

Procedure Title	Purchasing - Direct Purchasing		
Date of Issue	November 25, 1998	Related Policy	BP 3501-D; BP 3512-D
Revision Dates	October 30, 2002; April 7, 2004; September 18, 2007; February 16, 2010; June 12, 2013; January 7, 2015	Related Forms	AF 3504, AF 3505
Review Date		Originator	Administrative Council
References			
Review Note: Referenced in "School Office Reference Manual"; AP 4903-D "Expenses (Employee) – Guidelines for Reimbursement"; AP 4130-D "Petty Cash Funds"			

Procedure:

1.0 PROCEDURE

1.1 The following may be purchased direct by the persons responsible for budgets:

a) Petty Cash

Purchase orders (PO) less than \$500 are discouraged, however may be accepted. Purchases of lesser amounts should be acquired by Procurement Card, Corporate Credit Card or Petty Cash. When using the Petty Cash method, the Accounting Department should be contacted for advice on the procedure (AP 4130-D "Petty Cash Funds").

b) Servicing and Repairs of Office and Instructional Equipment

Administrators will arrange service as required unless otherwise arranged by the Administration Centre staff. It is recommended that all equipment receive preventative maintenance during the summer months. Warranty repair or replacement of \$0.00 would not require a PO.

c) Procurement Cards and Corporate Credit Cards

Procurement Cards and Corporate Credit Cards are available and may be used for immediate purchases, subject to the following procedures for the utilization of Purchase Cards. (Corporate Credit Cards are available to Supervisory Officers only). Procurement cards may also be requested for special matters such as "excursion cards".

i. Objective:

To provide a convenient method of procuring and paying for low value goods and services by simplifying the procurement process, reducing paperwork, reducing vendor payment time and empowering school/department staff.

ii. Purpose:

Approved employees are authorized to use the Procurement Card and Corporate Credit Card to purchase low dollar value goods and services in support of sound business practices. Benefits will accrue at the corporate finance level by:

1. reducing the number of invoices, cheque requisitions and cheques processed through the Finance Department;

2. reducing the number of purchase orders and purchase requisitions through the Shared Purchasing Services;
3. reducing the use of petty cash in the schools/departments;
4. providing a simplified process and an increased level of service;
5. reducing supplier invoicing to us and reducing turn-around time for payment.

1.2 Employee Acknowledgment of Responsibilities and Obligations for Use of the Procurement or Corporate Credit Card System

See Form AF 3504 "Procurement Cards - Employee Acknowledgment"

1.3 General Information – Procurement Cards and Corporate Credit Cards

Bluewater District School Board, not the individual card holder, assumes liability for all authorized charges on the Procurement or Corporate Credit Cards.

The Procurement or Corporate Credit Card program will be administered by the Senior Business Official and a master list will be maintained of all Procurement or Corporate Credit Cards noting the name of the card holder and the monetary limit of each card. All requests for Procurement or Corporate Credit Cards and all changes and other documentation relating to the cards are to be submitted to the plan administrator once approved by the Senior Business Official. All original Cardholder Agreement Letters are to be maintained by the Senior Business Official.

All required cardholder reports, bank reports and reconciliation are forwarded to and/or monitored by the Accounting Department and/or Shared Purchasing Services. Reconciliation of reports and monthly payment to the bank will be administered by the Accounting Department.

To avoid the payment of interest, payments to the bank shall be made within 10 days following the monthly statement date. The reports for individual schools/departments will be retrieved through the US Bank Access Online direct by each individual cardholder.

1.4 Procurement Card Compliance

Failure to comply with the Procurement or corporate credit card procedures may result in cancellation of the individual Procurement or Corporate Credit Card. (See form AF 3505)

1.5 Procurement and Corporate Credit Card Rules

a) Procurement Card Rules

The use of the Procurement Card is subject to the following restrictions:

- i. Only the person whose name appears on the card may use it.
- ii. The card can be used only to make authorized official board purchases within the board limitations established for it under the Board Policies and Administrative Procedures.
- iii. The Procurement Card shall not be used:
 1. when the total purchase price exceeds the single purchase limit on the card;
 2. when a competitive bid is required under BP 3501-D "Purchasing", and it's related Administrative Procedures;
 3. for capital expenditures - the normal purchase requisition and budget procedures must be followed for these items;
 4. to acquire contract services;
 5. travel and entertainment expenses, including restaurant meals (unless pre-authorization by the Superintendent of Business has been received);
 6. for any personal or private use including personal vehicle expenses;
 7. for cash advances;
 8. for temporary service;
 9. when goods/services are on a current contract, quote or tender negotiated through the Shared Purchasing Services.

b) Corporate Credit Card Rules

The use of the Corporate Credit Card is subject to the following restrictions:

- i. Only the person whose name appears on the card may use it.
- ii. The card can be used only to make authorized official board expenditures for travel, meals and hospitality within the board limitations established for it under AP 4903-D "Expenses (Employee) – Guidelines for Reimbursement".
- iii. The card can also be used to purchase tokens of appreciation for voluntary services such as presentations and guest speakers, retirement presents.
- iv. The Corporate Credit Card shall not be used:
 1. for personal charges;
 2. for lavish gifts;
 3. for split purchases to circumvent approval limits;
 4. for cash advances;
 5. for temporary service;
 6. to acquire contract services;
 7. when a competitive bid is required under the Board's Purchasing Policies and Administrative Procedures;
 8. for capital expenditures – the normal purchase requisition and budget procedures must be followed for these items;
 9. when goods/services are on a current contract, quote or tender negotiated through the Shared Purchasing Services.

1.6 Operational Guidelines for Use of Procurement Cards and Corporate Credit Cards

- a) Cardholders must be aware of and acknowledge the responsibilities and obligations associated with the use of the Procurement and Corporate Credit Card. Form AF 3504 "Procurement Cards – Employee Acknowledgement" will be used to obtain the cardholder's agreement to the terms and conditions of the Purchase or Corporate Credit Card. The purchasing or corporate credit card is only for use by the cardholder to whom it was issued. Any use of this card by another individual is prohibited.
- b) Information regarding the features of the card, etc. will be available from the plan administrator within the Shared Purchasing Services or the Senior Business Official.
- c) The Procurement Card may be used for single line item purchases up to limits established when cards are issued, subject to the restrictions outlined in Section 1.5.i.c).
- d) Sales Tax applies to purchases with Procurement or Corporate Credit Cards as per applicable Canada Revenue Agency (CRA) rules.
- e) To limit exposure or liability to the board and the person named on the card, the cardholder must be aware of the following practices:
 - i. each card is in the name of a specific individual.
 - ii. when not being used, the card should be kept in a secure location.
 - iii. when quoting the business card number over the telephone for a purchase, every precaution should be taken to avoid the risk of unauthorized use of the card number.
 - iv. upon transfer, retirement or termination of employment from the board, the cardholder must:
 1. return the card to the immediate Supervisor/Administrator and notify the plan administrator immediately;
 2. reconcile the outstanding balance on the account.
 - v. the card may be cancelled at any time at the discretion of the Senior Business Official.
- f) All Procurement and Corporate Credit Cards will have a default general ledger account associated with them. In the event a reconciled purchase report is not submitted by the deadline, the expenditures made on the card will be charged to the cost centre and the default general ledger account. This ensures that the school/department monthly cost information is complete.

- g) Records of purchases made with the Procurement or Corporate Credit Cards must be kept (i.e. packing slips, card vouchers, card statements). This is for standard audit trail purposes and to facilitate reconciliation and account verification.
- h) Cardholder statements will be reviewed on a monthly basis to ensure compliance with Board policy/procedures.
- i) In the event a card is lost or stolen, the cardholder must immediately notify US Bank Access Online Customer Service at 1-800-588-8065 and the Shared Purchasing Services at 519-364-0605 ext. 265.

1.7 Billing Procedures

A detailed monthly statement will be available online through US Bank Access Online direct to each individual cardholder. The individual will be expected to retain all of the Procurement or Corporate Credit Card slips and the detailed invoices from the suppliers.

- a) Upon printing of the statement, the cardholder will:
 - i. match the charges on the statement with the appropriate slips and record the account code to be charged.
 - ii. forward a copy of the statement (with invoices attached) once verified to the Accounting Department within two weeks of the statement date.
 - iii. note that the itemized receipt is required, and must show the HST amount.
- b) The Accounting Department will:
 - i. receive a summary statement for all cardholders;
 - ii. automatically pay the summary statement within ten (10) days of receipt and will charge the appropriate school/department account number.