



Policy Name:	Procurement Card Policy
Originating/Responsible Department:	University Services and Purchasing
Approval Authority:	Senior Management Committee
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Contact:	Assistant Vice-President (University Services)

POLICY:

It is University Policy to use Procurement Cards for departmental and research purchasing and payment of goods and services (within the levels of procurement authority delegated) where it is efficient, economical and operationally feasible to do so.

PURPOSE:

To provide an efficient and effective method of procuring and paying for low dollar value goods and services.

SCOPE:

To provide faculty and staff with convenient, efficient and cost effective means to acquire low value goods and services;

- ☐ To reduce the costs and amount of paperwork required to purchase low value goods and services;
- ☐ To improve the timeliness of purchases and control of Merchant payments;
- ☐ To improve management reporting on purchasing activities;
- ☐ To improve Supplier negotiations of supply terms; and,
- ☐ To improve control over low value purchases.

See Procedures Section 1

Cardholder Eligibility:

To be eligible for a P-Card the applicant must meet the following criteria:

- ☐ The applicant must be a University faculty, staff member, or authorized to purchase for a Fund Holder on their behalf;
- ☐ The applicant must submit a written application which must be supported and approved by his/her Fund Holder of the default FOAPAL;
- ☐ The applicant must sign the Cardholder Agreement in advance of receiving their Card.

Cardholder Liability:

It is the Cardholder's responsibility to ensure that the card is used only within the stated guidelines of the University Procurement Card Policy and Procedures. Failure to comply with the policy and procedures will result in revocation of the Card. The University will hold the Cardholder fully responsible for all unauthorized purchases (not business related) and any other fees associated with those purchase(s).

Cards are assigned to a specific named individual. They may not be assigned to multiple users. Cards may not be loaned to any other individual. The Cardholder is the only person authorized to use the assigned Card and is responsible for all transactions.

As the P-Card is issued to the University for the use of the authorized Cardholder, it does not affect the Cardholder's personal credit.

Procurement Card Limits:

Carleton University P-Card limits are set as per the following parameters:

1. Transaction Limit: single transaction not to exceed \$10,000 (including shipping charges, currency exchange and taxes) for operating and research funds/accounts.
2. Monthly Limit: \$40,000 total purchases for the month for operating funds/accounts \$10,000 total purchases for Research funds/accounts.

Purchases must not be split to circumvent P-Card limits. If the dollar amount of the item exceeds the established Card limits, a request to the Procurement Card Administrator for a one-time limit increase by e-mail will be considered, or a requisition for purchase order must be issued to Purchasing Services.

Note: Any adjustments to the above parameters are subject to the written approval of Purchasing Services.

Prohibited Card Transactions:

Imbedded on each card will be any restrictions that have been established, such as monetary limits, and certain Merchant Category Codes (MCC).

P-Cards must not be used to purchase goods and services for personal use.

In addition, the following goods and services may not be purchased with the card:

- ☒ Regulated alcohol;
- ☒ Laboratory and research animals;
- ☒ Printing and copying services that could otherwise be done by Graphic Services
- ☒ Salary and salary related charges including temporary help and consulting fees;
- ☒ Travel and Entertainment related expenses, these require the use of the Corporate Travel card and Travel Reimbursement Form
- ☒ Transactions over \$10,000 including shipping charges, currency exchange and taxes;
- ☒ Cash advances;
- ☒ Any purchases where the cardholder has decision-making authority within the vendor organization.

Procurement Card Requests:

Any request for a P-Card must be submitted by completing a Purchasing Card Application to the Procurement Card Administrator. An application must be completed for each potential Cardholder and signed by the Fund Holder of the Default FOAPAL. Please refer to the procedures "Applying for Procurement Card".

Lost or Stolen Cards:

It is the responsibility of the Cardholder to maintain control and security for the P-Card. All precautions should be used to maintain confidentiality of all information relating to the Card, such as the Cardholder P-Card number and expiration date. The P-Card number should never be left in a conspicuous place.

It is the responsibility of the Cardholder to immediately call the bank to advise of the lost or stolen card as well as calling the Procurement Card Administrator.

Fraudulent use of the Card, and lost or stolen cards must be reported immediately. Please refer to the procedures "In case of a Lost or Stolen Card"

Vendor Participation:

OPERATING FUNDS: All purchases less than \$10,000 per transaction (including shipping charges, currency exchange and taxes) must be processed using the P-Card when it is accepted by the Vendor.

RESEARCH FUNDS: All purchases less than \$10,000 per transaction (including shipping charges, currency exchange and taxes) must be processed using the P-Card when it is accepted by the Vendor.

If a vendor used frequently by University employees does not accept the P-Card, the University will assist in recruiting the vendor to take the necessary steps towards acceptance of the P-Card. Cardholders should contact the P-Card Administrator when encountering vendors who do not accept the Card.

Required Documentation and Record Retention:

P-Card transaction documents must be retained for a period of seven (7) years to support potential audit of transactions by fund agencies or sources. The Cardholder is responsible for obtaining the appropriate documentation for each transaction and to forward these to Accounts Payable on a monthly basis with their statements. For Carleton University P-Card transactions, key documents supporting transactions will include invoices (or packing slips with prices) and card vouchers.

Reconciliation of Procurement Cards Charges:

P-Card related purchasing transactions are provided daily and can be reconciled online at www.carleton.ca/fast. It is the Cardholder's responsibility to reconcile P-Card charges to the appropriate FOAPAL. It is the responsibility of the Fund Holder to ensure that charges to a fund are appropriate and acceptable.

Audit:

P-Card transaction records may be requested at any time for examination by Accounts Payable, P-Card Administrator, supervisor, and internal or external auditors.

This policy also consists of 2 additional sections:

Section 1. Procedures

Section 2. Glossary

SECTION 1

PROCEDURES:

Areas of responsibility:

Card Issuer: is responsible for:

- ☐ Producing and delivering all Cards to the P-Card Administrator;
- ☐ Cancelling any Card reported lost or stolen;
- ☐ Providing the transactions on a daily basis;
- ☐ Providing customer service assistance;
- ☐ Remitting payment to University P-Card vendors;
- ☐ Collecting payment from the University for provided under the P-Card program.

Purchasing Services: is responsible for:

- ☐ Administering the P-Card Agreement with the Card Issuer;
- ☐ Planning, developing and evaluating all aspects of the P-Card program including the related Policies and Procedures;
- ☐ Reviewing all expenditures to evaluate the effectiveness of the program and identify any high volume items that could be competitively quoted or bid;
- ☐ Arranging vendors to be set up as merchants with the Card issuer;
- ☐ Providing liaison between the Card Issuer and the Cardholder community with respect to promotion of the P-Card program and any issue related to MCC codes.
- ☐ Approving any request for changes to the default limits.

Procurement Card Administrator(s): are responsible for:

- ☐ Addressing the security issues raised by the Card Issuer;
- ☐ Maintaining Cardholder agreements and other relevant documentation;
- Processing Card applications and approvals; this includes receiving approval of Default FOAPAL's by the appropriate Fund Holder;
- ☐ Maintain database of cardholders;
- ☐ Adjusting cycle and monthly limits on P-Cards subject to Purchasing Services approval;
- ☐ Issuing/replacing P-Cards;
- ☐ Facilitating all training related to the P-Card program;
- ☐ Processing all payments made to the Card Issuer;
- ☐ Facilitating reconciliation of billing disputes once the Cardholder has exhausted all attempts with the Vendor;
- ☐ Monitoring for and resolving potential program abuses;
- ☐ Monitoring transactions in FAST Pcard;
- ☐ Managing the statement date cutoff and importation of the final billing file;
- ☐ Supplying selected vendors who provide on-line ordering a list of cardholders and their P-Card numbers.

Accounts Payable: are responsible for:

- ☐ Monitoring the receipt of the monthly statements and supporting documentation;
- ☐ Pass purchases made against Research Funds to Research Accounting for monitoring;
- ☐ Monitoring transactions in FAST Pcard;
- ☐ Request that Purchasing Services suspend the use of the Card for failure to comply with policy;
- ☐ Carry out policy compliance checks on statements and supporting documentation;
- ☐ Process for payment the monthly invoice of the Card Issuer.

Cardholders: are responsible for:

- ☐ the security of the card and notifying the Card Issuer and P-Card Administrator of a lost or stolen card;
- ☐ appropriate use of the Card for business purposes in accordance with Procurement Card Policies and Procedures;
- ☐ reconciling each transaction on FAST Pcard as designated by Fund Holder;
- ☐ ensuring that supporting documentation is received from the vendor;
- ☐ resolves all questionable items or disputes directly with the vendor;
- ☐ to forward signed monthly statement and supporting documentation to Accounts Payable.

Fund Holder: is responsible for:

- ☐ approving requests for P-Cards defaulting to their account(s);
- ☐ sponsoring a student or non staff member to receive a P-Card, and then providing that person with posting rights to the fund so they are able to reconcile transactions on FAST Pcard;
- ☐ designating a default FOAPAL for purchases on the P-Card;
- ☐ reviewing P-Card transactions on their fund statements to ensure that the charges are appropriate;
- notifying the P-Card Administrator of any changes in the Cardholder's status (i.e. employment termination, sabbatical, maternity leave, sick leave);
- ☐ administering their funds and P-Card related transactions, which are ultimately posted to these funds.

PROCEDURES FOR CARDHOLDER

Applying for a Purchasing Card

- Requester completes the Card Issuer's P-Card Application form and submits it to their Fund Holder for approval;
- ☐ Fund Holder provides default FOAPAL to be assigned to the Card;
- Fund Holder's signature delegates transaction authority to the Cardholder;
- ☐ Requester submits completed and approved application form to the P-Card Administrator;

Obtaining the Procurement Card

- ☐ An Email will be sent to the Cardholder advising them that the P-Card Administrator has received the card;
- ☐ Cardholder presents themselves in person at the address indicated on the electronic notification to pick up the Card;
- ☐ Cardholder signs the Cardholder Agreement signifying agreement with the terms of the P-Card program;

- ☒ Cardholder must present some form of Identification preferably their Carleton Campus Card;
- ☒ Cardholder signs the back of the P-Card after taking possession of the Card
- ☒ Cardholder calls the Card Issuer to activate the Card as per the instruction on the face of the Card.

Obtaining Goods and Services

The Cardholder can place orders by phone, facsimile, mail, Internet, and over-the counter.

In all cases, the Cardholder must determine, before placing an order that the:

- ☒ proposed purchase is not a prohibited Card transaction;
- total cost does not exceed the cardholder's purchase limits, including shipping charges, currency exchange and taxes;
- ☒ vendor accepts the P-Card;
- ☒ product is available;
- ☒ price is the best that can be obtained (ask if educational discounts are available);
- ☒ delivery date meets expectations and needs;
- ☒ appropriate method of shipping and handling is selected and special handling instructions are defined;
- ☒ shipping cost.

The Cardholder must ensure that the receipt, and/or packing slip contains the:

- ☒ Vendor name and address;
- ☒ Description of items purchased;
- ☒ Quantity of goods ordered and received;
- ☒ Itemized unit prices and the amount extensions;
- ☒ Sales taxes (if applicable);
- ☒ Shipping charges (if applicable);
- ☒ Grand total of order.

The Cardholder must ensure that the goods have been received before completing the reconciliation on FAST Pcard.

When placing the order by phone or fax, the Cardholder must:

- ☒ Provide the vendor their name, phone number, department name and shipping address;
- ☒ Obtain a confirmation order number (if available).

When placing the order by Internet, the cardholder must:

- ☒ Ensure that the appropriate consideration is given to security concerns (i.e. encrypted web sites);
- ☒ When possible print copies of orders before submission;
- ☒ Obtain electronic confirmation of the order;
- ☒ When ordering from a preferred vender (i.e. Grand & Toy, VWR, Fisher Scientific) print out the order from their system.

When the goods or services are received, the Cardholder must:

- ☒ Check the item that has been received;
- ☒ Ensure that documentation is received such as a packing slip, invoice or P-Card transaction slip;

- ☐ Ensure that the documentation is stored so that it can be forwarded to Accounts Payable with their monthly statement;
- ☐ Contact the vendor if there is any problem with the transaction.

Reconciliation of Procurement Card Charges

Daily transaction data is available on the FAST Pcard web site at www.carleton.ca/fast where the Cardholder can access and review the P-Card activities. The cardholder will review the transactions for accuracy and reconcile them with their receipts.

If there are no discrepancies, the cardholder will change any of the default FOAPAL's as appropriate.

The Cardholder is responsible for any discrepancies that may appear in the documentation. The Cardholder should always attempt to resolve any discrepancies directly with the vendor.

Once a month the P-Card Administrator will inform you by e-mail of the deadline date to complete your reconciliation before the file is uploaded into Banner.

The Cardholder is to print off their Statement once reconciliation is completed, sign the statement and obtain their Fund Holder's or delegate's signature before forwarding it along with all supporting original documentation to Accounts Payable. If the Fund Holder is also the Cardholder they must obtain their immediate supervisor's signature on their monthly statement. **Failure to do this may result in your Card being temporarily suspended until the situation is corrected.**

Disputes

The Cardholder is responsible for resolving all discrepancies and disputes directly with the vendor. Every effort must be made to resolve disputes within thirty (30) days of the transaction. The Cardholder should allow sufficient time for the vendor to prepare a credit voucher or for the replacement of items.

If the Cardholder is not able to resolve the dispute with the vendor within 30 days, the cardholder must contact the Procurement Card Administrator to intervene with the Card Issuer on behalf of the cardholder. The Card Issuer does not recognize disputes over 60 days from the date of the transaction.

Credits

The vendor must issue a credit to the Cardholder account for any item that they have agreed to accept for return or price adjustment. This credit will appear on the cardholder's statement and should be reconciled in the same manner as other transactions.

Taxes on purchases

Carleton University is required to pay sales tax in the majority of instances. Depending on the type of supplies and location of the vendor, however, the tax implications may vary.

It is the responsibility of the cardholder to inquire about the applicable taxes prior to confirming the order to the vendor and verify the invoice to ensure that the correct taxes are charged.

Procurement Card Needs To Be Replaced

Lost or Stolen Card:

The Cardholder should immediately contact the customer service number of the bank to report the stolen or lost Card. This number is available 7 days a week, 24 hours a day for reporting purposes. The cardholder must be prepared to respond to the following questions:

- Cardholder's complete name;
- ☐ Circumstances surrounding the loss of the card;
- ☐ Any purchase(s) made on the day the Card was lost or stolen;
- ☐ Details of the last purchase amount and location;
- ☐ Personal identification information;
- ☐ Identify if there is a need to replace the Card.

After a missing or stolen card incident is reported to the Card Issuer, the Cardholder must notify the Procurement Card Administrator so that the University records can be updated accordingly.

Defective Cards:

If a P-Card needs to be replaced because it is worn out or defective, the cardholder should notify the Procurement Card Administrator. They will in turn request a replacement Card from the Card Issuer. The Card Issuer will forward a replacement Card within five (5) working days of being notified. The Procurement Card Administrator will advise the Cardholder when the replacement Card is received.

Cardholder Leaves Employment of University or Changes Department

Termination

When a Cardholder leaves the University, the Fund Holder must notify the Procurement Card Administrator immediately. The Fund Holder must obtain the Card and all outstanding documentation on the account of the Cardholder prior to final separation and reconcile the charges online. The Fund Holder will advise the P-Card Administrator who will complete the paperwork with the Card Issuer and cancel the card.

Temporary Leave

When a Cardholder leaves their position or changes responsibilities on a temporary basis (i.e. sabbatical, maternity leave, sick leave), the Fund Holder must obtain all outstanding documentation on the account from the Cardholder, reconcile the charges on FAST Pcard and then ask the P-Card Administrator to deactivate or cancel the Card.

If the Card is to be deactivated, the Fund Holder submits a written notification (e-mail) to the Procurement Card Administrator.

Change of Department

When a Cardholder changes department, the same procedure as for "termination" applies. If however, the Cardholder will be purchasing goods or services within the new department they, or their supervisor,

are to advise the P-Card Administrator of their new default FOAPAL and commencement date. The Administrator will amend the information on FAST Pcard.

SECTION 2

Procurement Card Glossary

Cardholder: A person designated by a Fund Holder to be given a P-Card to make purchases within pre-set limits, on behalf of the Fund Holder. The Fund Holder may also require the Cardholder to reconcile the charges made against that Card to the appropriate Fund(s).

Card Issuer: Financial (banking) institution that issues the P-Card.

Default FOAPAL: The FOAPAL number, which is provided by a Fund Holder on the Request for Procurement Card Form. The P-Card Administrator uses the default FOAPAL to distribute the un-reconciled charges remaining after the designated reconciliation time limit.

FAST Pcard: The name of the online tool where cardholders can reconcile their purchases on a daily basis.

FOAPAL: Represents the elements of Carleton's Accounting Distribution in Banner.

- ☐ Fund = the source of the money
- ☐ Organization = the department/admin unit responsible for the fund
- ☐ Account = describes the nature of expenditures or revenues
- ☐ Program = tracks the functional area for which the funds are used (e.g. teaching, research, academic services, etc.)
- ☐ Activity = use where required
- ☐ Location = not used at this time

Fund Holder: A university staff or faculty member who is responsible and accountable for a University fund. This individual ensures all disbursements are in accordance with restrictions, if any imposed by the funding source or contributor.

MCC: Merchant Category Code assigned to a merchant by the Card Issuer, which identifies the primary goods or services provided by the merchant.

Monthly limit: The maximum dollar value of charges that may be applied to a Cardholder's purchasing authority for the month. The university standard limit is \$40,000 per month for operations and \$10,000 for research.

P-Card, Card or Procurement Card: A University selected procurement card assigned to authorized card holders for the purpose of purchasing goods and services up to specified amounts for business purposes.

P-Card Administrators: The group which approves P-Card applications, monitors all P-Card usage and which may revoke the Card privilege of Cardholders in the event of misuse.

Reconciliation: The process whereby the Cardholder approves the purchases by confirming or assigning the appropriate FOAPALS on FAST Pcard.

Transaction: A charge, credit, correction or other activity processed against any Cardholder account.

Transaction Limit: The maximum allowable dollar value for each transaction as indicated below. All allowable purchases less than \$10,000 per transaction (including shipping charges, currency exchange and taxes) must be processed using the P-Card when it is accepted by the Vendor.

Contacts: Assistant Vice-President, University Services; Manager, Purchasing Services: Administrative Officer, University Services

Links to related Policies:

[Purchasing Policy](#)