



# **ADMINISTRATIVE PROCEDURES**

**SUBJECT: PURCHASE METHOD: PURCHASING CARD**

**1. PURPOSE**

- 1.1. The purpose of the LKDSB Purchasing Card (P-Card) is to make it easier to buy small-dollar items and to simplify and automate the supplier payment process for these items.
- 1.2. The Purchasing Card is to be used for low value, low risk purchases of goods, services and travel including hotels, conference fees and flights generally under \$5,000 within prescribed limits at Suppliers who accept the P-card.

**2. CONTROL FEATURES BUILT INTO THE P-CARD PROGRAM**

2.1. The following individual transaction limits have been established:

Role	Individual Transaction Limit
Employee or Contract Employees in roles not specified below	\$2,500
Coordinators, Curriculum Leads, Vice Principals, Principals, Supervisors, Managers, Superintendents	\$4,999

2.2. The following monthly credit limits for individual cardholders have been established:

Role	Monthly Credit Limit
Employee or Contract Employees in roles not specified below	\$5,000
Coordinators, Curriculum Leads, Vice Principals, Principals, Supervisors, Managers, Superintendents	\$10,000

2.3. Temporary increases to the above limits may be approved by the Supervisor of the cardholder and the Manager of Financial Services for one-time purchases that meet the P-Card criteria. I.e. A conference costs \$2,700 and the individual has a transaction limit of \$2,500.

2.4. Permanent increases to the monthly credit limit may be approved on an individual need basis. These increases will be documented and require approval of the Supervisor of the cardholder and the Manager of Financial Services.

2.5. The Finance Department has the ability to restrict or prevent purchases from suppliers or groups of suppliers that sell items that are outside the Board policy or that are not permitted to be purchased via P-Card. Purchases made at restricted suppliers will be declined by the credit card company.

2.6. Cash advances on the P-Card are not permitted and controls will be set to prevent this.

2.7. The Finance Department will regularly complete audits of P-Card purchases to ensure compliance with the Board policy.

2.8. Individuals making purchases on their P-Card that do not comply with the Board Purchasing Policy, Regulations and Administrative Procedures will lose their P-Card privileges and will need their Supervisor to make purchases on their behalf.

### **3. PURCHASES INELIGIBLE FOR P-CARD USE**

3.1. Personal purchases shall not be made utilizing the P-Card.

3.2. Purchases of services or rentals where the Supplier will need to access an LKDSB facility and there is not an existing contract or agreement in place. These are not eligible as current legislation requires that the Board ensure all Suppliers performing work on our facilities meet certain legislated requirements such as workers compensation clearance and insurance requirements.

3.3. Purchases that require the Cardholder to sign an agreement or contract, as agreements and contracts legally bind the Board to terms and conditions that need to be reviewed and approved by Purchasing.

3.4. Purchases from Suppliers where the products sold are not permitted per Board policy. I.e. LCBO

3.5. Items where a Facility Change Request (FCR) is required.

### **4. PURCHASES ELIGIBLE FOR P-CARD USE**

4.1. Purchases of the following items can be made via P-Card provided that the following conditions are met and the supporting documentation is attached to the P-Card statement:

1. Products that are available on contract shall be purchased from Suppliers listed on the Purchasing portal. The link below will take you to the Purchasing portal to review the products on contract.  
[https://portal.lkdsb.net/department/Business/finance/purch/SitePages/Home.aspx#/=](https://portal.lkdsb.net/department/Business/finance/purch/SitePages/Home.aspx#/)
2. Computer hardware and software requires an approved "IT Equipment Request" form. Where IT needs to configure or setup the item, it shall be delivered to the IT Department by the Supplier or the individual making the purchase.
3. Television and audio-visual equipment purchases require the approval of the Manager of IT.
4. Ergonomic products and furniture shall be purchased from the list approved by Health & Safety. Where a required item is not on the identified list, approval from Health & Safety must be obtained by the cardholder in advance of making the purchase.
5. Videos and films that are in compliance with the Board's Public Performance Rights.
6. Items containing chemicals, including but not limited to cleaning supplies, and art, shop and science class supplies, require a material data sheet and are required to appear in

the approved inventory where the item will be located. Refer to the current admin procedure for this. <https://portal.lkdsb.net/Administrative%20Procedures/WHMIS.pdf>

7. Building Services' Maintenance Supervisor shall approve purchases of the following items as they require that the Board comply with legislation and regulations:
  - Electrical items that plug into a power source that require ESA certification
  - Mechanical items that require exhaust hoods or venting that require CSA certification
  - Plumbing that requires drainage or water supply
  - Carpentry work including custom fit of equipment and cabinetry
  - Fitness equipment
  - Outdoor equipment, including playgrounds
  - Any purchase that will impact the fabric of the building

Where the above items require on site installation by a Supplier, they may not be purchased on a P-Card.

- 4.2. All other items not specifically identified above provided that they comply with current legislation, regulations and Board policy.

## 5. **OBTAINING A PURCHASING CARD**

- 5.1. LKDSB employees and contract employees, who as a function of their role or assignment are required to make regular purchases on behalf of the LKDSB, and who obtain permission from their Supervisor, are permitted to obtain a P-Card.
- 5.2. The Employee electronically completes the "Purchasing Card - Request Form" located on the LKDSB website under "Admin Forms" and forwards to their Supervisor for approval.
- 5.3. The Supervisor electronically approves the "Purchasing Card - Request Form" and forwards it directly to [finance@lkdsb.net](mailto:finance@lkdsb.net).
- 5.4. Finance submits the request to the P-Card provider and obtains the card.
- 5.5. The card is distributed to the employee and the employee activates the card based on the instructions with the card.
- 5.6. After activating the card, the employee needs to register on-line so they can upload receipts and submit transactions. Refer to the "Purchasing Card – Cardholder Guide".

## 6. **MAKING PURCHASES**

- 6.1. If the Cardholder is not a Budget Holder, the Cardholder obtains approval from the Budget Holder to make the purchase.
- 6.2. The Cardholder obtains other approvals, if required, as identified under "Purchases Eligible for P-Card Use."
- 6.3. The Cardholder makes the purchases and provides their P-Card as the form of payment.

6.4. The Cardholder obtains a detailed receipt that shows the store name, HST number, details of price, quantity, taxes and total cost. The receipt is retained by the Cardholder for the Statement Reconciliation.

## **7. TRANSACTION APPROVAL PROCESS**

7.1. A minimum of monthly, or more frequently if the employee or department desire, cardholders or designates are required to access the P-Card website to submit their receipts for approval. All transactions for purchases made in a month must be submitted for approval no later than the 5<sup>th</sup> workday of the following month.

7.2. The Cardholder or a designate will be responsible for submitting receipts and transactions for approval, utilizing the “Purchasing Card – Cardholder Guide” in accordance with the following:

Receipts and approval documents (IT Form, etc) are attached to transaction approval. Where Cardholder cannot find a receipt, they are responsible to contact the supplier to obtain the receipt. Failure to supply receipt could result in the P-card privileges being revoked and employee may be required to reimburse the Board for the purchase. Reimbursement will be in the form of a payroll deduction.

Cardholder is responsible for following the dispute resolution process supplied by the P-card provider for charges that do not belong. Where the Board is unsuccessful in resolving a dispute with a supplier, all P-cards will be blocked from utilizing the supplier.

Where purchases need to be allocated to a general ledger different from the default, Cardholder needs to specify this via the transaction approval process.

7.3. Supervisor approves P-card electronically by the 10<sup>th</sup> of the following month following the procedures in the “Purchasing Card - Approver Guide”.

7.4. Accounting assumes that all transactions on the statement are legitimate and processes payment to the cardholder company, as responsibility to ensure all transactions are legitimate and accurate rests with the cardholder and supervisor. Transactions are imported from p-card system and charged to the account specified in the approved statements. Transfers to other general ledger accounts will not be done for statements that are not approved by the 10<sup>th</sup> of the following month.

7.5. Accounting performs compliance review monthly and notifies Manager of Financial Services when violations are found. Cardholder and Supervisor will be notified when P-Card privileges are suspended.

## **8. LOST OR STOLEN CARDS**

8.1. The Cardholder needs to notify the Bank that issues the P-card and Finance of any lost or stolen card.

## 9. **TRANSFERRED EMPLOYEES**

- 9.1. When an employee transfers from one school or Department to another, the Supervisor at the original location needs to notify Finance of the transfer.
- 9.2. Finance will place a hold on the card until such time as a new "Purchasing Card - Request Form" is received, and the card will be declined until that is received.
- 9.3. When the new form is received, Finance will remove the hold and the Cardholder will be able to utilize the card.
- 9.4. Failure to communicate a transfer will result in default purchases going to the original general ledger account on file.

## 10. **TERMINATED EMPLOYEES**

- 10.1. When an employee is terminated or elects to leave the employ of the LKDSB, they shall cut the P-Card and return the cut card to their Supervisor.
- 10.2. The Supervisor will notify Finance that they obtained the card, and request that the card be cancelled.
- 10.3. Finance will contact the Bank to terminate the card.

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