

TYPE:	Administrative
TITLE:	Corporate Purchasing Card
NO.:	ADMIN-234
RESPONSIBILITY:	Chief Administrative Officer and Chief Financial Officer
APPROVED BY:	Durham College Leadership Team
EFFECTIVE DATE:	June 2020
REVISED DATE(S):	
REVIEW DATE:	June 2022

1. Introduction

- 1.1. The Corporate Purchasing Card is intended for use in the procurement and payment of low-dollar-value goods and services. The use of Corporate Purchasing Card is expected to build efficiency by simplifying the acquisition, receipt and payment of low-dollar-value purchases and travel expenses.
- 1.2. The main objectives of the Corporate Purchasing Card policy and procedure is as follows:
 - 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; and
 - To improve the timeliness of accounting and improve management reporting on purchasing activities.
- 1.3. Only full-time and part-time permanent employees can apply for a purchasing card. To be eligible for a purchasing card, an employee must meet one or more of the following criteria:
 - Travel frequently in the course of their duties;
 - Purchase a significant volume of minor goods and services for use by the College;
 - Incur regular frequent expenses of a kind appropriately paid by credit card.
- 1.4. Durham College has established a partnership with the financial institution to provide and support the MasterCard Corporate Purchasing Card.

2. Purpose

This policy and procedure has been developed to provide a clear framework for the internal controls over the issuance and use of Corporate Purchasing Cards.

3. Definitions

Refer to [Durham College's Standard Definitions](#).

4. Policy statements

- 4.1. The Corporate Purchasing Card is intended for the exclusive use of the cardholder to whom it was issued and is to be used to facilitate the purchase and payment of materials and services required to conduct College business.

5. Procedure

- 5.1. The issuance of a purchasing card requires the completion of the Durham College credit card acquisition form and approval at least at the director level with authorization from the Procurement Manager and Chief Financial Officer.
- 5.2. Each purchasing card will be limited to a maximum set by the Chief Financial Officer who will determine the limit on a basis of need and the budget of the cardholder's department. Changes to this limit can be made by the approval of the Chief Financial Officer. A MasterCard Increase Form must be completed for any increases and approved by the cardholder's supervisor, procurement manager and Chief Financial Officer.
- 5.3. The purchasing card is to be used only for official College business, not personal expenses. If the purchasing card is used for personal expenses the employee will issue a cheque made payable to Durham College and attach this with the expense report.
- 5.4. The purchasing card is the property of Durham College issued in the name of the employee.
- 5.5. Durham College is liable for the transactions made on the card, however the employee is responsible for the card and should take measures to ensure that the card is kept secure.
- 5.6. As a condition of receiving the purchasing card, employees must sign the employee agreement on the Durham College credit card acquisition form before receiving the card. Employees who have been provided with a purchasing card must not use personal credit cards for expenditures related to College business.
- 5.7. Cardholders may use the purchasing card for business purchases valued at less than \$5,000 per transaction excluding capital assets.
- 5.8. Purchases should not be broken into smaller amounts in order to meet the transaction limit.
- 5.9. Each card has a preset limit of \$5,000 per transaction.

- 5.10. All purchases made using the purchasing card must be supported by original, itemized receipts.
- 5.11. The purchasing card cannot be used to purchase capital assets, imported items and to obtain cash advances.
- 5.12. The monthly billing schedule ends on the 15th day of each month and the statements are available online through the FAST purchasing card module on the 16th day. On a monthly basis, the cardholder is responsible for reviewing their transactions and entering the appropriate accounting for each transaction by the 25th of each month.
- 5.13. A copy of the reconciled statement, approved by the appropriate level and attached with supporting receipts must be submitted to the Finance department by the 25th day of each month.
- 5.14. Failure to record the appropriate accounting for the transactions in the FAST module by the indicated deadline will result in the transactions being recorded to a default expense account in the budget of the cardholder's supervisor.
- 5.15. It will be the cardholder's responsibility to prepare a journal entry to transfer the cost to an appropriate budget line in addition to submitting the reconciled statement and supporting receipts.
- 5.16. Employees who are six or more weeks late from the statement date in submitting their reconciled statement with receipts to Finance are considered delinquent and their card will be put on hold by the plan administrator until the proper documentation has been received.
- 5.17. The Chief Financial Officer has the authority to cancel an employee's right to use the purchasing card at any time. An employee's card may be canceled or suspended upon violation of any, but not limited to the following:
 - Use of the card for personal or other unauthorized purchases;
 - Failure to reconcile and submit the approved statement in a timely manner; and,
 - Failure to attach appropriate receipts to the reconciliation.
- 5.18. In the event of a lost or stolen card, the cardholder must notify the financial institution. This number can be found on the back of the credit card. The plan administrator in the Procurement department should also be notified by e-mail at purchasing@durhamcollege.ca or by calling 905.721.2000 extension 2536, 2483 or 2251.

6. Roles and responsibilities

- 6.1. Employees entrusted with a purchasing card are responsible for:
 - 6.1.1. Using the card in accordance with the policies and procedures;
 - 6.1.2. Adhering to the College Business and Travel Expense Reimbursement policy and procedure;
 - 6.1.3. Properly safeguarding the card to maintain its security;
 - 6.1.4. Ensuring that supporting documentation is received from the vendor;
 - 6.1.5. Resolving all questionable items or charges directly with the vendor; and
 - 6.1.6. Reconciling all purchases on the activity statement with supporting documents.
- 6.2. Supervisors are responsible for:
 - 6.2.1. Approving the request for an employee to receive a purchasing card;
 - 6.2.2. Ensuring cardholders are adhering to this procedure;
 - 6.2.3. Ensuring all transactions are legitimate and charged appropriately;
 - 6.2.4. Approving the cardholder monthly reconciliation; and
 - 6.2.5. Returning the cardholder's card to the plan administrator in the Purchasing department for immediate cancellation upon transfer of the employee to another department or termination from the College.
- 6.3. Procurement department is responsible for:
 - 6.3.1. Processing application forms for new cardholders;
 - 6.3.2. Receiving the new card and distributing it to the cardholder;
 - 6.3.3. Processing profile changes for cardholders, including changes to daily or monthly limits;
 - 6.3.4. Processing any card cancellations or suspensions; and
 - 6.3.5. Loading the monthly statement file from financial institution to the FAST purchasing card module on a monthly basis.

6.4. Finance department is responsible for:

- 6.4.1. Integrating the reconciled credit card transaction activity per cardholder from the FAST purchasing card module into Banner;
- 6.4.2. Reconciling the monthly statement to the amount debited from the bank account;
- 6.4.3. Ensuring all cardholder statements with supporting documentation are received by the 25th of each month; and
- 6.4.4. Notifying the Chief Financial Officer of any purchasing violations.

7. Accessibility for Ontarians with Disabilities Act considerations

Accessibility for Ontarians with Disabilities Act (AODA) standards have been considered in the development of this policy and procedure and it adheres to the principles outlined in the College's commitment to accessibility as demonstrated by the Accessibility Plan (ADMIN-203).

8. Non-compliance implications

Failure to comply with this policy and procedure could lead to a cardholder's privileges being cancelled or suspended, and/or could lead to disciplinary action against the employee concerned. In cases of misuse, the College reserves the right to recover any monies from the cardholder.

9. Communications plan

- A message will be posted on ICE alerting employees when new or revised policies and procedures are added to ICE.
- A message will be posted on MyCampus alerting students when new or revised policies and procedures are added.

10. Related forms, legislation or external resources

None.