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Purchasing Card Manual

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1. INTRODUCTION

The University of Ottawa's Purchasing Card program is designed to offer an alternate method of paying for goods and services. This simple and easy-to-use payment method will streamline the purchase to pay process, increase efficiency and reduce costs by eliminating requests for checks, petty cash transactions and reducing data entry.

2. PURPOSE & OBJECTIVES

The purchasing card program provides a timely and reliable way to make purchases and pay for low dollar transactions and complements existing processes.

The purchasing card offers an alternate method of payment, without eroding good business practices or circumventing internal controls. It is not intended to avoid or bypass appropriate purchasing guidelines. The requirements and approval limits detailed in this manual must be adhered to at all times. Purchases are to be made in accordance with the purchasing guidelines found in the Supply of Goods and Services and the Credit Card Policy (see section Related Web Links).

3. SCOPE

The purchasing card may be used with **any** suppliers who accept it. Although the card is issued in the employee's name, it is the property of the University and is to be used only for University purchases. A card not used in compliance with the guidelines established for this program will result in the loss of card privileges and any other consequences as deemed appropriate by the University.

If a circumstance arises that is not specifically covered in the procedures below, the claimant or signing authority must adopt the most conservative course, within the "spirit" of policy 75 and this manual or consult the Card Manager.

4. CARDHOLDER ELIGIBILITY

To be eligible for a purchasing card, the applicant must be a University employee who has been appointed by the authorities of his/her respective sector to receive a delegation of powers from Materials Management Services to process decentralized purchases for his/her sector. Cards are issued at the request of the Dean/Director. The applicant will need to fill out two forms before applying for a card. Refer to section "Application Process".



5. CARDHOLDER LIABILITY

It is the cardholder's responsibility to ensure that the card is used only within the stated policies of the University of Ottawa. For further information, please refer to the cardholder agreement.

6. CARD TYPES

When applying for a card, you have a choice of two different cards: a standard card or a declining balance card.

- ... **Standard card:** purchasing card valid for three (3) years with monthly and single transaction limits.
- ... **Declining balance card:** purchasing card that has a one time limit. Once the limit is reached, the card is no longer valid. The single transaction limit applies to all purchases.

7. APPLICATION PROCESS

To obtain a purchasing card, as a cardholder, you need to:

- a) Fill out the Purchasing Card and Banner forms. Application forms must be approved by the employee's Dean/Director and Approver.
- b) Forms are available at: <http://www.financialresources.uottawa.ca/employee/pcard.php>.
- c) Forward the applications to the Card Manager (see Key Contacts section).

7.1 TRAINING

All participants in the PCard program must attend training before receiving their card and have to keep up to date with any changes. The Card Manager will contact you to schedule the training.

7.2 RECEIPT OF YOUR PURCHASING CARD

The Card Manager will contact you when the card arrives. You will need to

- Sign the cardholder's agreement
- Verify that the information on the card is correct.
- Activate the card
- Sign the card

Note: You must present an identification card to receive the purchasing card.

7.3 ACTIVATING YOUR PURCHASING CARD

You need to activate your new purchasing card before you can use it. Call the toll-free number on the label attached to your card. Then keep the card in a secure place.

8. USING YOUR PURCHASING CARD

Use your purchasing card in compliance with all relevant policies and procedures related to the purchase of good and services up to \$5000 (excluding taxes). Choose the most ideal and efficient method to purchase; for example: internet, telephone etc. It is not recommended to give your full credit card number by e-mail, since your card number can easily or mistakenly be distributed.



9. RECONCILIATION PROCESS

Purchasing card transactions are provided online on a daily basis to cardholders. The monthly statement cut-off is on the 26th or the previous or next business day if it falls on a weekend. To view and reconcile your transactions you need to access FASTPCard module (Refer to the PCARD user guide found in section “Related Web Links”). It is your responsibility to reconcile the charges to the appropriate general ledger accounts (FOAP) before month end.

9.1 REVIEW TRANSACTIONS

We recommend that you reconcile your transactions on a daily basis using FASTPCard module. The balance on your monthly FASTPCard statement should equal Scotiabank’s monthly statement. Scotia will send you an electronic notification when the statement is processed. Click on the link provided in the email to view your statement. The statement will show each transaction made against your purchasing card during the last billing cycle.

Once you get your statement:

- a) Complete the reconciliation by the 30th of each month. Cardholders who do not reconcile in a timely manner will have their card suspended.
- b) Access FASTPCard to view your transactions.
- c) Review it for accuracy and change FOAP as needed.
- d) Attach all receipts you retained during the billing cycle to the back of the statement in the order that they appear on the statement.
- e) Print, sign and date the statement.
- f) Document receipts of goods & services (ex: delivery slips, email confirmation, internet authorization etc.)
- g) Send your reconciled statement with attached receipts to your Approver for review and approval.
- h) Any documentation can be requested either by: Financial Services, Material Management Services, Internal Audit Office and External Auditors.

9.2 REALLOCATE TRANSACTIONS

Cardholders have the ability to reallocate transactions to one or multiple accounting codes with the option of allocating individual transactions by:

- Specific dollar or
- Percentage of transaction amounts.

Refer to section 5 – Splitting transactions, of PCARD user guide.



9.3 DISPUTES

There may be occasions where you find that some transactions on your statement do not correlate with your retained receipts and/or invoices.

Your first recourse is to contact the supplier involved to try to resolve the error. If the supplier agrees that an error has been made, they will credit your account. Make a note of the transaction in question as a reminder that the item is still pending resolution and file it with your purchasing card records.

If the supplier does not agree that an error has been made, the cardholder begins the dispute process by contacting Scotiabank's Customer Service at 1-888-823-9657. State that you would like to dispute a charge on your card. You will be asked to submit a Purchase Card Dispute Form that contains the information in writing so that the Bank can research the disputed item. Your next statement will then show the amount in dispute in the disputed box until the transaction in question is resolved.

Time limit: Any transaction you wish to dispute must be identified in writing within 60 days of the statement date. The bank will start the investigation the dispute for the cardholder and notify the merchant and cardholder of the final decision. The dispute process can take up to one (1) year to settle.

It is important to let your Approver and Card Manager know that you have any disputes in process. Highlight the item on the statement and provide an explanation of the dispute.

10. CONTROL & SECURITY

10.1 PURCHASING CARD LIMITS

Default limits for the Purchasing Card are set as per the following parameters:

- Single transaction limit: \$5,000
 - Standard monthly limit: \$20,000
- d) Cardholders may choose to have lower limits, or alternatively may request higher limits (see approval levels). You can request a change using the Purchasing Card Form found <http://www.financialresources.uottawa.ca/employee/pcard.php>. Check the Change request box and fill out the information for the requested change.

Approval levels	
Dean/Director	Up to \$20,000
Director of Financial Services	\$20,001 to \$30,000
Associate Vice President Resources	\$30,001 to \$50,000
Vice President, Resources	Over \$50,000

10.2 MERCHANT CATEGORY CODES (MCC)

Imbedded on each card will be any restrictions that have been established, such as monetary limits and certain Merchant Category Codes (MCC).

Some of the Merchant Category Codes (MCC) are "blocked" from usage in the program. If you present your card to any of these suppliers with blocked MCCs, the transaction will be declined. It is likely that any supplier you currently utilize as a source for products or



services will accept your card as long as they are setup to process Visa transactions. If you are declined and feel the decline should not have occurred, call the Card Manager for assistance.

10.3 LOST/STOLEN OR FRAUDULENT USE OF CARDS

If your card is lost or stolen; contact the bank's Customer Service immediately at 1-888-823-9657 and notify your Card Manager. **Do not** request the bank send you a replacement. This must be done by the Card Manager.

When reporting a card lost or stolen, you must be prepared to respond to the following questions:

- a) Cardholder's complete name;
- b) Circumstances surrounding the loss of the card;
- c) Any purchase(s) made on the day the card was lost or stolen;
- d) Details of the last purchase amount and location;
- e) Personal identification information;
- f) Identify if there is a need to replace the Card.

If someone makes fraudulent purchases with your purchasing card call Customer Service at 1-888-823-9657 immediately. Next, notify your Approver and Card Manager to report the activity, and follow up with a written detailed explanation. You must report within 60 days of transactions showing on your statement.

10.4 DEFECTIVE OR WORN OUT CARDS

- e) To replace your card, you need to submit a request to the Card Manager. You can use the Purchasing Card form found at <http://www.financialresources.uottawa.ca/employee/pcard.php>. Return the worn out or defective card to the Card Manager when the replacement card is received.

10.5 CARD RENEWAL

Each purchasing card is issued for three (3) years from the month in which the card is issued. Cards will be automatically renewed and sent to the Card Manager unless the issuing bank is advised otherwise by the University, through the Card Manager.

10.6 EMPLOYEE TRANSFER/LEAVE/TERMINATION

- f) The cardholder, upon transfer, leave or termination from the department or termination of employment from the University, must return the purchasing card to the Card Manager or his/her authorized delegate for immediate cancellation by filling out the Purchasing Card form found at <http://www.financialresources.uottawa.ca/employee/pcard.php>.

The Approver/Dean or Director must also advise the Card Manager when a cardholder changes status (transfer, leave or terminate).

11. ROLES AND RESPONSIBILITIES

11.1 CARDHOLDER

You are responsible to ensure compliance with:

- The Purchasing Card Policy no. 75



- The Supply of Goods and Services Policy no. 36
- All other related policies, methods, manuals and procedures. (Refer to the web link section for web sites)

You also must keep up to date on any changes in the policies and procedures as well as staying up to date on any related training.

11.2 APPROVER – determined by each faculty / department

The Approver must have signing / approval authority status with the University. The Approver is required to approve and monitor purchases made by the cardholders.

The Approver is responsible to ensure cardholders comply with this procedure and the purchasing card policy no. 75. When approving a purchasing card for an employee, the Approver agrees to:

- Approve and forward purchasing card applications to the Card Manager.
- Request the card type and monthly limit.
- Require each cardholder to reconcile and present their monthly statements by the 30th of the month with receipts attached to ensure all statements transactions match a receipt or disputed item.
- Ensure transactions are properly coded to the appropriate general ledger account.
- Review and approve all transactions on monthly statements by dating and signing the statement.
- Attend necessary training.
- Keep up to date on training, policies and procedures.
- Inform Card Manager of leaves, sabbaticals, transfers and/or terminations of cardholders, approvers or Dean/Directors.

11.3 CARD MANAGER

The Card Manager is responsible for:

- Administering dollar limits and merchant category codes.
- Establishing and making approved changes to the cardholders' accounts.
- Addressing security issues raised by the card issuer.
- Requesting, modifying, replacing, canceling and suspending cards.
- Maintaining, reviewing and revising purchasing card policies & procedures
- Maintaining cardholders' required records and ensuring sensitive information is secure.
- Receiving approval of default accounts (FOAP) from Financial Services.
- Maintaining cardholders' database and listserv.
- Providing customer assistance and guidance to Pcard program users as needed.
- Facilitating and providing training.
- Monitoring compliance with policies, checking for delinquent department accounts, analyzing and evaluating the effectiveness of the program.



- 1) Performing Pcard audits.

12. DOCUMENTATION RETENTION

As a cardholder, it is *your* responsibility to acquire the appropriate and relevant documentation for all purchases and reconcile them with your monthly statement.

Document receipts of goods and services by providing relevant back ups (delivery slips, confirmation numbers, internet confirmations, required signatures etc.) For more details, refer to the Financial Administrative procedure Year End, Verifying Invoices
<http://www.financialresources.uottawa.ca/admin-procedures/verify-invoice.php?stakeholder=employee>

13. SUPPLIER ACCEPTANCE

Every effort should be made to maximize the use of the purchasing card when it is accepted by the vendor.

- If the supplier does not accept Visa but demonstrates an interest in offering the service, they should contact Visa directly at:
<http://www.visa.ca/en/merchant/acceptingvisa/index.jsp> or Materials Management Services for more information.
- If the supplier does not accept Visa and does not demonstrate an interest in offering the service, you are asked to contact your Card Manager who will work in partnership with Materials Management Services and the supplier.

14. OTHER INFORMATION

14.1 CREDIT CARD FEES

Advise the Card Manager if a merchant tries to charge processing fees. Charging a fee to use a credit card is a violation of Visa's agreement with the merchant.

15. KEY CONTACTS

	Financial Services	Scotia Bank	Materials Management Services
Name	Anne Simard	Customer Service	Patrick Foré
Department:	Card Manager	Card Service Centre	Director
Number:	(613) 562-5800 extension: 1587	1-888-823-9657	(613) 562-5800 extension: 6652
Email:	Anne.Simard@uOttawa.ca		Patrick.Fore@uOttawa.ca

16. GLOSSARY

Approver: An individual authorized by the Dean, Director or designate, to approve and monitor the expenses of a particular sector.



Card Manager(s): The individual who approves purchasing card applications, monitors purchasing card usage and who may revoke the card privilege of Cardholders in the event of misuse.

Cardholder: An individual who has been assigned a purchasing card to make purchases within pre-set limits; in accordance with all policies and procedures of the University of Ottawa.

Card Issuer: Visa issues purchasing cards via Scotiabank.

Centre Suite: The on-line database provided by Scotiabank that allows cardholders to view their transactions and statements.

Declining balance card: The University selected card with a preset limit that can no longer be used once the preset limit has been reached.

Default FOAP: The default general ledger account number used on the purchasing card, to be provided on the Pcard Application Form. The Card Manager uses the default FOAP to distribute the un-reconciled charges remaining after the designated reconciliation time limit.

FOAP: Represents the elements of the University's Accounting Distribution in Banner.

- ⇒ **Fund :** the source of the money
- ⇒ **Organization :** the department/admin unit responsible for the fund
- ⇒ **Account :** describes the nature of expenditures or revenues
- ⇒ **Program:** tracks the functional area for which the funds are used (e.g. teaching, research, academic services, etc.)
- ⇒ **Activity :** not used at this time
- ⇒ **Location :** not used at this time

MCC: Merchant Category Code assigned to a merchant by the Card Issuer, which identifies the primary goods or services provided by the merchant.

Monthly limit: The maximum dollar value of charges that may be applied to a Cardholder's purchasing authority for the month/cycle.

Pcard, Card or Purchasing Card: The University selected purchasing card assigned to authorized cardholders for the purpose of purchasing goods and services up to specified amounts on behalf of the University.

Reconciliation: The process whereby the Cardholder reconcile the purchases by confirming their accuracy and validity; and assigning the appropriate FOAPs on FAST PCard.

Standard card: Purchasing card

Transaction: A charge, credit, correction or other activity processed against any Cardholder account.

Transaction Limit: A maximum allowable dollar value for each transaction.

17. RELATED WEB LINK

- a) Forms: <http://www.financialresources.uottawa.ca/employee/pcard.php>
- b) University of Ottawa Purchasing Cards Policy: http://web5.uottawa.ca/admingov/policy_75.html
- c) University of Ottawa Supply of Goods & Services Policy: <http://web5.uottawa.ca/admingov/policy.html?id=36>
- d) University of Ottawa Purchasing Manual: <http://www.financialresources.uottawa.ca/reference-documents/docs/Pcard-manual.pdf>
- e) Verifying invoices: <http://www.financialresources.uottawa.ca/admin-procedures/verify-invoice.php?stakeholder=employee>
- f) University of Ottawa Sales Tax Guide: <http://www.ressourcesfinancieres.uottawa.ca/doc-ref/docs/taxes-f.pdf>
- g) Treasury Board of Canada Policy on Acquisition Cards – Internet Transactions:
http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/TBM_142/pacit-pcati_e.asp