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

## Corporate Purchasing Card Procedure

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| <b>Office of Administrative Responsibility:</b>    | Finance, Procurement and Planning (Procurement & Contract Management) and Shared Services (Finance)  |
| <b>Approver:</b>                                   | Associate Vice-President (Finance, Procurement & Planning)   |
| <b>Scope:</b>                                      | 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). |
| <b>Contact for questions about this procedure:</b> | <a href="#">Shared Services</a> or <a href="mailto:procure@ualberta.ca">procure@ualberta.ca</a>  |

### 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 & services and travel expenses 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 PCard are authorized, supported and in compliance with University policies and procedures. The procedure outlines the responsibilities of the parties involved with the University PCard. It also outlines requirements and restrictions for the PCard usage.

## PROCEDURE

### Summary:

- [1. Roles & Responsibilities](#)
- [2. Obtaining a PCard](#)
- [3. Using the PCard](#)
- [4. Reconciling the PCard](#)
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- [7. Subsequent Audit and Adjustment](#)

## **1. ROLES & RESPONSIBILITIES**

### **PCard Administration - Finance, Procurement and Planning ((FPP) Procurement and Contract Management (PCM)) and Shared Services**

FPP – PCM provides oversight and direction to the PCard program at the University. This includes identifying and establishing all procurement rules and the development of UAPPOL policy and procedures.

Shared Services is responsible for the overall administration of the PCard program, including co-ordination with the Bank for card issuance, changes and cancellations. They manage web access, security for reconciliation, reporting, monitor the system for procedural compliance and fraud. They provide support, assistance and training to Finance Partners, Faculty General Managers, Budget Owners and individual cardholders.

#### **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 **unit**. Cardholders must ensure that purchases are authorized by the financial authority in accordance with departmental procedures. Cardholders are responsible for ensuring transactions are:

- Reasonable
- Necessary for university business
- In compliance with University policies, procedures and guidelines
- Coded accurately (e.g. chartfield string and GST)
- Supported by appropriate receipts
- Reconciled monthly in the PeopleSoft My Wallet system

#### **Unit Approver**

Is responsible for ensuring that the Cardholder, to whom they authorize issuance of a PCard, understands and agrees to their responsibilities as a Cardholder.

#### **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 *Guide to Financial Management – Expenditure Approvals*, the budget owner may delegate approval to review and approve monthly Cardholder statements on their behalf. Limited delegation exists, in most cases the budget owner is required to complete the approval.

## **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 Unit Approver and returned to the PCard Administrator – Shared Services. 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, email, 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.

#### **Examples of Allowable Transactions**

- Memberships and subscriptions
- Registration
- Books
- Goods not available from preferred suppliers
- Catering and hosting (with unit approval)

The following travel expenses:

- Registration (conference fees)
- Accommodations (including hotels, AirBnB and VRBO etc.)
- Car rentals and insurance
- Ground transportation receipted (bus, taxi, rideshare, train)
- Baggage fee, seat selection (completed outside of the airfare booking)
- Parking
- Miscellaneous insurances
- Hospitality
- Emergencies

#### **Restricted Purchases - The PCard cannot be used for the following purchases:**

- Professional expense allowance purchases (PER)
- 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)
- Specific goods purchased from foreign locations (as outlined below)

The following travel related expenses are ineligible:

- Airfare - must be booked through the TAP process with Maritime Travel (paid centrally)
- Private automobile kilometer allowance rate (paid out of pocket, reimbursement through travel expense module)
- Ground transportation non-receipted - below \$75/day (paid out of pocket, reimbursement through travel expense module)

- Meal allowance rates (paid out of pocket, reimbursement through travel expense module)

### **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. In addition to the circumstances 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 16<sup>th</sup> of each month.

The Cardholder must reconcile their account within PeopleSoft, My Wallet template. They will receive an email notifying them that their statement is ready to be reconciled. The cardholder must review the billing statement, assign the chartfield and account number, attach the electronic receipts & packing slip (where applicable) and submit for online budget owner approval(s). Once the cardholder has attached

the receipt, the electronic receipt within the system becomes the original. The credit card transaction receipt is not acceptable as supporting documentation; an itemized receipt is required. 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. Notify your Unit Approver if a receipt is lost or cannot be obtained. Incomplete reconciliation will result in a follow up email triggered by the system and direct contact from Shared Services.

## **Approvals**

The Cardholder must reconcile the claim within PeopleSoft and the Budget Owner must approve the monthly activity statement. All supporting documentation must be attached. By completing the reconciliation process, the cardholder is confirming they have met their responsibilities as outlined by this procedure and any additional restrictions imposed by the unit.

## **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 Staff Service Centre in Shared Services within sixty (60) days of the transaction date if unresolved with the vendor. They will create a ticket and escalate.

### **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 Staff Service Centre in Shared 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 Staff Service Centre in Shared Services.

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

### **Card Cancellations**

A Cardholder (or their respective Unit Approver) MUST notify the Staff Service Centre in Shared Services 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. This is completed electronically within PeopleSoft. All receipts and statements are maintained in the system.

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 and supporting documentation
- Restricted purchases
- Split transactions to circumvent card limits
- Personal purchases
- Application of correct GST code and amount
- Appropriate approvals
- 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 Staff Service Centre in Shared Services immediately.

### **Non-Compliance**

Shared Services and the Unit Approver have the authority to cancel cards at any time. Non-compliance can be observed on an individual or departmental basis. Finance, Procurement and Planning 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](#)]

|                             |  |
|-----------------------------|--|
| <b>PCard Administration</b> | Responsible and accountable for the overall administration of the PCard. This responsibility is carried out by Shared Services.  |
| <b>Cardholder</b>           | 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  |
| <b>Unit</b>                 | Includes all, colleges, faculties, departments or centralized units.   |
| <b>Unit Approver</b>        | An individual assigned by the Faculty General Manager/Chief of Staff, who approve the issuing of new Corporate Purchasing Cards, changes to credit limits and opening the card to complete specific activities. This could include the Finance Partner or designate. |

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| <b>Budget Owner</b> | 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. |
| <b>Receipt</b>      | An electronic version of the original itemized receipt provided by the merchant/supplier.  |

## **FORMS**

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

[Corporate Purchasing Card Application Form](#)

[Corporate PCard Transaction Log Sheet](#)

## **RELATED LINKS**

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

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

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

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

[Gift Expenditure Procedure](#) (UAPPOL)

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

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

[Guide to Financial Management | Finance, Procurement and Planning \(ualberta.ca\)](#)