

## **Administrative Procedure 517**

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### **PURCHASING**

#### **Background:**

The function of purchasing is to best meet the learning needs of students and provide the necessary supplies, equipment and services.

#### **Procedures**

1. The authority for the purchase of materials, equipment, supplies and services is extended to its staff through the budget making process and approved by the Board through the adoption of the budget.
2. All purchases fall within the framework of budget limitations and should be consistent with the approved educational goals and the programs and services of the Division.
3. Prior approval from the Secretary Treasurer is required for any purchases in excess of \$5,000 not previously approved through the budget process or that can not be covered off from within existing budget allocations.
4. The Division will purchase competitively without prejudice and will seek maximum educational value for every dollar expended.
5. Purchasing will be in compliance with TILMA (Trade, Investment and Labour Mobility Agreement):
  - 5.1 The purchase of goods and/or services where the cost is expected to exceed \$75,000; and
  - 5.2 Construction projects where the cost is estimated to exceed \$200,000

#### **General Procedures**

1. The Superintendent, Secretary-Treasurer, Director of Finance, Deputy and Assistant Superintendents, managers, supervisors and school principals are delegated responsibility for purchasing within the limits of budgets allocated to them.
2. Employees mentioned in #1 above are held accountable for any unauthorized purchases made by their staff. Therefore, the power to delegate the authorization to make purchases should be made only after consultation with the Secretary-Treasurer or Director of Finance.
3. All purchases other than purchases through petty cash accounts or for professional services must be made using purchasing card system.

#### **General Purchasing Procedures**

1. Prices may be obtained by one of the following methods depending on the estimated dollar value involved:
  - a) Non competitive price quotations;

- b) Competitive price quotation; and
  - c) Formal public tender process.
2. Tenders are encouraged to maximize savings to the Division through a competitive process.
  3. The following expenditure guidelines should be followed. Exceptions must be approved by the Secretary-Treasurer or designate.

Dollar Amount	Guideline
\$0-\$1,000	Direct purchase via petty cash, purchasing card or purchase order (no quote)
\$1,001-\$4,999	Verbal quotes accepted (minimum three)
\$5,000-\$19,000	Written quotes required (minimum three)
\$20,000-\$75,000	Request for Proposals
Over \$75,000	Public Tenders (pursuant to the Federal Agreement on Internal Trade – TILMA)

4. Projects requiring tendering shall be posted to the Division’s website in a timely manner.
5. The Division shall receive tenders at a location specified by the Secretary-Treasurer up to the time and the date specified on the tender documents.
6. After Tender closing time and date, the Secretary-Treasurer or delegate shall open the tenders in public.
7. Tenders are to be evaluated on the basis of service, quality, availability, suitability, price and the supplier's ability to fulfill the requirements of any standards or specifications that form a part of such contracts.

**Purchasing Card Procedure**

Procedures for the use of purchasing cards are outlined in the *Purchasing Card Procedures Manual* which is distributed to all new cardholders and maintained in the Director of Finance’s office. The *Purchasing Card Procedures Manual* is on the portal under Finance/PCard Information and attached as Appendix A.

Inquiries or concerns regarding purchasing cards should be made through this office.

**Employee Purchases**

1. Supplies and materials purchased by the Division are for the Division's programs and services. Employees wishing to purchase such items or receive preferential pricing may, in consultation with the Purchasing Department, obtain a list of vendors who are dealt with on a regular basis. Because of GST accounting requirements, the actual purchases will be between the employee and the vendor - i.e. there will be no involvement of the Division by way of purchase order, purchasing card or invoicing.
2. The Division may, with specific Superintendent or delegate approval, provide for the purchase of certain items of equipment by employees through special purchasing arrangements with a supplier (e.g. computer purchase plan). Such arrangements will be initiated by Division Office.

**Leases and/or Long Term Commitments**

All leases or commitments longer than one year must receive approval from the Superintendent or delegate

**Conflict of Interest**

Please refer to Administrative Procedure 492 – Employee Code of Conduct and Fiduciary Obligation found on the Golden Hills website [www.ghsd75.ca](http://www.ghsd75.ca)

Appendix A – Purchasing Card Procedures Manual



# GOLDEN HILLS SCHOOL DIVISION #75

## Purchasing Card Procedures

Effective April 27, 2009

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## **1. Introduction**

This Purchasing Card Guideline covers the use and administration of your Purchasing Card (“P-Card”).

The program consists of a card issued in both your name and the corporation’s.

It includes the use of the Cardholder Desktop software (cardholder software).

### **Purpose of the P-card program**

To provide a simplified means for you to purchase and pay for goods and services only associated to school division expenses.

### **Control of the Card**

Your card is the property of the issuing financial institution. Decisions regarding insurance, suspension or revocation will be made by Golden Hills School Division. The card is only to be used for your company’s business. Unauthorized and/or inappropriate use of your card may result in the loss of your card and disciplinary action.

Do NOT use your card for personal purchases or as identification for cashing personal cheques.

**If individuals are consistently mixing their company card up with their personal VISA card, the first offence is seen as a mistake, the second a notice is sent with a warning, the third offence, the card limit is set to zero until further notice.**

Exercise reasonable care and security in your use of your card and card number.

### **Responsibility**

You are responsible for all purchases made with your card and you must produce receipts and/or proof of the transaction. The receipts or invoice must detail the item purchased, ie: a till slip or formal invoice.

Your immediate supervisor is responsible to sign your monthly Cardholder Statement acknowledging the review and approval of all your expenditures during the past billing cycle.

## **2. Getting a P-Card**

If you need a card, contact your school or department's administration.

### **Authorizations**

Your supervisor reviews your card application and authorizes the need for a card.

### **Acknowledgements**

By signing the Card Acknowledgement Form on the last page of this booklet, you are acknowledging your understanding of the terms, conditions and regulations regarding the use of the card as defined in these guidelines, and accept responsibility for the card in your possession. The signed acknowledgement will be kept on file at Division office.

### **Receipt of Card**

You should receive your card within approximately 7-10 working days, after the application has been received by the Bank's card centre.

You will receive training in the use of your card and associated cardholder software. This training must be completed prior to receiving your card.

### **Card Activation**

Sign the back of your card immediately, and keep it in a secure place.

Before using your card for the first time, activate it by calling the 1-800 number indicated on the card sticker.

## **3. Types of Purchases**

Use your P-Card to purchase and pay for goods and services where the vendor accepts VISA.

### **Card Limits**

Each P-Card is assigned a monthly dollar limit that applies to all purchases. If your limit needs to be reviewed, contact your school or department's administration.

### **Restricted Purchases**

Certain merchant categories are blocked on the P-Card. Examples of some merchants that are prohibited by this action include:

- Wire transfer money order
- Furriers and fur shops
- Antique shops
- Pawn shops
- Antique reproductions
- Dating and escort services
- Massage parlours
- Betting/track/casino/lotto
- Alcohol or alcoholic beverages
- Personal purchases of any nature ie: personal purchases through the school to receive school discount or any other form of personal purchases

#### **4. P-Card Purchases**

You can use your P-card to make purchases in person or by phone, mail, fax or Internet.

##### **Supplier Instructions**

Contact the supplier directly, and arrange for purchase and delivery to required location.

Instruct the supplier to:

- Send a receipt or packing slip directly to you and NOT to Accounts Payable
- Enter the GST/PST registration number on the receipt
- How to ship the goods

##### **Returning Goods**

You are responsible for the return of the goods, and for obtaining a credit against your card number.

Do NOT accept a cash refund.

##### **Purchasing Log**

The log provides a record activity and account distribution, and facilitates the reconciliation process.



## Declined Transaction

If a transaction is declined, contact your school or department's administration.

## 5. Taxes

Items purchased with your P-Card anywhere in Canada should normally include applicable GST/HST OR PST.

The GST/HST/PST amount shown on your statement is calculated by the software based on the total price and province of vendor.

What do the tax codes mean?

- 01 – eligible for 68% rebate (ie general supplies)
- 02 – eligible for 100% rebate (ie specified books)
- 99 – no GST associated with purchase (ie groceries or U.S. purchases)

## 6. Account Code and Cost Allocation

You can view your electronic statement at any time via the Internet. Each purchase may be assigned a Golden Hills School Division Account code (or codes if more than 1 is applicable).

### Account Code

The account code is composed of a:

- Fund segment
- Object segment
- Program segment
- Sub-program segment
- Location segment

A default code was entered for each cardholder. **Please do not make up your own code.** A copy of available codes can be obtained from your school secretary. If you feel a new code should be added to the list of approved codes, please have your principal contact the Assistant Secretary-Treasurer.

You may change any of the account codes assigned, or you may split a transaction to one or more accounts via the Internet.

You may be limited to specified segments based on your location, department or program area.

If statements are received with invalid allocation codes, the charges will be allocated to the schools supplies budget code and no journal entries will be done to correct the charge.

<b>7. Statement Reconciliation</b>
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The cycle cut-off date is the 5<sup>th</sup> of each month. You can review an electronic statement identifying all purchases made during the previous billing cycle. **Please remember you can view and work on your transactions online at any time!** Notification of statement availability will be made by email from the Program Administrator.

Your location will have until the 20<sup>th</sup> of the month to complete the verification, reallocation and reconciliation process and forward to the Division Office for upload to budgets. December may require some flexibility in order to meet deadlines.

### Statement Reconciliation

As part of the statement reconciliation process, you are responsible to verify the completeness and accuracy of the statement as follows:

- Verify all transactions listed on the statement are valid;
- Update as necessary, any tax amounts and account codes;
- Enter a description in the comments filed, when necessary;
- Print Cardholder Statement from the internet and attach supporting documentation and receipts for each transaction;
- Sign the Cardholder Statement, forward to your supervisor for approval

**If receipts are not attached to the statement, for example, missing receipts or non-detailed receipts (for example, VISA receipt without the detailed expenditures), the card holder is given 45 days from date of statement to present a proper receipt and if they do not produce a proper receipt, the charge is deemed to be a personal purchase and will be deducted from the cardholders payroll cheque. If this happens more than 3 times the card limit will be set to zero until further notice.**

**Failure to properly complete statements, such as incorrect coding, incorrect tax codes, wrong GST codes, or proper receipts not being attached, will result in statements being returned for correction by a specified date.**

1 <sup>st</sup> offence	Reminder of the purchase card procedures
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2 <sup>nd</sup> offence	Written warning
3 <sup>rd</sup> offence	Card limit is set to 0, until further notice

## 8. Supervisory Approval

As part of the statement reconciliation process, your immediate supervisor is responsible to sign your monthly P-Card Cardholder Statement acknowledging the review and approval of all your expenditures during the past billing cycle.

### Management Review

In addition to this step, a Cardholder Activity Summary Report is sent to each manager identifying all the cardholders in their cost centre who have incurred expenditures during the past billing cycle.

The supervisory approval of expenditures is a primary control essential to the success of the Purchasing Card program.

## 9. Dispute Process

In the event that an item on the activity statement does not agree with your record receipts, contact the supplier immediately and try to resolve the difference.

If a credit card is required, and the supplier agrees to credit your account, make note that the credit is still pending resolution.

If the supplier does NOT agree that an error has been made:

- Notify U.S. Bank Canada Visa Customer Service immediately at **1-800-588-8065** and confirm the notification by fax.

The amount of next invoice will be reduced by the amount of the disputed item until the question is resolved. Attach a copy of the dispute form.

Disputed charges must be identified in writing to the bank within 60 days of the statement date.

Disputes will then be resolved by the bank within 90 days.

## **10. Cardholder Transfers, Terminations and Cancellations**

### **Transfers**

If you are transferred to another location please return your card directly to the issuing school's administration. It is up to your new school to determine whether a card will be issued.

### **Terminations and Cancellations**

If you terminate, retire or wish to cancel your card, please send your card to your current school's administration.

### **Leave of Absence**

If you are taking a leave of absence, send your card to your immediate supervisor. It will be deactivated until such time as you return to your position.

## **11. Lost or Stolen Cards**

If your card is lost or has been stolen (or you suspect it is lost or stolen):

- Notify U.S. Bank Canada VISA Emergency Card Replacement immediately at 1-800-588-8067
- Notify your school or department's administration immediately, in the event that you are unable to contact the administration; contact the Purchasing Card Administrator
- Upon receipt of your call, further use of your card will be blocked. Prompt action in these circumstances can reduce the corporation's liability for fraudulent charges. A replacement card will be issued directly to your as soon as possible.

### **Liability**

The corporation is NOT liable for any debt resulting from the loss or theft of your card after the time you contact the bank.

## **12. Key Contacts**

**U.S. Bank Canada VISA Commercial Card Centre:  
Lost/Stolen Reporting**

1-800-588-8067

Emergency service is provided 24 hours per day, 365 days a year basis to:

- Report lost or stolen cards; and
- Arrange emergency card replacement

**Customer Service**

1-800-588-8065

Normal hours of service are 8:00 a.m. – 8:00 p.m. E.S.T. for the following:

- Resolving problems on any purchases (including dispute process)
- Answering questions about account balances

**Golden Hills School Division #75**

**Purchasing Card Administrator:** 403-934-5121 or 1-800-320-3739

<b>13. Card Acknowledgement Form</b>
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**PARTICIPATING EMPLOYEE  
ACKNOWLEDGMENT OF RESPONSIBILITIES**

Golden Hills School Division #75 is pleased to present you with a Purchasing Card (P-Card). It demonstrates Golden Hill School Division's trust in you to make certain purchases on its behalf, and with this trust comes the responsibility to use the card in a responsible fashion.

I, \_\_\_\_\_, hereby acknowledge receipt of a Golden Hills School Division Purchasing Card issued by U.S. Bank Canada. I acknowledge that this P-Card has been issued to me to make purchases for Golden Hills School Division business only in accordance with the guidelines set out in the most recent Policy and Procedure Guide governing P-Card use. I understand that all charges will be paid directly by Golden Hills School Division.

I acknowledge receipt of the Policy and Procedure Guide, and I agree to accept responsibility for the protection and proper use of the P-Card in accordance with its terms and conditions. I understand that improper or fraudulent use of the P-Card may result in established disciplinary action and cancellation of Card.

Furthermore, I understand that this P-Card remains the property of the U.S. Bank Canada, assigned to me on behalf of Golden Hills School Division. I understand I will return the card to the Program Administrator at the end of my employment with Golden Hills School Division whether for retirement, voluntary separation, resignation or dismissal, or at the request of the P-Card Program Administrator.

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Employee Name (print)

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Employee Name (sign)