



**One University. One World. Yours.**

<b>Name:</b>	<b>Procure to Pay Services – Purchasing Card Program</b>
Policy Number:	4-1021
Origin:	Financial Services
Approved:	1 September 2007
Issuing Authority:	Senior Director, Financial Services
Responsibility:	Manager, Procure to Pay Services
Effective Date	12 January 2017
Revision Date(s):	September 1, 2007, February 1, 2015, 12 January, 2017

---

### **PURPOSE**

The purpose of the Saint Mary's University Purchasing Card (Pcard) Program is to offer an efficient and cost-effective method to purchase and pay for relatively low dollar value goods and services. The Pcard Program is not a travel card. The program is intended to simplify the procurement process, reduce paperwork, expedite supplier payment and enable employees. The Program is not intended to be a mechanism to bypass purchasing policies and procedures but rather to complement the existing processes available.

### **HOW TO OBTAIN A CARD**

New employees should contact Procure to Pay Services to discuss the intended use of the Pcard. Where the application is consistent with the policy guidelines, the employee will be required to complete a [Purchasing Card Application Form](#) found on SMUport. The Form must be approved by the cardholder's supervisor as well as the department / faculty head. Once authorized, the application should be forwarded to Procure to Pay Services where it will be approved and processed within approximately 10 – 15 business days.

When the card is received, the cardholder will be contacted and it is at this juncture that the cardholder will be required to sign a Cardholder Acknowledgement Form provided by Procure to Pay Services accepting the policies and responsibilities of card use. Cards must be signed prior to leaving Procure to Pay Services to prevent unauthorized use.

Cards must be activated prior to use which will require a 4 digit pin number.

### **TRAINING**

Cardholders must attend a training session prior to receiving a Pcard. Training will be scheduled upon submission of a completed application form.

Supervisors / managers must attend an orientation session with the Plan Coordinator prior to the release of the Pcard to ensure full understanding of their responsibilities associated with the program.

### **GENERAL TERMS AND CONDITIONS**

The Pcard may be used with any vendor who accepts Visa throughout the world for both in-store purchases as well as for mail/phone/fax/internet orders.

The Pcard is issued in the name of the participating employee and the University and is the property of Saint Mary's. The Pcard is only to be used for authorized University business. Under no circumstances is it to be used for personal transactions. There is no cost to the cardholder for use of the card.

The cardholder is responsible for the security of the Pcard at all times and for all associated transactions. The Pcard is not a "department" card; cardholders are not permitted to provide the card number to other department members for their use. Card usage will be audited according to established accounting practice.

Pcard use not in compliance with the policies established herein will result in card suspension or cancellation and possibly other consequences (e.g. disciplinary action) as deemed appropriate by the University.

Procure to Pay Services reserves the right to cancel cards at any time for non-compliant use.

### **CONTROL FEATURES**

The program is designed to provide efficient access to the materials and services required to perform job responsibilities. The following control features are built into the program:

- A dollar limit per transaction for each individual cardholder
- A monthly spending limit for each individual cardholder
- Certain merchant types will be blocked for individual cardholders

Transaction limits are set by the department manager up to a maximum of \$1,000/transaction. Monthly spending limits are also set by the department manager and should consider the job responsibilities of the cardholder. Procure to Pay Services will review the limits for reasonableness. Transaction limits are inclusive of foreign exchange, duty, taxes and freight.

Department managers can request changes to the card limits. Requests must be in writing and explain the reason for the increase. Requests will be considered on a case by case basis. Card limits will be reviewed by the University every 3-5 years to assess relevancy.

Some merchant groups are blocked from use in the program. If the cardholder presents the card to any of these merchants the transaction will be declined. In instances where a cardholder feels a transaction has been wrongly declined he/she should contact the Customer Service Line of the Service Provider.

### **ACCEPTABLE USE OF THE PCARD**

- seminar / course registrations
- subscriptions/books

- audio visual supplies
- misc. laboratory supplies\*
- office & stationary supplies
- professional association dues
- computer / printer peripherals (not equipment) examples: ink cartridges, mouse, etc.
- software (renewals only)
- small miscellaneous appliances and maintenance supplies\*
- cell phone bills
- water / cooler rentals

\* Cardholders must obtain Facilities Management approval prior to the purchase of heaters, extension cords, and appliances, etc.

### **PROHIBITED USE –PCARDS CANNOT BE USED FOR THE FOLLOWING:**

- personal purchases
- salaries, wages or consulting fees
- goods or services from any officer or employee of the University
- cash advances
- travel, meal and entertainment expense (including airfare, hotels, vehicle rental, etc.)
- hospitality expenses as defined by the [University's Hospitality Policy](#).
- alcohol, narcotics
- animals for research / hazardous chemicals
- office furniture (contact facilities management)
- computer hardware (e.g. desktops; laptops; printers;)
- Apple products (e.g. iPads; mini pads)
- computer software (except for renewals)
- parking violations
- long term leasing or rental of equipment (1 year or more)
- gift cards

### **CARDHOLDER RESPONSIBILITIES**

- The cardholder is responsible for appropriate custody, control and use of the card at all times. Sharing or delegating use of the card is prohibited.
- The cardholder is authorized to act on University business only. **Personal purchases are strictly prohibited and a violation of the program.**
- The cardholder is responsible to adhere to the policies and procedures of the Pcard Program
- The cardholder is responsible to ensure that sufficient funds are available to cover all purchases
- The cardholder is responsible to follow up with the vendor in the event of transaction discrepancies and / or return of goods ordered
- The cardholder is responsible to obtain a receipt at the point of purchase, verify it for accuracy and retain it for reconciliation
- The cardholder is responsible to complete the month end reconciliation within the timeframe required
  - The cardholder is responsible to ensure that statements and associated receipts are forwarded to the appropriate authority for approval and received by Procure

to Pay Services within the required timeframe. In the rare instance where a receipt is lost, cardholders must complete the [Lost Receipt Form](#).

- The cardholder must report lost or stolen cards to the service provider and Procure to Pay Services immediately and follow up on billing discrepancies, unauthorized or suspected fraudulent activity.

### **SUPERVISOR RESPONSIBILITIES**

- The supervisor is responsible to authorize card applications with particular attention to transaction and spending limits
- The supervisor is responsible to review the policies and become familiar with procedures associated with the Pcard Program
- The supervisor is responsible to review the monthly reconciliation to ensure that expenditures are appropriate and compliant with policy; that appropriate budget codes have been applied and that transaction detail has been provided
- The supervisor is responsible to ensure that completed reconciliations, with receipts, are forwarded to Procure to Pay Services by the required deadlines
- The supervisor must retrieve the Pcard from employees in the event of termination or extended leave and forward them to Procure to Pay Services with an explanation
- The supervisor must appoint an alternate signing authority to approve reconciliations for their department in their absence. Authorization Forms must be updated annually.

### **ORDERING AND RECEIPTS**

When placing an order ensure the following information is given to the vendor:

- Full name (as it appears on the card) and department
- Contact phone number
- Complete university address
- Their requirement to provide a receipt to be forwarded to the cardholder (not Procure to Pay Services)

### **RECONCILIATION PROCESS**

On or about the 22<sup>nd</sup> of each month cardholders will receive a notification from Procure to Pay Services that their electronic statement is available for reconciliation. (First time cardholders must contact Procure to Pay Services to schedule training for the reconciliation process.) The statement will identify each transaction made against the card during that billing period. The cardholder is responsible to review all transactions on the statement and;

- verify for accuracy with the receipt
- adjust the taxes where necessary to agree with the receipt
- reallocate the expense to the appropriate department account
- provide a description / explanation of the purchase
- print and sign the completed reconciliation in accepting responsibility for the transactions contained therein

Once complete, statements and receipts are then forwarded to the cardholder's supervisor for review and approval. Cardholders should ensure they allow sufficient time for the supervisor's review prior to the deadline.

### **CARD VIOLATIONS**

Procure to Pay Services audit completed reconciliations for compliance to policy. Violation of the program can range from noncompliance to policies and procedures through to misuse and purchase of a prohibited item.

Violations include:

- Purchase of a prohibited item or service
- Purchase of a good or service for personal use
- Late submission of the reconciliation
- Missing documentation (link to lost receipt form)
- Splitting a transaction so as to exceed the card's transaction limit
- Failure to provide a description of the transaction
- Failure to adjust taxes to that of the receipt
- Failure to report a lost or stolen card

**The following steps will be taken for violations:**

1<sup>st</sup> violation: cardholder will receive a written notification, copied to their supervisor and will be required to attend refresher training session

2<sup>nd</sup> violation: cardholder, supervisor and department head will receive a written notification that the card has been suspended for 30 days. Retraining will be required prior to re-instating the card

3<sup>rd</sup> violation: card cancellation; the individual will not be eligible for a university card

Violations are reviewed on an individual basis and action taken is dependent upon the circumstances. The University reserves the right to cancel a card at any time and outside of the steps outlined above, depending on the severity of the violation. The University may initiate disciplinary action (up to and including employment termination and commencement of criminal charges), as appropriate.