

	POLICY Number: 7311-40-004 Title: Purchasing Cards
Authorization <input type="checkbox"/> President and CEO <input checked="" type="checkbox"/> Vice President, Finance and Corporate Services	Source: Director, Financial Reporting and Operations Cross Index: 7311-40-002 Date Approved: February 4, 2013 Date Revised: Date Effective: February 8, 2013 Date Reaffirmed: Scope: SHR

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DEFINITIONS

Cardholder means a Saskatoon Health Region (SHR) employee who has been issued a purchasing card.

Purchasing Card (PCard) means a SHR credit card, issued in the name of an SHR employee; charges are billed directly to and paid by SHR.

Transaction Approver means a SHR employee with signing authority for the cost centre to which the transaction has been charged.

1. PURPOSE

The purpose of this policy and *Purchasing Card (PCard) User Guide* (Appendix A) is to establish region-wide standards for the administration of a PCard program at SHR.

2. PRINCIPLES

2.1 The use of PCards is the most efficient way to make and settle small dollar purchases.

2.2 Benefits for SHR

- Allows SHR employees to obtain goods and services faster and more efficiently;
- Significantly reduces paperwork and processing time for all departments involved in the procurement to pay cycle;
- Enhanced supplier relationship.

- 2.3 Benefits for the vendor:
- Improves cash flow and avoids credit risk;
 - Savings on administration expenses, collection and follow-up;
 - Enhanced customer relationship as focus is on products and services instead of payment.

3. POLICY

- 3.1 SHR employees who routinely purchase goods and services for SHR are eligible to receive a PCard.
- 3.2 The authority to approve a SHR employee for a PCard rests with someone with signing authority greater than the assigned transaction limit for the default cost centre to which the transactions are to be charged.
- 3.3 All Transaction Approvers must have the authority to purchase goods and services, on behalf of SHR, within the established limits of the SHR *Signing Authority Policy* for the cost centres to which the transactions they are approving have been charged.
- 3.4 All PCard purchases must be made in accordance with the SHR PCard User Guide. The PCard shall be used only for purchases related to SHR business. Use of the card for personal purchases is strictly prohibited.
- 3.5 The authority to revise the SHR PCard User Guide rests with the Director, Financial Reporting and Operations.
- 3.6 Embedded on each card are Merchant Category Code restrictions that block purchases from being made from specific vendors. The authority to approve and restrict merchants rests with the Director, Financial Reporting and Operations.
- 3.7 All PCard transactions must be reconciled by the Cardholder and approved by the Transaction Approver on a timely basis as outlined in the SHR PCard User Guide.
- 3.8 The maximum single transaction limit is \$5,000 and the maximum monthly transaction limit is \$20,000. Exceptions to these limits must be authorized by the Director of Financial Reporting and Operations.
- 3.9 The Cardholder is the only individual authorized to make purchases using his/her PCard.
- 3.10 All Transactions Approvers and Cardholders are required to attend training and sign an *Acknowledgement of Responsibilities Form* (see SHR PCard User Guide), respective to his/her role, prior to a PCard being issued.
- 3.11 PCards remain the property of the issuing bank and must be surrendered immediately upon termination of employment, transfer of the Cardholder to another department, or upon request by either the Cardholder's Manager/Supervisor or the PCard Administrator.

4. ROLES AND RESPONSIBILITIES

4.1 Cardholders

- 4.1.1 Comply with the SHR PCard Policy and SHR PCard User Guide
- 4.1.2 Secure all PCard information, including account information, expense reports, and receipts.

4.2 Transaction Approver

- 4.2.1 Ensure the Cardholder is in compliance with the SHR PCard User Guide and that the transactions are appropriate expenditures of SHR funds including the following:
 - The Cardholder completed a valid reconciliation
 - The purchase(s) were within the guidelines established for PCard purchases
 - Appropriate supporting documentation is included for each transaction
 - The amount charged to the cost centre agrees to the reconciled statement
 - Purchases are appropriate and the unit price of each item purchased is reasonable
- 4.2.2 Bring any unsupported or improper purchases to the attention of the Cardholder for follow-up. When the Transaction Approver has completed the review procedures and is satisfied with the follow-up actions taken by the Cardholder, he/she is required to approve the transactions to certify that the transactions are in compliance with the PCard requirements and that the expenditure(s) are approved.
- 4.2.3 Inform the Program Administrator of terminations, retirements and leaves of absences, such as long term disability and maternity leaves and inter-department transfers of Cardholders. The Approver returns the PCard to the Program Administrator for immediate cancellation upon transfer of the Cardholder from the department or termination of the Cardholder's SHR employment.

5. POLICY MANAGEMENT

The management of this policy including policy education, monitoring, implementation and amendment is the responsibility of the Director, Financial Reporting and Operations.

6. NON-COMPLIANCE/BREACH

Non-compliance/misuse/breach of this policy will result in a review of the incident. If the incident is found to be deliberate, the incident will be considered a breach and may result in disciplinary action, up to and including termination of employment with SHR. For further information see SHR PCard User Guide *Consequences of Inappropriate Use of PCard*.

7. REFERENCES

SHR PCard User Guide