



## PURCHASE CARD SYSTEM

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Owner.

<b>Category:</b>	F. Finance
<b>Parent Policy:</b>	F22
<b>Approval Date:</b>	January 24, 2022
<b>Effective Date:</b>	January 24, 2022
<b>Procedure Owner:</b>	Chief Financial Officer

<b>Overview:</b>	To provide a clear and standardized approach approval of procurement cards which allows for compliance monitoring.
<b>Procedures:</b>	<p>Many members of the Olds College of Agriculture &amp; Technology (the “College”) community travel or make regular small dollar purchases in the normal course of performing their duties. The standard purchasing method for large transactions can be a burden for small regular purchases and travel-related expenses. The College recognizes this burden and has established a credit card program to provide employees with an efficient, cost effective method for purchasing these goods and services. The credit card program is intended for small dollar purchases typically up to \$2,000. Purchases in excess of \$2,000 should be exceptions and will need to be approved by purchasing. They will be able to identify any applicable policies and preferred purchasing rates that the college may have negotiated. Exceptions to this are allowable on a case by case basis and where it makes the most economic sense to use a purchase card for higher value transactions within the limits defined herein.</p> <p>As a cardholder, the employee will have:</p> <ul style="list-style-type: none"> <li>• a flexible and convenient way to pay for goods, services and travel-related expenses;</li> <li>• reduced need to request purchase orders and cheque requests for small dollar transactions;</li> <li>• reduced need to use personal funds and request reimbursement.</li> </ul> <p><b>PROCEDURE</b></p> <p><b>Card Application</b></p> <p>The direct supervisor of the individual must complete a <b>Purchase Card Application Form</b> in KiSSFLOW. How the credit card program works:</p> <ul style="list-style-type: none"> <li>• Typically, cards are issued in the employee’s name but are paid each month by the College</li> </ul>

- Cards may be issued in department names on an exception basis. These cards will still be associated with a specific employee.
- The credit card program is intended for Olds College business. Card holders may not use their credit card for personal expenses. If a card holder accidentally uses their College credit card for personal expenses, they should contact the Business Operations Supervisor on how to reimburse the College for the expense. Documentation of reimbursement should be retained with the credit card statement submission that is discussed below.
- A credit card is issued in the card holder's name and is the responsibility of the card holder. In general, cards should not be shared with others. A normal exception to this would be an assistant making travel arrangements for the card holder. However, card holders may make purchases for other college employees using their College credit card. The cardholder must retain the receipt(s) for the purchase and include it with their monthly statement for approval. See comments in the **Approvals** section below regarding approvals when making purchases for other college employees.
- It is the responsibility of the card holder to become familiar with applicable College purchasing procedures as well as purchase card reconciliation procedures prior to using the card
  - All charges on a purchase card are deemed to have been incurred by or with the express approval of the cardholder unless the card had been reported stolen or lost.
  - It is the card holder's responsibility to report a lost or stolen card to Business Services.
- Cards are initially issued with a \$5,000 monthly and \$1,500 individual transaction limit. These limits are designed to provide sufficient funds for most employee needs while giving the College some protection in the event an employee's card information is stolen. If a cardholder requires higher limits to support College activities, credit card limits may be adjusted on a case by case basis
  - To request a limit change, please complete the **Corporate Credit Card Limit/Single Transaction Limit Increase Request** form in KISSFLOW.
- Card holders must retain an itemized receipt for each purchase. The receipts are necessary to confirm transactions and support the College for audit purposes.
  - Receipts must clearly identify items purchased. Summary receipts are not acceptable. For example, purchasing meals, as some restaurants will only return the summary receipt with the total and the tip. In this case, a detailed receipt which lists the meals and drinks purchased must be requested and retained.
  - All alcohol purchases must conform to policy **Hospitality and Alcohol**.
  - In the event of a missing receipt, cardholders must complete a Lost Receipt Declaration Form and include it with their Visa reconciliation.
- Each month, card holders must reconcile their statements with their receipts. This will ensure that appropriate documentation is available for review and that there aren't incorrect or fraudulent charges on the account.
  - Reconciling monthly statements - Each card is assigned a default alias and expense account number. Any transactions where this default alias and expense account number don't apply should be identified and the card holders must assign the appropriate Alias

and Account number to each transaction for proper tracking of expenses and reporting.

- Card holders must review their charges and receipts which are reviewed by their direct supervisor and relevant budget owner (if the supervisor is not a budget owner) once the statement and receipts are reconciled. The card holder and budget owner both must note their approval of the reconciliation. This process is done in a KiSSFLOW form called **Corporate Credit Card Statement Submission**.

#### **Approvals**

- It is the responsibility of the cardholder's supervisor to review receipts and approve all charges on a cardholder's statement by signing off on monthly statements.
  - In cases where a cardholder's supervisor is not a budget owner, the relevant budget owner must approve the charges and document approval.
  - In cases where expenses are incurred by the cardholder on behalf of the budget owner then an additional approval is required from the budget owner's supervisor.
  - In cases where expenses are incurred by the cardholder that apply to another budget then that respective budget owner's approval also needs to be obtained for those specific transactions.
  - In cases where there are no transactions that have occurred during the month then this process must still be followed, but on the KiSSFLOW form the preparer will identify that no transactions have occurred and attach the monthly statement as support. The budget owner will still be required to approve this to confirm that they are aware of all transactions.

#### **Signed statements & receipts**

- Approved, reconciled statements and receipts must be forwarded to Business Services via KiSSFLOW's Corporate Credit Card Statement Submission form within 5 business days after a cycle closes.

#### **Allowable Transactions**

- Memberships and subscriptions
- Conference registration fees
- Books
- Supplies
- Catering and hospitality (with supervisor approval – all alcohol purchases must conform to policy **Hospitality and Alcohol**)
- Travel expenses in accordance with F22 – Travel Expense with Rate Sheet.

#### **Restricted Purchases** - The card must not be used for the following:

- Expense Allowance purchases
- Items of personal use
- Fuel for personal vehicle
  - If you use personal vehicle for college business, please submit a mileage claim
- Capital items in accordance with the Tangible Capital Asset Definition Procedure

	<ul style="list-style-type: none"> <li>● Prepaid expenses including prepaid software subscriptions and/or service contracts</li> <li>● Gift cards</li> <li>● IT Hardware, Software and Software subscriptions <ul style="list-style-type: none"> <li>○ IT acquisitions must be approved by an IT budget owner</li> </ul> </li> <li>● Cash advance</li> <li>● Donations and sponsorships</li> <li>● Construction and construction design services (Campus Facilities is not subject to this restriction)</li> <li>● Contracted goods and services including lease agreements</li> <li>● Items for which purchase orders are available if better pricing is available under the standing purchase order</li> <li>● Items normally carried in College inventories</li> </ul>
<b>Definitions:</b>	
<b>Related Information:</b>	F12 Hospitality and Alcohol Procedure F22 Travel Expense with Rate Sheet Procedure F23 Tangible Capital Asset Definition Procedure
<b>Review Period:</b>	1 Year initially, followed by 3-year review
<b>Revision History:</b>	New: June 9, 2014 Revised: October 6, 2016 Revised: January 24, 2022