

# **PURCHASING CARD GUIDELINES**

## **THE UNIVERSITY OF WESTERN ONTARIO**



**Western**  
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## PURPOSE

The purpose of Western's Visa Purchasing Card Program is to offer an efficient and cost effective method to purchase and pay for goods and services of relatively low dollar value. This program is designed to serve as an alternative to the use of petty cash, standing orders or in instances where a regular Purchase Order is not accepted by a vendor. It is not intended to be a mechanism to avoid or bypass Procurement Services policies or procedures as stipulated in Board of Governors policy 2.8 <http://www.uwo.ca/univsec/mapp/section2/mapp28.pdf>. This program is intended to complement existing processes available within policy.

## GENERAL CARD TERMS AND CONDITIONS

The Visa Purchasing Card (P-Card) may be used with any vendor who accepts Visa. The card can be used for in-store purchases, and orders placed by mail, fax, phone, or over the internet. Although the card is issued in your name, it is the property of the University of Western Ontario and is to be used exclusively for University business purchases. **This card is not for personal use.** You are responsible for the security of, and all purchases made with, this card. Cards not used in compliance with program guidelines may result in the loss of card privileges and other consequences as deemed appropriate by your Budget Unit head. Card usage will be audited and may be rescinded at any time.

There is no cost to the users either for the card or for transactions made using the card.

## HOW TO OBTAIN A CARD

To obtain a P-Card, forward a completed Purchasing (P-Card) Application Form and Cardholder Acknowledgement to Procurement Services. This is your acknowledgment of reading and agreeing to the policies, procedures and terms and conditions of the program. After the application has been received, approved, and processed, a card will be issued and sent directly to Procurement Services. Cards take approximately 5-7 business days to arrive after which the cardholder will be contacted and arrangements made to pick up the card. The reverse of the card includes a space for the card holder's signature, which **must** be signed as soon as the card is received to prevent unauthorized use.

Purchasing (P-Card) Application: [http://www.uwo.ca/finance/forms/p\\_card\\_app.pdf](http://www.uwo.ca/finance/forms/p_card_app.pdf)

Cardholder Acknowledgement: [http://www.uwo.ca/finance/forms/p\\_card\\_acknow.pdf](http://www.uwo.ca/finance/forms/p_card_acknow.pdf)

### **Activation of the Card**

The card must be activated before it can be used. To activate, the cardholder must call 1-888-823-9657 and use the information provided in the e-mail they received from Procurement Services with the "significant date". This e-mail also contains their password and instructions for accessing the Scotia Bank Centre Suite System.

## LIMITS

Individual transactions are set between \$1,000 and \$5,000. The recommended default level is \$2,500 however departments can determine the level appropriate for the individual cardholder. Orders must not be split to bypass the single or monthly transaction limits. The monthly credit limit is defaulted at \$10,000. Departments, at their discretion, may request changes to these limits by completing a "Visa P-Card Change Request" and submitting this to Procurement Services for approval.

The P- Card **MAY** be used for the following:

- conference registrations
- flowers
- subscriptions
- books
- water
- shred it
- reprints
- memberships
- mail/phone/fax/internet orders
- in store purchases (e.g.) retail operations such as RONA, Home Depot or Loblaw's
- telephone/cell phone bills

The P-Card **MAY NOT** be used for the following:

- travel and entertainment expenses (e.g.) airlines, vehicle rental, lodging, restaurants,
- purchases of foreign tangible goods, except where approved by Customs and Traffic,
- supplies available through Western Office Supplies (WOS),
- alcohol, ethyl alcohol ,radioactive materials, narcotics, dangerous goods and controlled substances
- goods or services from any officer or employee of the University
- cash advances
- personal purchases
- equipment greater than \$5,000

## **TRAVEL COORDINATOR ROLE**

A "Travel Coordinator Role" has been developed to give departments the ability to book events and travel on P-Cards. These coordinators are only authorized to book events or travel for others in their department and not for personal use or travel. Personal travel and expenses continue to be reported through the PeopleSoft Employee Travel and Expense Centre. P-Cards set up as Travel Coordinator cards are heavily restricted.

## **PURCHASING CARDS ON RESEARCH GRANTS**

If an applicant identifies a research grant as the default account, Research Accounting is notified and reviews the terms of the grant. You will be expected to ensure that all transactions are eligible expenses as per the funding agency guidelines. You will be held personally responsible for all ineligible expenditures.

## **CONTROL FEATURES**

The following controls are built into the program:

- dollar limit per transaction for individual cardholders
- monthly credit limit for individual cardholders
- declining balance cards
- types of merchants that will be authorized

Each card limit is set to fit the need of the individual. Some industry vendor groups have been blocked from the program. If you present your card to any vendor from one of these industry groups, the transaction will be declined. If a cardholder feels a purchase has been wrongly declined, he/she should contact the Procurement Services Administrator at 661-2111 X88563.

## CARDHOLDER RESPONSIBILITIES

The cardholder is responsible for the custody, control and use of the Visa P-Card.

The cardholder is authorized to act on University business only. The University will not be responsible for payment of personal purchases. **Personal purchases are strictly prohibited.**

The cardholder is responsible for ensuring that budget funds are available to meet the terms of payment for each month and that all transactions are cleared prior to year end or grant closures.

The cardholder is responsible and accountable for the selection of supplier, product/service specification, quality, quantity, price, delivery terms and costs, ordering, expediting, amendments, returns, etc.

The cardholder is responsible for ensuring the accuracy of any order received including communicating discrepancies to the vendor, arranging for returns of wrong goods ordered or goods found to be defective/inferior, and for the negotiation of the terms of repair or replacement.

The cardholder must notify the Scotiabank Call Centre immediately in the event that the card is lost or stolen permitting card cancellation and replacement. The cardholder must contact the Scotia Bank Call Center immediately where a billing discrepancy cannot be resolved with a vendor, where transactions exist that the cardholder did not authorize or where the cardholder suspects fraudulent use of the account.

If it becomes necessary to purchase any foreign tangible good, the Cardholder must notify Customs and Traffic, prior to making a purchase.

Contact: Elaine Roswell ext. 84587 or Ray Williamson ext. 88120.

The cardholder must always retain receipts at the point of purchase for 7 years.

All cardholder purchases are subject to a supervisory review by way of the online submission of a monthly expense report. Failure to submit the monthly expense report is considered a violation.

## ORDERING & RECEIPTS

As previously indicated, orders can be placed in person, by phone, fax or online via the internet. When ordering through the internet, be sure you are using a secure site. Secure sites will be identified by a closed padlock shown in the status bar located at the bottom of your web browser.

When ordering, inform the vendor you are ordering with your Western P-Card. Give your name as it appears on the card.

If the vendor requests a billing address, they are trying to match the information on file at the bank with the information you are providing. The billing address is based on your original application.

When placing an order please ensure the following information is given to the vendor;

- Full name as it appears on card
- Contact telephone number
- Bill to/Sold to should be the cardholder's address
- Balance on receipt should show the amount due as \$00.00
- Receipts should indicate "Paid by VISA" to avoid duplicate payment
- Purchase orders should not be set up
- Invoice receipts should go only to the cardholder and not to Accounts Payable or Procurement Services

It is strongly recommended that the vendor use the last six digits of your card number on your receipt as a tracking or order reference number. At no time should they show more than 6 digits.

# RECONCILIATION AND PAYMENT USING CENTRE SUITE BASED SOFTWARE

On or about the 16<sup>th</sup> of each month, cardholders or appointed reconcilers will receive a notice that their electronic statement is available from the Scotia Bank Centre Suite System. The statement will identify each transaction made against the card during that billing period.

The cardholder, or designated reconciler, is responsible for reviewing all transactions on the monthly statement, the creation of an expense report for that period and submitting the expense report for approval by their designated approver. Transactions can be reallocated to other than the default speed code by changing the speed code and account code at the time of expense report creation. Descriptions must be added at this time. The expense report is then forwarded to the cardholder's designated approver for review and approval.

A table of valid general ledger accounts can be viewed at: <http://www.uwo.ca/finance/people/expaccts.pdf>

Statements must be reconciled and approved within the specified time period for each month. Failure to do so will result in the balance being paid against your default speed code/account number.

## CARD VIOLATIONS

Western's P-Card is entrusted to individuals in accordance with the procedures outlined in the Purchasing (P-Card) Cardholder Acknowledgement Form. Individuals are required to report all misuse, or unauthorized use, of the P-Card to the Procurement Services Administrator and Scotia Bank. Failure to adhere to P-Card procedures constitutes misuse of University property and may result in the cancellation of the P-Card and where appropriate, disciplinary action. Procurement Services reserves the right to remove all cards at an individual or departmental level for non-compliance.

### Department Review for Violations

- Specific violations may result in a written warning. Five warnings within one calendar year may result in card cancellation. **The following violations can cause the audit process to begin;**
- P-Card used to purchase restricted or personal goods and services
- Repeated late submission of expense reports for approval
- Repeated instances of missing documentation
- Repeated splitting of transactions to purchase items which exceed transaction limit
- Failure to report a lost or stolen card

The following steps may be taken for violations:

- 1<sup>st</sup> violation – Verbal/written warning
- 2<sup>nd</sup> violation – Written warning copy to Dean, Chair, Director
- 3<sup>rd</sup> violation – One month card suspension
- 4<sup>th</sup> violation – Six month card suspension
- 5<sup>th</sup> violation – Card cancelled

At the beginning of each fiscal year, cardholders will start with a clean record unless their card was revoked.

## **DOCUMENTATION & TAXES**

It is a requirement of this program that you retain all receipts for goods and services purchased. For other than in-store purchases, request the vendor include your receipt within the package when your order is shipped. This receipt is the only original documentation specifying whether or not taxes have been paid on your purchase. The Centre Suite System along with the Procurement Services Administrator manage the reporting of taxes through to the general ledger. The amount shown on your general ledger is the net of tax rebate amount.

Tax Information: <http://www.uwo.ca/finance/HST>

## **AUDIT**

Statements are subject to review and audit. All documentation including packing slips, receipts, credit card slips, etc. must be retained with your Visa statement, at the department level, for a period of seven years. If a receipt or packing slip does not include a description of the purchase, add a handwritten description on the receipt/packing slip.

The Procurement Services Administrator along with Internal Audit will conduct audits to ensure receipts are being retained for the required time period.

## **TEMPORARY LEAVE**

The following steps are to be taken if an employee is on an extended leave of absence or away from his/her regular place of employment for an extended period of time:

- (i) The appropriate supervisor is responsible for collecting the card;
- (ii) The supervisor must deliver the card to the Procurement Services Administrator for safekeeping;
- (iii) The Procurement Services Administrator will return the card to the employee upon their return to work.
- (iv) If the employee performs the function of a reconciler or approver in the Centre Suite system, alternates need to be identified to Procurement Services through the "VISA P-Card Change Request" form.

## **TRANSFERRED OR TERMINATED EMPLOYEES**

The following steps are to be taken if an employee is terminated or transferred to another department on campus:

- (i) The appropriate supervisor is responsible for collecting the card and returning it to the Procurement Services Administrator;
- (ii) The Procurement Services Administrator will cancel the card.

## **DISPUTE PROCESS**

The following are steps to be taken for all disputed transactions:

- (i) The cardholder contacts the supplier directly

(ii) The supplier reviews the information and either demonstrates the charge is legitimate, credits the account, or continues the dispute

(iii) If the dispute continues, the cardholder contacts the Scotiabank Commercial Card Contact Centre at 1-888-823-9657 and files a dispute report. The Cardholder must also notify the Procurement Services Administrator with details of the disputed transaction.

## **LOST OR STOLEN CARDS**

The cardholder must immediately notify the bank (1-888-823-9657) and the Procurement Services Administrator where a card is lost or stolen. The card will be cancelled and a replacement card issued within two to three business days. Employees are asked to treat the Purchasing card as they would their own.

## **HYDRO APPROVAL FOR ELECTRICAL AND ELECTRONIC GOODS**

The Power Commission Act of Ontario states that all electrical and electronic goods sold or imported into Ontario must comply with the provisions of the Ontario Electrical Safety Code. Each approved piece of equipment must bear the label or mark of a testing organization recognized by the Standards Council of Canada. It will be the cardholder's responsibility to ensure that the supplier complies with this stipulation.

## KEY CONTACTS

### Scotia Bank Commercial Card Call Centre

1-888-823-9657

- Account status and balance inquiries
- Transaction inquiries
- Problem resolution on any purchase
- Transaction disputes
- Report of lost/stolen cards
- Emergency card replacement
- Card declines
- Replacement cards

**Proewtgo gpvUgtxlegu Administrator**  
Pina Sorbara  
Procurement Services

661-2111 ext. 88563  
[psorbara@uwo.ca](mailto:psorbara@uwo.ca)

## Related Web Links

Purchasing (P-Card) Application: [http://www.uwo.ca/finance/forms/p\\_card\\_app.pdf](http://www.uwo.ca/finance/forms/p_card_app.pdf)

Purchasing Cardholder Acknowledgement: [http://www.uwo.ca/finance/forms/p\\_card\\_acknow.pdf](http://www.uwo.ca/finance/forms/p_card_acknow.pdf)

Purchasing Card Guidelines: [http://www.uwo.ca/finance/forms/p\\_card\\_guide.pdf](http://www.uwo.ca/finance/forms/p_card_guide.pdf)

VISA P-Card Change Request [http://www.uwo.ca/finance/forms/p\\_card\\_increase.pdf](http://www.uwo.ca/finance/forms/p_card_increase.pdf)

Purchasing Policy: <http://www.uwo.ca/univsec/mapp/section2/mapp28.pdf>

Table of Valid Account numbers: <http://www.uwo.ca/finance/people/expaccts.pdf>

Tax Information: <http://www.uwo.ca/finance/HST>