

# HALDIMAND COUNTY

## POLICY No. 2003-11

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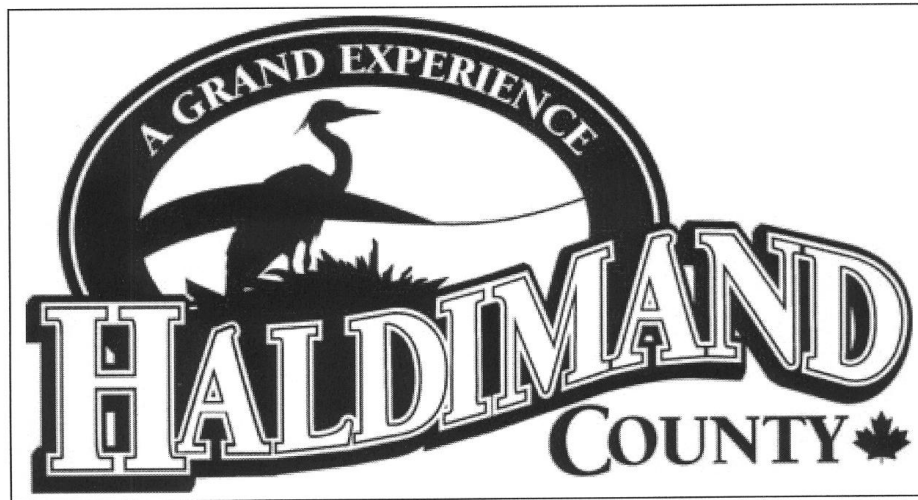
**Subject:** USE OF PURCHASING CARDS

**Purpose:**

To establish guidelines for the issuance and use of Haldimand County Purchasing Cards

**Policy:**

Attached nine pages form Haldimand County Policy No. 2003 - 11.



# Purchasing Card Procedure Manual

Last Revised: March 31, 2003

## **INTRODUCTION**

Haldimand County has approved the use of a Purchasing Card (P-Card) for the purchase of goods and services. This Purchasing Card Procedure Manual provides the guidelines for issuance and use of the P-Card for the purchase of goods and services used for County activities.

The County has authorized that the CIBC Corporate VISA card be used as the P-Card. Although the CIBC Corporate VISA Card is similar to a personal VISA Card, it is only to be used in accordance with the provisions as outlined in the Purchasing Card User Manual.

The P-Card provides benefits to County and to the County's vendors/suppliers. County staff using the P-Card will be able to obtain goods and services when needed, the payment processing in Accounts Payable will be more efficient and suppliers will receive payment shortly after the sale upon settlement with CIBC-VISA.

## **APPLICATION PROCEDURE**

The attached Application for Purchasing Card (also available on the S-drive) is to be completed and forwarded to the Manager, Support Services for review. If the Manager, Support Services approves the application, then a request will be made to CIBC-VISA for a CIBC Corporate VISA card to be issued to the employee. If the application is rejected, the Manager, Support Services will provide a written response to the requesting department.

Upon receipt of the CIBC Corporate VISA card (generally within 10 business days), Support Services will notify the employee that it is available for pick-up at Support Services, 45 Munsee Street, Cayuga. The employee will be required to sign the CIBC Corporate VISA card and the Application for Purchasing Card. In signing, the employee is acknowledging receipt of the CIBC Corporate VISA card and is agreeing to follow the conditions as set out in the Purchasing Card Procedure Manual. The employee will be provided with a copy of the signed Application for Purchasing Card and a copy of the Purchasing Card Procedure Manual.

Support Services will provide a copy of the signed Application for Purchasing Card to Accounts Payable. The signed original of the Application for Purchasing Card will be retained in Support Services.

## **CANCELLATION OF P-CARD**

The County may cancel a P-Card for any of the reasons as provided in this Purchasing Card Procedure Manual. Once a P-Card is cancelled:

- Cardholder will be advised, in writing, by Support Services that the P-Card is cancelled.
- Support Services will notify CIBC-VISA and County Accounts Payable that the P-Card is cancelled.
- Cardholder is to immediately return P-Card to their Supervisor or Manager.
- Supervisor shall forward P-Card to Support Services.



## CONDITIONS OF USE

The cardholder (employee) shall adhere to the conditions imposed by CIBC-VISA and the conditions imposed by the County as provided in the Purchasing Card Procedure Manual. Improper use of the P-Card may result in disciplinary action.

- The P-Card shall remain the property of Haldimand County at all times.
- The P-Card is issued only to an employee of Haldimand County and is not transferable.
- The P-Card is attached to the job or position the employee occupies. If the employee moves to a different job or position, which does not require the use of a P-Card, then the P-Card must be returned to Support Services.
- Upon cessation of employment with Haldimand County, the P-Card is to be returned immediately to Support Services.
- The P-Card is not to be used by anyone else, for any purpose, even if that other person is also an employee of the County who is also authorized to purchase goods on behalf of The County. The only exception to this is that certain County Finance staff may, from time to time, request the P-Card for testing or audit purposes.
- The cardholder must ensure security of the P-Card at all times. If the P-Card is lost or stolen, it is the cardholder's responsibility to contact CIBC-VISA immediately. Cardholder is also required to notify Support Services, but should do so only after CIBC-VISA has been notified. Support Services will arrange for a new P-Card to be issued.
- If the P-Card is damaged and cannot be used, it is to be returned to Support Services with a note explaining why it is being returned. Support Services will arrange for a new P-Card to be issued.
- The P-Card is to be used for purchasing goods or services for County business. The P-Card may not be used for personal purchase of any kind.
- The P-Card may be used for U.S \$ purchases.
- The County may rescind the P-Card at any time for failure to follow the conditions set out in the Purchasing Card Procedure Manual.
- The total monthly purchases cannot exceed the authorized credit limit of the P-Card. CIBC-VISA, will deny purchases at the point-of-purchase, if the authorized credit limit of the card is exceeded.
- All P-Card purchases must be for immediately available goods. The P-Card cannot be used for back- ordering or split-shipping.
- The cardholder must complete the Payment Approval Process, as outlined below.



## **RESTRICTIONS ON USE OF P-CARD**

The P-Card is not to be used for the following purchases:

- meetings, conferences, seminars, tuition fees
- automotive fuel
- cash advances, financial services
- personal leisure activities, personal goods and services
- staff - temporary recruitment
- items stocked and available from County Warehouse
- service agreements/contracts
- made-to-order goods in excess of \$500
- extended warranties
- office furniture or equipment
- clubs, associations, organizations
- mail order i.e. Home Channel
- computer hardware and software
- communications equipment - i.e. cellular phones, pagers, radios
- professional services
- payments to statutory bodies

Department specific restrictions may be added to the above list of restricted goods and services.

In addition to the restrictions on goods and services, the County has set a maximum spending limit of \$5,000. for CIBC Corporate VISA cards. In approving the Application for Purchasing Card, a Manager may set any spending limit for an employee up to \$5,000. The proposed spending limit will be reviewed by the Manager, Support Services. The spending limit is set-out on the Application for Purchasing Card.

Requests for modification of the spending limit must be made in writing to the Manager, Support Services and be approved the cardholder's manager. The Manager, Support Services will review the request and if approved, submit the change in spending limit to CIBC-VISA and will advise Accounts Payable of the change. Modifications to the spending limit require approximately one (1) week to be updated by CIBC-VISA. The cardholder may continue to use the P-Card with the existing spending limit restriction, while waiting for the update to be completed.



## HOW TO USE THE P-CARD

The P-Card is used in the same manner as any credit card is used, however, it may be used only for County purposes and the procedures as outlined in this Procedure Manual must be followed.

### Over the Counter Purchases

This is for the purchase of goods or services from any vendor who accepts the P-Card.

The cardholder must:

- Sign the vendor's receipt at the time the purchase is made.
- Keep a copy of the signed receipt to be used to complete Payment Approval Process as outlined below.

### Orders By Telephone

The cardholder may place an order by telephone by providing the P-Card number to any vendor who provides goods within the commodity restrictions.

The cardholder must:

- keep a record of all telephone purchases
- when goods are received keep the packing slip and payment receipt to be used to complete Payment Approval Process as outlined below.

When placing an order by telephone, the cardholder must confirm with the vendor, that the charge will be applied at the time of shipment and not in advance of receipt of goods.

### Oral Purchasing

"Oral purchase" is defined as an order being placed or a purchase being made through an oral agreement, either in person or by telephone. The goods or services can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired and a written purchase order or contract is not required. The vendor provides the goods or services and payment is made using the P-Card. This procedure is generally used when purchasing goods or services from the United States to avoid the issue of exchanging funds to make payment.

The cardholder must:

- keep a record of the purchase
- when goods are received keep the packing slip and payment receipt to be used to complete Payment Approval Process as outlined below.

### Purchasing Hazardous Materials

When ordering materials considered to be hazardous under WHMIS, cardholder is responsible for ensuring that the supplier provides the Material Safety Data Sheets (MSDS) and that a copy of the MSDS is forwarded to County Human Resources, Health and Safety Section.



## PAYMENT APPROVAL PROCESS

Each month CIBC-VISA provides Finance with a Consolidated Statement for all County CIBC Corporate VISA cards. Finance staff will pay the statement immediately to avoid interest charges.

Each month CIBC-VISA also provides each cardholder with a statement of their detailed transactions for review. The cardholder's statement is marked in the bottom right hand corner as STATEMENT COPY PLEASE DO NOT PAY.

Upon receipt of the statement copy, each cardholder is required to fill out a P-Card Account Distribution Form to approve payment of the purchases and distribution of the charges to the appropriate budget accounts. The Instructions for Completing P-Card Account Distribution Form are attached. A copy of the P-Card Account Distribution Form is also attached and is available in the Forms section on the 'S' Drive.

The initial payment by Finance, when the Consolidated Statement is received, is charged to a clearing account in your name. This account is cleared upon receipt of the P-Card Account Distribution Form.

The P-Card Account Distribution Form along with all attachments should be forwarded to Finance Division **within three weeks of the Statement Date**.

If your statement shows no transactions for the previous month, and shows nothing owing in the Balance Due then you do not need to fill out a P-Card Account Distribution Form. Your statement should be forwarded to Finance for filing.

It is the cardholder's responsibility to resolve any errors on the monthly statement. First try to resolve it with the supplier. If you can't settle the problem at the supplier level, notify VISA Customer Service. Keep notes on how you resolved the problem. If an adjustment is processed please note the amount of the adjustment on the P-Card Account Distribution Form.



## Application for Purchasing Card

(To be completed by Applicant and Applicant's Supervisor/Manager)

I \_\_\_\_\_ hereby make application for a Haldimand County Purchasing Card. In signing this Application I acknowledge that I have read the Purchasing Card Procedure Manual and understand the conditions for use of the Purchasing Card.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

Authorization by Supervisor/Manager:

In addition to the Restrictions on Use contained in the Purchasing Card Procedure Manual, the following restrictions will be applied to this employee's use of the Purchasing Card:

Spending Limit \$ \_\_\_\_\_ (not to exceed \$5,000.)

Supervisor/Manager \_\_\_\_\_ Date \_\_\_\_\_

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(To be completed by Support Services)

Application for Haldimand County Purchasing Card is: \_\_\_\_\_ Approved  
\_\_\_\_\_ Not Approved

The Application for Purchasing Card was not approved for the following reason(s):

Manager Support Services \_\_\_\_\_ Date \_\_\_\_\_

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(To be signed in presence of Manager Support Services)

I \_\_\_\_\_ hereby acknowledge receipt of Purchasing Card as follows:

CIBC Corporate VISA # \_\_\_\_\_

with the additional Restrictions on Use as outlined above and with a spending limit of \$ \_\_\_\_\_. I acknowledge that I have read the Purchasing Card Procedure Manual and agree to use the Purchasing Card in accordance with the conditions set-out in the Purchasing Card Procedure Manual.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_



## PURCHASING CARD PROCEDURE MANUAL

### Instructions for completing Purchasing Card Account Distribution Form

Enter name **Cardholder's Name**

Enter **P-Card Advance G/L Account No** that was provided by Finance

Enter **Statement Date** from your CIBC Corporate VISA statement copy

For Each Transaction on the CIBC Corporate VISA statement enter:

- **G/L Account No.** and **GL Account Description** for account number where purchase is to be charged
- Enter the **P-Card Transaction Description** – This is the description of the transaction – this is the description that will be displayed or printed when an account inquiry is done
- Enter **Amount** of the purchase, excluding taxes
- Amount of taxes – **GST** and **PST**
- The **TOTAL** column and the **Total Purchases** line total automatically
- The same process is to be used if there is a credit transaction on the VISA Statement
- Attach receipts for each transaction on your VISA Statement
  - The actual supplier's receipt is to be attached not the VISA slip that was signed
  - If for some reason you are unable to locate the receipt please submit an explanation, which must include a description of the item, date of purchase, and the merchant's name

Enter **Amount of Balance Due** that appears at the top of your VISA Statement in the section entitled Account Summary.

Review **Difference Between Total Purchases and Balance Due** – This amount totals automatically and must be zero. Do not submit this form until all transactions have been entered and this amount is zero.

**Date Prepared** will automatically enter the current date

Cardholder signature is required in **Cardholder's Authorization** line – this is the cardholder's authorization that the purchases conform to policy and are authorized for payment

If cardholder is not a Manager or Supervisor and has no spending authorization, then your **Supervisor/ Manager's Approval** is required to authorize payment.

**Finance Approval** is signed by the Finance staff upon review of the *P-Card Account Distribution Form* as confirmation that all documentation has been received and that all transactions have been properly accounted for.



<b>Topical Index</b>	Administration
<b>Policy Number</b>	2003-11
<b>Short Title</b>	Use of Purchasing Cards
<b>SMT Approval Date</b>	March 6, 2003
<b>Council in Committee</b>	April 14, 2003 Recommendation # 15
<b>Council Approval Date</b>	April 22, 2003 Resolution 108-03
<b>Originating Department</b>	CS-FI-12-2003
<b>Revisions</b>	