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Parent Policy: [Supply of Goods and Services Policy](#)

Corporate Purchasing Card Procedure

Office of Administrative Responsibility:	Supply Management Services (Procurement & Contract Management)
Approver:	Associate Vice-President (Finance & Supply Management Services)
Scope:	Compliance with this university policy/procedure extends to all Academic Staff and Colleagues and Support Staff as outlined and defined in Recruitment Policy (Appendix A and Appendix B).

Contact for questions about this procedure:	SMS Customer Service 780-492-4668 customerservice@sms.ualberta.ca
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Overview

The Corporate Purchasing Card (PCard) provides a convenient, cost-effective and efficient method of procuring and paying for lower dollar value goods and services by: simplifying the procurement process, improving order cycle time, reducing paperwork, expediting supplier payments and empowering and enabling employees. University units may use the PCard for the purchase and payment of goods and services where it is efficient, economical and operationally feasible to do so, in accordance with the requirements specified in this procedure.

Purpose

The purpose of this procedure is to ensure that all purchases made with a University of Alberta Corporate Purchasing Card (PCard) are authorized, supported and in compliance with University policies and procedures. The procedure outlines the responsibilities of the parties involved with the University Corporate Purchasing Card. It also outlines requirements and restrictions for the PCard usage.

PROCEDURE

Summary:

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1. ROLES & RESPONSIBILITIES

PCard Administration (Supply Management Services)

Responsible for the overall administration of the PCard program, including co-ordination with the Bank for card issuance, changes and cancellations. Manages web access and security for reconciliation and reporting, and monitors the system for procedural compliance. Provides support, assistance and training to Site Coordinators and provides assistance for the training of individual Cardholders, as required.

Site Coordinator

Responsible for administration of the PCard at the departmental level, including co-ordination with PCard Administration for card issuance, changes and cancellations, and the distribution and/or reconciliation of monthly individual billing statements. Monitors Cardholder compliance, determines reporting hierarchy for the department and ensures accuracy of information. Trains and provides assistance to Cardholders regarding system instructions and procedures. Acts as a departmental contact for Cardholders and provides system feedback.

Site Coordinators are responsible for ensuring that every Cardholder is informed of system instructions and procedures including credit and transaction limits of their card and the responsibilities and restrictions regarding the use of the PCard. Liability for all charges rests with the department, not the individual Cardholder.

Cardholder

Accepts the responsibility of being issued a PCard by signing the Cardholder Agreement and taking possession of the physical card. They are responsible and accountable for the security and use of their card and any additional restrictions or conditions that may be imposed by their Site Coordinator. Cardholders must ensure that purchases are authorized by the financial authority in accordance with departmental procedures. Cardholders are responsible for maintaining and providing original detailed receipts to support their PCard charges.

Supervisor

Responsible for ensuring that the Cardholder to whom they authorize issuance of a PCard spend department and /or project funds in a responsible manner, and that expenditures are: reasonable, necessary for University business, in compliance with University policies, procedures and guidelines, eligible per sponsor/donor terms and conditions, where applicable, coded accurately (e.g. ChartField string and GST), and supported by appropriate documentation.

Budget Owner

Accountable for ensuring purchases by the Cardholders are reasonable, necessary for University business, in compliance with University policies, procedures and guidelines, and eligible per sponsor/donor terms and conditions, where applicable. Where permitted by the *Signing Authority and Approval Procedure* the budget owner may rely on a Supervisor to review and approve monthly Cardholder statements on their behalf.

2. OBTAINING A CORPORATE PCARD

Cardholder Eligibility

Cardholders must be a permanent University employee of full time, part time or recurring term of regular or trust employment.

Applying for a card

All applicants must complete a *Corporate Purchasing Card Application Form*. The application must be approved by a direct Supervisor as well as the Site Coordinator and returned to the PCard Administrator. Cardholders will not receive their cards until they have signed a Cardholder Agreement form agreeing to the terms and conditions of the Corporate Purchasing Card.

Card Activation

Activation of cards is the responsibility of the Cardholder.

3. USING THE PCARD

Cardholders must adhere to the purchasing procedures under the Supply of Goods and Services Policy. The card must be used only to make authorized University purchases within the established card limits.

Orders for goods and services can be placed by phone, fax or internet from domestic and foreign vendors.

The Cardholder must retain the original itemized receipts and packing slips for all charges to the card. The credit card transaction receipt (chit) is not an acceptable substitute to an itemized receipt. PCard Administration strongly encourages use of the *Corporate PCard Transaction Log Sheet* to assist Cardholders with organizing expenditures and the supporting documentation.

Examples of Allowable Transactions

- Memberships and subscriptions
- Books
- Goods not available from preferred suppliers
- Catering and hosting (with department approval)
- Goods or services not identified as Restricted Purchases below
- Alberta 2 Authorization (with departmental approval) opens the merchant codes for hotels and lodging. This allows hosting and hospitality expenses within a hotel including catering, bookings and hospitality. It does not permit charges related to University employee travel and expenses. The Alberta 2 Authorization Form details the allowable charges and can be obtained from PCard Administration.

Restricted Purchases - The PCard must not be used for the following:

- Professional expense allowance purchases
- Travel expenses – airfare, accommodations, meals, vehicle rental etc.
- Personal expenses
- Cash advance
- Donations and sponsorships
- Gifts of alcohol. Other gifts of reasonable value may be purchased in accordance with the *Gift Expenditure Policy*.
- Maintenance contracts and lease agreements
- Contracts and payments to individuals and small unincorporated companies (i.e. sole proprietorships) for services. These transactions must be processed in accordance with the *Determination of a Worker's Status Procedure* and the *Contracting for Services Procedure*
- Equipment rentals exceeding thirty (30) days
- Services provided through Facilities and Operations (e.g. construction/building maintenance)
- Restricted or controlled goods (as outlined below)
- Certain goods purchased from foreign locations (as outlined below)

Restricted or Controlled Goods

Restricted or controlled goods must be requested using SupplyNet. The following goods are examples of ineligible purchases on the PCard. For further details refer to the *Purchase of Restricted Items Procedure*.

- Controlled substances
- Radioactive and infectious disease materials
- Designated radiation equipment
- Compressed gases
- Pressure equipment
- Commercial lab alcohols including ethyl alcohol and denatured alcohol
- Laboratory and research animals
- Energy-using products (i.e. furnaces, boilers, heaters, pumps, air conditioners)

Foreign Goods

Restricted or controlled goods entering Canada from the USA and International locations are not to be ordered using the PCard regardless of the value of the goods. For further details see the *Acquisition of Foreign Goods and Services Procedure*. In addition to the goods listed above, the following commodities are restricted:

- Live animals, fish and plants
- Animal embryos and semen
- Human and animal organs, tissues and sera
- Food products (i.e. seeds, soil, lumber, turkey, chicken)
- Fertilizers
- Carbon steel and specialty steel products (i.e. stainless steel wire)
- Textile and apparel products
- Rough diamonds
- Explosives, propellants, safety flares, pyrotechnics
- Precursor chemicals and controlled drugs or narcotics

Equipment Assets

The University requires units to track equipment assets with an acquisition value of \$5000 or greater and any portable items under \$5000 the unit deems necessary as prone to loss or theft. Refer to the *Equipment Registration and Tracking Procedure*.

Shipping Instructions

All goods are to be shipped to Supply Management Services – Central Receiving, 116 Street and 85 Avenue, Edmonton, AB T6G 2R3 and clearly identify the Cardholder name, department name and address information on the box and packing slip

4. RECONCILING THE PCARD

Monthly reconciliations are required to ensure accurate coding (e.g. ChartField string and GST) of expenditures, appropriate supporting documentation, Cardholder compliance, and that disputed charges are dealt with in a timely manner.

The billing cycle cut-off date is the 16th of each month. Each PCard has a default speed code and account code which is assigned to each transaction made by that card. Payment of transactions will be automatically debited to those defaults unless otherwise reallocated during reconciliation. If the revised speed code or account is incorrect or inactive, charges will be processed against the default codes. If the default code is invalid, charges will be processed to the department's general operating account.

The Cardholder must review billing statements, attach receipts and return them to the Site Coordinator for online reconciliation prior to month-end. The Cardholder is responsible for retention of original itemized receipts and packing slips to support the purchase as legitimate and accurate; credit card transaction receipts are not acceptable supporting documentation. This is a requirement for audits performed on the card. If a Cardholder has lost a receipt, they must attempt to obtain a copy directly from the supplier. Contact your Site Coordinator or the PCard Administrator if a receipt cannot be obtained.

Approvals

The Cardholder, Supervisor and Site Coordinator must sign the monthly activity statement as evidence that reconciliation is complete, all supporting documentation is attached, and they have met their responsibilities as outlined by this procedure and any additional restrictions imposed by the department or faculty.

Supervisor approvals must be based on reporting hierarchy for PCard statements.

5. MANAGING THE PCARD

Card Security

The card and information related to the card, such as the card account number, expiry, PIN and security code must be kept secure at all times.

Disputed Items

Attempts to resolve the disputed item should be made directly with the vendor. Contact the PCard Administrator in Supply Management Services within sixty (60) days of the transaction date if unresolved with the vendor.

Returns / Credits

Purchases that are returned or damaged shall be replaced or refunded directly back to the PCard. Cardholders are responsible for ensuring that replacement or credit is received. Contact the PCard Administrator in Supply Management Services within sixty (60) days of the transaction date if unresolved with the vendor.

Lost or Stolen Cards

Cards must be stored in a safe place. If a card is lost or stolen, the Cardholder must contact the Bank customer service immediately as well as notify PCard Administration.

The department could be liable for any unauthorized use of the card until notification of loss, theft or cancellation has been reported to the Bank by the Cardholder.

Card Cancellations

A Cardholder (or their respective Supervisor or Site Coordinator) **MUST** notify PCard Administrator immediately when the Cardholder leaves their current position to ensure the card is cancelled.

Cards may remain active during sabbaticals as long as Cardholders can commit to complete and timely compliance with procedure requirements.

Cards will be cancelled for the following reasons:

- Loss or theft of card
- Transfer to a new department
- Retirement or resignation
- After one year of non-use
- Extended leaves of more than three months
- Non-compliant use or activity

6. FILING AND RETENTION OF SOURCE DOCUMENTS

Units are required to maintain orderly and secure records for six (6) years plus the current fiscal year.

Billing statements with supporting documentation must be filed centrally in the unit or faculty and labeled by month/year for ready access by auditors.

Detailed information can be found in the Guide to Financial Management under *Retention and Filing of Source Documents*.

7. SUBSEQUENT AUDIT AND ADJUSTMENT

PCard transactions are subject to subsequent review and audit procedures by internal and/or external parties which may result in adjustments, possible repayments by the Cardholder to the University and cancellation of the card. These reviews may include, but are not limited to, the following:

- Review of receipts (detailed original receipts required) and supporting documentation
- Restricted purchases
- Split transactions to circumvent card limits
- Personal purchases

- Application of correct GST code and amount
- Appropriate signature approvals (for departmental internal controls)
- Central document retention (receipts, packing slips, statements)
- Card activity level
- Compliance with University policies, procedures and guidelines
- Eligible per sponsor/donor terms and conditions, where applicable

If the department suspects that a card is being used inappropriately, contact PCard Administration immediately.

Non-Compliance

PCard Administration and the Site Coordinator have the authority to cancel cards at any time. Non-compliance can be observed on an individual or departmental basis. Supply Management Services reserves the right to remove all cards at a departmental level for systemic non-compliance.

DEFINITIONS

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [▲Top]	
Site Coordinator	Responsible and accountable for administration of the Purchasing Card at the department level.
Cardholder	Permanent University Employee of full-time, part-time or recurring term of regular or trust employment. Responsible for accepting and adhering to the policies and procedures of the Corporate Purchasing Card.
Supervisor	The individual in whom the Cardholder reports to and who has sufficient knowledge of the University business requirements to review and approve PCard activity.
Budget Owner	An employee who has been assigned budget responsibility in the financial system and therefore has signing authority to make expenditures within the amounts and scope of their budget.
PCard Administration	Responsible and accountable for the overall administration of the PCard. This responsibility is carried out by Supply Management Services.
Original Receipts	The original itemized receipt provided by the merchant/supplier. A

FORMS

Should a link fail, please contact uappol@ualberta.ca. [[▲Top](#)]

[Corporate Purchasing Card Application Form](#)

[Corporate PCard Transaction Log Sheet](#)

RELATED LINKS

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[Contracting for Services Procedure \(UAPPOL\)](#)

[Determination of a Worker's Status Procedure](#) (UAPPOL)

[Equipment Registration and Tracking Procedure](#) (UAPPOL)

[Gift Expenditure Policy](#) (UAPPOL)

[Hospitality Working Sessions Meetings and University Employee Functions Procedure](#) (UAPPOL)

[Purchase of Restricted Items Procedure](#) (UAPPOL)

[Signing Authority and Delegation of Signing Authority Policy - All Funds](#) (UAPPOL)

[Guide to Financial Management](#)