



Statement of Policy and Procedure			
Department:	Financial Services	Policy No.	113
Section:	Financial Services	Issued:	November 29, 2021
Subject:	Purchasing Cards Policy	Effective:	November 29, 2021
Council Resolution # and Date:	Council Resolution No. 0444 of November 29, 2021		
		Replaces:	
Issued by:	Finance Manager	Dated:	
Approved by:	Director of Financial Services		

1 POLICY

- 1.01 Designated employees authorized by their Department Head, or in the case of a Department Head, authorized by the City Manager, may be provided with a City of Prince Albert Purchasing Card.
- 1.02 Dependent upon the authorization provided, restrictions are placed on the utilization of the Purchasing Card by vendor type or dollar amount. Restrictions may be placed on a card that may or may not allow them to utilize the card for hotels, meals, travel, etc. These restrictions are placed on the card in consultation with the Department Head authorizing the issuance of the Purchasing Card (responsibility / authorization).
- 1.03 Purchasing Cards may take the place of Local Purchase Orders. The policy is to use the purchasing card for those local suppliers that accept The City of Prince Albert Purchasing Card.
- 1.04 Financial Services shall maintain control over the issuance and usage of all Purchasing Cards.
- 1.05 Financial Services shall have the authority to suspend or cancel an individual's card for not complying with the Policies and Procedures included herein.
- 1.06 Violation of this policy constitutes grounds for disciplinary action up to and including termination of employment.

2 PURPOSE

- 2.01 The purpose of the Purchasing Card Policy is to establish general guidelines, responsibilities and authorizations for the use of Purchasing

Cards issued to City of Prince Albert employees under the approval process set forth in this policy.

- 2.02 To establish proper submissions of purchasing card transactions monthly which include necessary authorizations.
- 2.03 To establish a monthly due date for submission of purchasing card transactions for recording of information.

3 SCOPE

- 3.01 The policy will apply to all City of Prince Albert Purchasing Card holders.

4 RESPONSIBILITY

- 4.01 City Council is responsible for approving the Purchasing Card Policy.
- 4.02 The Director of Financial Services is charged with the responsibility of creating procedures, processes and forms for the implementation and administration of the Purchasing Card Policy.
- 4.03 The Director of Financial Services is responsible to maintain an up to date purchasing card list.
- 4.04 The City Manager and Director of Financial Services are to authorize purchasing cards as per Section 7.02 (c) of this policy.
- 4.05 All departments and cardholders must adhere to the policy, procedures and processes established.
- 4.06 The Director will request a purchasing card from Financial Services for their employee.
- 4.07 The Director is responsible to notify Financial Services when a purchasing card is to be inactivated.
- 4.08 The cardholder is responsible to use the purchasing card for authorized and appropriate purchases.
- 4.09 Each cardholder is responsible to identify the appropriate general ledger account distributions, including PST and GST distributions. Cardholder must ensure that distributions are recorded accurately and correctly.

5 DEFINITIONS

- 5.01 The following definitions pertain throughout this policy.
 - a) Local Purchase Order (LPO) - A Purchase Contract entered into

directly by the user department with a local supplier. The total value of these purchases cannot exceed the authorized limit of \$500.

- b) Purchasing Card – A credit card issued to the City of Prince Albert employees for authorized purchase of goods and services.

6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE

6.01 Purchasing Policy 17.6

6.02 Travel/Meal/Accommodation/Vehicle Policy 3.8

6.03 Progressive Discipline Policy 33

7 PROCEDURE

7.01 Purchase Card Guidelines

The Purchasing Card is to be used primarily for purchasing items that:

- a) Are not stocked with City stores;
- b) Are not covered by any type of contract;
- c) Are not covered by the LPO option;
- d) Are not typically of a repetitive nature that can lend itself to any type of contract purchase;
- e) Are made from businesses that do not accept purchase orders;
- f) Are approved to spend in either of the Capital or Operating budget; and,
- g) Are the fastest way to procure goods and services required to assist with an emergency situation.

7.02 Transaction Limits

- a) A purchasing card may be set to limited vendors as deemed appropriate by the Director of Financial Services, appropriate Department Director or City Manager.
- b) Authorization for a Purchase Card will be provided to Financial Services by a written or emailed request from the appropriate Department Head.

c) Authorization Levels with monthly limits:

Authorization Level	Monthly Limit	Position for Purchasing Card	Authorization by
1	\$5,000	Deemed applicable by Director	Department Director or designate
2	\$10,000	City Manager, Department Director, Assistant Department Director, Senior Manager	City Manager and Director of Financial Services
3	\$30,000	Mechanics, Mayor	City Manager and Director of Financial Services
4	\$50,000	Purchasing Manager, Fleet Manager	City Manager and Director of Financial Services
5	\$50,000	City Manager	Mayor and Director of Financial Services

d) Temporary Increases in Transaction Limit:

Temporary increases in a cardholder's monthly limit may be required to facilitate authorized purchases.

- Authorization for a temporary increase will be provided to Financial Services by a written or emailed request from the appropriate Department Head and will be approved by the City Manager and Director of Financial Services.
- Once the authorized purchase has been processed Financial Services will adjust the cardholder's monthly limit back to the previously authorized level.

7.03 To Obtain a Purchasing Card or Change Card Information

a) New Purchasing Card Requests:

An email from the respective Department Head must be submitted to Financial Services stating the Employee's last name, first name, birth date, email address, telephone number, position, department,

recommended transaction level, and the employees' supervisor.

Financial Services will process the request for the new card.

Once the card is received by Financial Services, the employee must read and sign the "Purchasing Card / Credit Card Employee Acknowledgement of Responsibilities" form (Appendix 2). One copy of this form is kept by the employee and the original is retained by Financial Services.

b) Changes to Purchasing Card Information:

An email from the respective Department Head must be sent to Financial Services identifying the employee's last name, first name and last four digits of employee's purchasing card number, stating what needs to be changed on the account.

Financial Services will forward this information to the Purchasing Card Company for processing.

7.04 Management Controls

- a) It is the responsibility of the immediate Manager of Purchase Card holders to sign the transaction log confirming that all guidelines and policies were followed, and that the card was used for its intended purpose.
- b) Financial Services will conduct checks on items submitted to ensure that all cardholders are using their cards for the intended purposes and according to policy.
- c) The immediate manager of the cardholder is to ensure compliance with transaction log requirements and that all documents are submitted by the established deadline.

7.05 Personal Purchases

The City of Prince Albert Purchasing Card cannot be used for personal purposes. In the event that the card is erroneously used, the cardholder will be required to reimburse and pay in full all costs charged on the card.

7.07 Cardholder Lists

Financial Services will control and maintain a central listing of all cardholders and their corresponding monthly limits. These lists will be provided to authorizing managers.

7.08 Purchase Card Usage

- a) The cardholder can use the purchasing card for various purchases such as the following:
 - On-Site (Pick-up) Purchases
 - Online/Internet Purchases
 - Telephone Purchases
- b) The cardholder must obtain a receipt or invoice from the supplier and ensure that the GST number and amount is clearly identified.
- c) The personal identification number (PIN) is to be kept in a secure location.
- d) When there is a declined sale for which there is no apparent reason, the purchaser should immediately contact the Purchasing Card Company to determine what the problem might be. Failing to reach a solution, Financial Services should then be contacted and an appropriate course of action determined.

7.09 Payments and Reconciliations

The cardholder is responsible to reconcile the Purchasing Card statement to transactions ensuring accuracy and legitimacy. Any problems encountered will be handled through the Transaction Dispute Process detailed below.

Purchasing Card Statement Reconciliation & Payment:

The cardholder is required to maintain a log of all of the transactions of their card (Appendix 1). The log identifies necessary information to record and vouch transactions.

Each cardholder is responsible to identify the appropriate general ledger account distributions, including PST and GST distributions.

Separation and notation of GST and PST.

- The vendor's GST number must be clearly displayed on the receipt. If the GST number is missing, the cardholder will be asked to obtain the number.
- The cardholder must ensure the GST and PST values on the transaction log are the same as on the receipt.

- All relevant receipts must be attached to the transaction report.

Ensure that distributions are recorded accurately and correctly.

This log must be reconciled to the Purchasing Card statement and the purchase receipts. Faxed or emailed copies of missing receipts or invoices will be acceptable replacements for originals.

The log is signed by the cardholder and their manager/supervisor and forwarded with the receipts attached to accounts payable

The Purchasing Card statement with attached receipts are due by the 15th day of the month to accounts payable.

7.10 Card Cancellation or Personnel Leaving

The Director or designate of any employee leaving the City's employ is responsible for the following:

- a) To provide Financial Services with the name of the cardholder; and
- b) To provide Financial Services with the Purchasing Card so it can immediately be inactivated and destroyed.

7.11 Transaction Dispute Process

The following steps should be taken for all Purchasing Card transactions in dispute:

Cardholder identifies a discrepancy or notes a fraudulent transaction on their transaction report, it is the responsibility of the cardholder to initiate the following and to pursue the matter through to resolution:

- a) If it is determined to be an error by the Purchasing Card Company, do the following:
 - Identify the discrepancy to the Purchasing Card Company,
 - Record it on your personal transaction log, and;
 - Ensure a correction or revision to the transaction appears on the next purchasing card statement.
- b) If it is determined to be a supplier error, do the following:
 - Contact the pertinent supplier to rectify the billing problem,
 - Record the error on your personal transaction log, and;

- Ensure the transaction appears on the next Purchasing Card statement.
- c) If it is determined to be a fraudulent transaction, do the following:
- Contact the vendor noted and inquire as to what the transaction is for. Explain the situation and note that the transaction is fraudulent. Request that the transaction be cancelled or reversed;
 - If the vendor is unwilling to remove the transaction, contact the Purchasing Card Company and request to be in contact with the fraud division. The fraud division may send paperwork to the attention of the cardholder which must be completed and returned;
 - Note on transaction log report that there are transactions being disputed;
 - If required, Cardholder must complete all documentation from the Purchasing Card Company's fraud division and once completed, immediately return it. A copy of the documentation should be kept by cardholder for future reference; and
 - If the dispute is not resolved satisfactorily, contact Financial Services. All disputes must be brought to the attention of the Purchasing Card Company within 30 days of statement cut-off date (4th calendar day of each month).

7.12 Reporting Lost or Stolen cards



It is the responsibility of the cardholder to immediately notify the Purchasing Card Company of any lost or stolen cards. An email must also be immediately sent to Financial Services reporting the lost or stolen card.

7.13 Compliance

Failure to comply with the Purchasing Cards Policy will result in the City of Prince Albert Purchasing Card being removed from those employees or managers who are continual offenders.

APPENDIX 1

***Complete all of the columns **EXCEPT** the yellow high-lighted column. The GST and PST will calculate automatically if you put the information into the proper column. All other columns must be completed.

	<div>CITY OF PRINCE ALBERT</div> <div>MASTERCARD PURCHASING MONTHLY TRANSACTION LOG</div>								
MONTH:	April ▼		YEAR:	2021 ▼		CARD HOLDER:			
DATE OF PURCHASE MONTH/DAY	SUPPLIER/VENDOR		GOODS PURCHASED	ACCOUNT NO.	OBJECT CODE	INVOICE TOTAL Before TAXES	GST 5%	PST 6%	INVOICE TOTAL
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
						\$0.00	\$0.00	\$0.00	\$0.00
				TOTALS		\$0.00	\$0.00	\$0.00	\$0.00

****MAKE SURE TOTAL ON THE BOTTOM OF THIS SHEET MATCHES YOUR MASTERCARD STATEMENT TOTAL**

APPROVALS: _____
CARDHOLDER SIGNATURE

SUPERVISOR SIGNATURE

1. Transaction logs must be approved and returned to accounts payable no later than the **15th of the month** following the MasterCard Statement date.
 2. Log submissions should include:
 - 1) Original MasterCard Statement
 - 2) Approved Monthly Transaction Log and supporting receipts where applicable
- Last Modified: 1/2/2025**

Last Modified: May 16, 2017

APPENDIX 2

CITY OF PRINCE ALBERT

Purchasing Card / Credit Card Employee Acknowledgement of Responsibilities

1. The Purchasing Card / Credit Card is intended to facilitate the purchase and payment of goods and services required for the conduct of City of Prince Albert business. I will follow the Purchasing Card Policy as established by City of Prince Albert. I cannot use the card for personal purchases.
2. Unauthorized use of the card can be misappropriation of (City of Prince Albert) funds. This could result in a) immediate and irrevocable forfeiture of the Purchasing Card / Credit Card and/or b) disciplinary action which may include termination of employment.
3. I understand that the Purchasing Card / Credit Card must be surrendered upon termination of employment, whether for retirement, voluntary separation, resignation, lay off, or dismissal. I may also be requested to surrender the Purchasing Card / Credit Card for reasons not relating to my own personal situation, such as reorganization, or work stoppage.
4. I will maintain the proper security of the Purchasing Card / Credit Card. If the Purchasing Card / Credit Card is stolen or lost, I agree to immediately notify the Purchasing Card company and the City of Prince Albert Financial Services Purchasing Card / Credit Card Administrator using the steps outlined in the Purchasing Card Policy.
5. The card is issued in my name. I will not allow any other person to use my card.
6. I understand that I will receive a statement that will report all purchases during the statement period. I will resolve any discrepancies by either contacting the Purchasing Card company or the supplier. I understand that I will be required to obtain all appropriate documentation, which shall include: supplier's name, description of goods and/or services provided, GST registration number, tax break down and total amount owing, and promptly reconcile them to the log and to the transaction monthly Purchasing Card / Credit Card statement when it arrives. I understand that I must obtain my manager's approval on all monthly statements.
7. I understand that all charges will be billed directly to and paid by City of Prince Albert. I understand that the Purchasing Card company cannot accept any payment from me directly.

This document outlines the responsibilities I have as a holder of a City of Prince Albert Purchasing Card / Credit Card. My signature indicates that I have read and understand these responsibilities, and agree to adhere to the guidelines established under the Purchasing Card Policy for the program.

SIGNATURE: _____ DATE: _____