders, applicable duty and or taxes will be incurred in one of three ways:

- 6.1 Through the school division`s customs brokers, UPS, Account No. 2XR649
- 6.2 Via courier, the courier will request payment of these charges at the time of delivery:
- 6.3 School Division contracted couriers will invoice for their services.

Non-contracted couriers can issue an invoice for payment that will be sent to:

LRCSSD 89
6611B 39 Street
Lloydminster, Alberta T9V 2Z4
Attention: Accounts Payable

You can also pay for these charges with your Purchasing Card.

- 6.4 Through Canada Post:
Canada Post will require payment before the package will be released. You can also pay for these charges with your Purchasing Card.

6.5 Submitting Your Statements

Statements are issued monthly on the 4th and will include all transactions from the 4-3rd.

1. Login into your BMO account
2. Print **Statement**
3. Attached receipts, applicable PO's and packing slips sign and give to your Supervisor for approval.
4. Supervisors will review transactions and coding. If they approve the entire statement it will be signed and forwarded to the Division Office Purchasing Card Administrator for processing.
5. If a problem occurs please contact the Purchase Card Administrator at the Division Office for assistance.

Monthly BMO statements with shall be submitted to Division Office as requested by the Purchase Card Administrator

7. **Incorrect charges**

If you find a discrepancy between your quote and statement, call the supplier immediately to resolve the discrepancy. If the matter remains unresolved contact the Purchase Card Administrator. If a transaction on the monthly statement does not belong to you contact **BMO**:

ebclientservices@bmo.com or 1-800-263-2263

and advise Purchase Card Administrator.

8. Managing Cardholder Declines

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

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)

Exceeded transaction limit (total dollars including applicable taxes)

Merchant Category Code (MCC) block

Card number or expiry date entered incorrectly by merchant

If a purchase is declined, you should contact Purchase Card 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 Purchase Card 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 1-800-2632263

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 Purchase Card Administrator.

11. Spending Controls

11.1 Cardholder Single Transaction Limit

This is the maximum dollar amount authorized per transaction and includes all taxes/shipping/handling etc. The single transaction limit assigned to your purchase card is disclosed in the Purchase Card Agreement.

11.2 Cardholder Monthly Credit Limit

This limit is the maximum dollar amount authorized for a cardholder with a 30 day billing cycle. The monthly credit limit assigned to your purchase card is disclosed in the Purchase Card 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. Please forward a written request to Purchase Card Administrator to request an

adjustment to your credit limit. This request must be approved by either your supervisor or school principal and be received one week prior to the date the adjustment is required.

12. Audit

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

13. Purchasing Card Cancellations

If it is necessary to cancel a Purchasing Card, the Cardholder must return the Purchasing Card to the Plan Administrator. The Plan Administrator will contact BMO to 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 goes 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 Purchasing Card due to violation of policies
- 13.1.5 Cardholder elects to discontinue participation in the program.

14. 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. Unless otherwise advised, all purchase cards will be inactivated from July 2 to August 15.

15. 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.

15.1 Acceptable supporting documentation

Acceptable supporting documentation is defined as:

Receipt together with MC transaction slip from the Supplier

Priced (including taxes) packing slip

Order forms, or a copy of the form, for dues, subscriptions, registrations and similar items

Invoice showing "Credit Card Payment"

Copies of MC transaction records sent directly from the Bank in place of lost documentation.

15.2 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 can be written directly in the "Comments" field of the "Transaction detail" screen.

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 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 BMO directly at 1-800-263-2263 to provide a copy of the transaction slip. Ask that the documentation be faxed directly to the Plan Administrator in Purchasing. If you are unable to obtain documentation from either of these sources, please use a Purchase Card missing receipt form.

16. **Restricted Purchases**

GIFT CARDS

Purchase orders must be prepared and submitted to the Superintendent of Administration for approval prior to the purchase of any gift card.

The purchasing card must **NOT** be used for the following:

PERSONAL AND PRIVATE USE

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

CASH ADVANCES

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

17. Improper Use of Purchase Card and Consequences

17.1 Personal Purchases:

It is against School Division policy to use School Division Funds to purchase items for personal use. Personal purchases 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. Use of the Purchasing Card will be revoked and the Purchasing Card cancelled. Any violation of this policy may be investigated and could result in termination and/or criminal prosecution.

17.2 Inappropriate/Unauthorized purchase

It is against School Division policy to make purchases of any inappropriate item or services on the Purchasing Card. See list of restrictions. All purchases must be made within the guidelines outlined in the School Divisions purchasing policy.

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.

17.3 Failure to Provide Required Documentation

Lack of required supporting documentation is a Cardholder violation. Transactions where the Supplier does not provide original documentation are not considered a violation; however, this must be substantiated by notifying the Purchase Card Administrator that a request for documentation from BMO has been issued (See acceptable supporting documentation).

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.

17.4 Failure to Reconcile Monthly Statement

Failure to reconcile the monthly statement and forward the Cardholder Activity Report to the Purchase Card Administrator, with all supporting documentation attached within the time period identified.

Consequence:

Use of the purchasing card will be suspended until the reconciliation and supporting documentation is submitted unless other arrangements are made with the Plan administrator. Reconciliations that are consistently submitted late will result in the Purchase Card being revoked and cancelled.

18. Cardholder Key Contacts

BMO Bank of Montreal Customer Service	1-800-263-2263
BMO Bank of Montreal Lost/Stolen Reporting	1-800-263-2263
School Division Purchase Card Administrator (Alicia Dumas)	780-808-8585 (phone) 780-808-8787(fax) adumas@lcsd.ca (email)