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Corporate Purchasing Card / Credit Card Procedure

Office of Administrative Responsibility:	Finance, Procurement and Planning (Procurement and Contract Management) and Shared Services (Finance)
Approving Authority:	Associate Vice-President (Finance, Procurement and Planning)

Purpose

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. This includes improving order cycle time, reducing paperwork, reducing the need for new vendor setup, expediting supplier payments and empowering and enabling employees. University of Alberta (UofA) 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.

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

Definitions

A definitions table as attached establishes the terms used in this procedure and any unique rules of interpretation that apply.

Scope/Application

Compliance with this University procedure extends to all academic, support and excluded staff, postdoctoral fellows, and academic colleagues as outlined and defined in the *Recruitment Policy* (Appendix A and Appendix B: Definitions and Categories).

Procedure

Summary:

1. ROLES & RESPONSIBILITIES

   Finance, Procurement and Planning (FPP)
   Procurement and Contract Management (PCM)
   Shared Services

   FPP – PCM provides oversight and direction to the PCard program at the UofA. 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 coordination with the bank for card issuance, changes and cancellations. Shared Services manages web access, reconciliation, security, reporting, system monitoring for procedural compliance and fraud. Shared Services provides 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 and allowable based on funding source. Cardholders are responsible for ensuring transactions are:

   - Reasonable;
   - Necessary for UofA business;
   - In compliance with UofA policies, procedures and guidelines;
   - Coded accurately (e.g. speedcode, account and GST);
   - Supported by appropriate detailed itemized receipts;
   - Reconciled monthly in the PeopleSoft My Wallet system.

Department Authorization - Unit Approver

The Unit Approver is responsible for ensuring that the Cardholder, to whom they authorize issuance of a PCard, understands and agree to their responsibilities as a PCard holder.

Budget Owner

Accountable for ensuring purchases by the PCard holders are reasonable, necessary for UofA business, in compliance with UofA 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 continuing UofA employee of full time, part time, or recurring term of operating or trust employment.

    Applying for a card

    All applicants must complete a *Corporate PCard Application and Agreement 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 *P-Card Application and Agreement Form,* agreeing to the terms and conditions of the Corporate Purchasing Card program.

    PCard Activation

    Activation of Pcards is the responsibility of the PCard holder. Instructions are provided when the card is distributed by Shared Services to the PCard recipient.

3. USING THE PCARD

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

    Orders for goods and services can be placed by phone, email, or internet to domestic and foreign suppliers.

    The PCard holder must retain the original itemized receipts and packing slips for all charges to the PCard. The credit card transaction receipt (chit) is not an acceptable substitute for an itemized receipt.

    Examples of Allowable Transactions

    - Purchases equal to and less than $5,000;
    - Purchases greater than $5,000 (with attached approval from PCM);

- When a SupplyNet purchase order is not feasible;

- Memberships;

- Subscriptions;

- Registration;

- Books;

- Parking;

- Fuel (note - if fuel is purchased, the km allowance rate cannot be claimed);

- ARC card load for Edmonton public transit service for business use;

- Merchandise for UofA events and business;

- Receipted meals for hospitality, employee functions, working sessions and committee meetings only. The expenses must align with the "Hospitality, Work Session/Committee Meetings and University Employee Functions Procedure";

- Software subscriptions (e.g. monthly Adobe license, contact procure@ualberta for direction);

- Computer accessories (e.g. mice, keyboards, cables-power, USB, HDMI etc.), speakers, ink and toner, cases;

- Catering and hosting, (evidence of insurance and WCB coverage is required if the service is provided on UofA premises);

- Event deposits (an event deposit can be provided once a contract has been executed by Procurement and Contract Management, contact PCM at procure@ualberta.ca for additional details);

- Low dollar / low risk services ≤$5,000 from a limited or incorporated company that has provided evidence of insurance (insurance certificate) and WCB coverage confirmation;

- Contracts and payments to individuals and small unincorporated companies (e.g. sole proprietorships) for services ≤$5,000. (requires a contractual agreement that identifies the deliverable, timelines and cancellation clauses);

- Groceries (for UofA business purposes only):
    - purchased by a researcher performing field research, to provide meals to the research team and/or students in the field;
    - purchased to host an event on campus;
    - purchased to host an event off campus including private residences.

- Purchase of Gifts and Gift Cards for:
    - Clinical trial participants (in general, gift cards are provided to participants);
    - Honorarium payments (gift or gift card provided to volunteer, guest speak or participant to support their participation in the event and/or ceremony);
    - Employee prize (either gift or gift card can be provided or combination of both);
        - e.g. team building event - bowling event where department employees attend and a prize is randomly dispersed through a draw or competition, such as lowest or highest score, prize should not exceed $25.

- ○ Randomly selected prize at a department sponsored event (either gift or gift card can be provided or combination of both);
    - ■ e.g. UofA hosted tradeshow, gift cards are purchased by the hosting department and dispersed randomly to attendees through draw or within gift bags. Dispersed only to non-employees of the hosting department, value cannot exceed $50.
  - ○ Gifts of appreciation for non-employees (either gift or gift card can be provided);
  - ○ Employee retirement functions (either gift or gift card can be provided or combination of both).

Note: all expenses associated with gifts must align with the Gift Expenditure Procedure. Additional details relating to gift cards are available here.

- Note - Gratuites cannot exceed 18% and have limited applications:
  - ○ Hospitality expenses (meals);
  - ○ Ground transportation (e.g.taxi and rideshare services only);
  - ○ Catering.
- The following travel expenses:
  - ○ Registration (conference fees);
  - ○ Accommodations (e.g. hotels, AirBnB and VRBO);
  - ○ Car rentals and insurance;
  - ○ Ground transportation - receipted (e.g. bus, taxi, rideshare, train);
  - ○ Baggage fee, seat selection and carry on baggage (when completed outside of the airfare booking);
  - ○ Parking;
  - ○ Miscellaneous insurances;
  - ○ Hospitality;
  - ○ Emergencies;
  - ○ Travel insurance.

Note: All travel expenses must adhere to the UAPPOL Travel Processes and Expense Procedure.

Non-Eligible Transactions - The PCard cannot be used for the following activities and purchases:

- Professional expense allowance purchases (PER);
- Personal expenses;
- Cash advances;
- Donations and sponsorships;
- Gifts of alcohol;
- Restricted or controlled goods (details below);

- Specific goods purchased from foreign locations (details below);
- Furniture (e.g. desks, tables, workstations, seating, task seating, guest seating, lab stools, lounge furniture). Note furniture is ordered through the preferred supplier (SupplyNet) by supplying a speedcode;
- Maintenance contracts and lease agreements;
- Equipment rentals exceeding thirty (30) days (require a contract identifying terms and conditions in SupplyNet);
- Services provided through University Services and Operations, Asset Management & Operations (e.g. construction/building maintenance);
- Contracts and payments to individuals and small unincorporated companies (e.g. sole proprietorships) for services ≥$5,000. These transactions must be processed in accordance with the Determination of a Worker's Status Procedure and the Contracting for Services Procedure and require a fully executed contract including proof of insurance and WCB coverage.

The following travel-related expenses are ineligible:

- Airfare - must be booked through the TAP process with the Travel Management Company (TMC) and paid centrally;
- Private automobile kilometer allowance rate (paid out of pocket, reimbursement through travel expense module);
- Ground transportation non-receipted - equal to and below $75/day (paid out of pocket, reimbursement through travel expense module);
- Meals - meal allowance rates apply (paid out of pocket, reimbursement through travel expense module upon return from travel);
- Onboard meal or merchandise, in flight.

Restricted or Controlled Goods (including Imported Goods)

Restricted or controlled goods must be purchased throughSupplyNet. The following goods are examples of ineligible, restricted, controlled and imported goods:

- 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 (e.g. furnaces, boilers, heaters, pumps, air conditioners);
- Live animals, fish and plants;
- Animal embryos and semen;
- Human and animal organs, tissues and sera;

- Food products (e.g. seeds, soil, turkey, chicken);

- Fertilizers;

- Carbon steel and specialty steel products (e.g. stainless steel wire);

- Textile and apparel products;

- Rough diamonds;

- Explosives, propellants, safety flares, pyrotechnics;

- Precursor chemicals and controlled drugs or narcotics.

For additional details, refer to the Purchase of Restricted Items Procedure.

Equipment Assets

The university requires units to track equipment assets with an acquisition value of $5,000 or greater and any portable items under $5,000 the unit deems necessary as prone to loss or theft. Refer to the Equipment Registration and Tracking Procedure.

Shipping Instructions

The majority of goods are shipped to:

> Supply Management Services
> Distribution Services
> 116 Street and 85 Avenue
> Edmonton, Alberta T6G 2R3

Clearly identify the cardholder name, department name and address information when completing the order.

In limited situations, goods can be shipped to alternative shipping locations. This includes home addresses, alternate worksites and remote research locations. When this occurs, the cardholder must indicate on the expense claim the rationale for an alternative shipping location:

- Home addresses;

- Off campus worksites;

- Research site.

As a general rule, International shipments should not be shipped to off campus locations as they require clearance by the university brokerage company. For this to occur, they must be shipped and received on UofA premises.

There are a limited number off campus locations that have received advanced approval to ship international shipments off campus.The UofA brokerage company will clear the shipment. Contact the Customs Department for further details at smscust@ualberta.ca.

4. RECONCILING THE PCARD

Monthly reconciliation is required to ensure the following:

- Accurate coding of expenditures (e.g. ChartField string and GST);
- Adequate supporting documentation;
- Cardholder compliance;

- Disputed charges are dealt with in a timely manner.

The billing cycle cut-off date is the 16th 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 speedcode and account number, attach the electronic receipts and submit for online budget owner approval(s);
- Provide a thorough description of the expense in the "Description" field within the expense template. When the expenses are retrieved from PeopleSoft, the description field will populate with the supplier name (e.g. COSTCO WHOLESALE W154). Directly following the supplier name, add the business purpose of the expense (e.g. department celebration). The full entry in the description field would be "COSTCO WHOLESALE W154 department celebration";
- Attach the receipt (the electronic receipt within the system becomes the original receipt).

Note: The credit card transaction receipt (chit) is not acceptable as supporting documentation; an itemized receipt is required.

If a PCard holder 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 and attach an explanation to the claim identifying the receipt was lost and could not be obtained. The explanation should be signed by the PCard holder and the Unit Approver.

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 PCard holder 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 Pcard information, including the PCard 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 supplier. Contact the Staff Service Centre in Shared Services within sixty (60) days of the transaction date if unresolved with the supplier. They will create a ticket and escalate. Disputed items including inaccurate or fraudulent charges applied to the PCard by a supplier must be reconciled each month by the PCard holder. The disputed transaction will appear on the credit card statement and require reconciliation, when the credit transaction appears on a future statement, it would be offset to the identical chartfield used to zero out the expense in the general ledger.

   Returns / Credits

Purchases that are returned or damaged shall be replaced or refunded directly back to the PCard. PCard holders 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 PCard holder must contact the Bank customer service immediately as well as notify the Staff Service Centre in Shared Services.

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

PCard Cancellations

A PCard holder (or their respective Unit Approver) MUST notify the Staff Service Centre in Shared Services immediately when the PCard holder leaves their current position to ensure the card is cancelled.

PCards may remain active during sabbatical leave and secondments as long as PCard holders can commit to timely reconciliation and compliance with this procedure. The Unit that the Pcard holder reports to must be in agreement.

PCards will be suspended during leaves from work, including but not limited to administrative leave, long term leave, illness leave and maternity/parental leave.

PCards will be cancelled for the following reasons:
- Loss or theft of PCard;
- 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;
- Untimely reconciliation;
- Fraudulent use of the PCard (subject to internal audit workplace investigation);
- Misuse of the PCard (subject to internal audit workplace investigation).

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 PCard holder to the UofA and cancellation of the PCard. These reviews may include, but are not limited to, the following:

- Review of receipts and supporting documentation;
- Restricted purchases;
- Split transactions to circumvent PCard limits;
- Personal purchases;
- Application of correct GST code and dollar amount;
- Appropriate approvals;
- PCard activity level;
- Eligible per sponsor/donor terms and conditions, where applicable;
- Fraudulent purchases and misuse of the PCard.

If the department suspects that a PCard is being used inappropriately, contact the Staff Service Centre in Shared Services immediately.

Non-Compliance

PCM, Shared Services and the Unit Approver have the authority to cancel PCards at any time. Non-compliance may be observed on an individual basis or departmental basis. Finance, Procurement and Planning reserves the right to remove all PCards at a departmental level for systemic non-compliance.

8. INITIATE, REVIEW, APPROVE AND PROCESS (IRAP)

    a.   Initiate Claim (submit) – PCard holder or delegate

The PCard holder is responsible for:
Ensuring travel expenses and purchases of product, equipment and services are:

- In compliance with the Travel Processes and Expense Procedure, Supply of Goods and Services Policy and all other UofA policies, procedures and guidelines, as well as sponsor/donor terms and conditions;
- Reasonable and necessary for UofA business;
- The appropriate expense type and GST code is used when submitting the claim;
- Providing sufficient and appropriate supporting documentation, which includes original receipts and other documents (e.g. conference agenda and Itineraries);
- Reconciling the claim within 30 days of PeopleSoft notification.

Specific for Research claims, travel expenses and purchases must:

- Contribute towards the direct costs of the funded research project and the benefits are directly attributable to the funded research project;
- Are incurred within the research project start and end date;
- Are allowable expenses based on sponsor guidelines and project terms of reference.

    b.   Review Claim - Budget Owner

The Budget Owner reviews PCard activities related to research and operating for eligibility. The budget owner approves PCard claims; ensuring the expenses are:

- Categorized correctly and that the appropriate expense types have been selected in PeopleSoft;
- In compliance with all procedures, processes and guidelines.

The Budget Owner is required to send back the PCard expense report for updating by the PCard holder if:

- The expense report is incomplete;
- Original receipts are missing, or supporting documents are not sufficient;
- Incorrect expense type has been selected;
- GST has been coded incorrectly.

If ineligible expenses have occurred, the Budget Owner is required to provide direction to the PCard holder, this includes:

- Reconciliation of Ineligible PCard transactions must occur;
- Identify corrective action to the PCard holder to eliminate any occurrence of future ineligible expenses;
- In circumstances of possible fraud, elevate to PCM, Shared Services and/or Internal Audit.

c.   Approve Claim – The Budget Owner reviews and approves PCard claims based on the following criteria:

- Completes final approval for all research and operating dollar PCard claims;
- Will send claims back for correction if they do not meet the criteria outlined in this procedure;
- Where the budget owner is the PCard holder, final approval is made by the budget owner.

d.   Process Claim - PeopleSoft

- Upon approval, the claim is processed.

Definitions

Any definitions listed here apply to this policy document only with no implied or intended institution-wide use.	
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.
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.

PCard Administration	Responsible and accountable for the overall administration of the PCard. This responsibility is carried out by Shared Services.
Unit	Includes all colleges, faculties, departments or centralized units.
Unit Approver	An individual who provides department authorization for the issuance and use of PCards. This can include a Supervisor, Faculty General Manager, or someone delegated by the Faculty General Manager/ or Chief of Staff. The Unit Approver approves credit limits, the issuing of new PCards, credit limit increases and determines what purchasing activities the cardholder has access to (e.g. travel related expenses).
Receipt	An electronic version of the original itemized receipt provided by the merchant/supplier. This includes a paper copy that has been saved as an electronic file (e.g. PDF attachment).

Related Policy Documents (UAPPOL)

- [Contracting for Services Procedure](#)
- [Determination of a Worker's Status Procedure](#)
- [Equipment Registration and Tracking Procedure](#)
- [Gift Expenditure Procedure](#)
- [Hospitality Working Sessions Meetings and University Employee Functions Procedure](#)
- [Purchase of Restricted Items Procedure](#)
- [Travel Processes and Expense Procedure](#)

Related Links

- [Guide to Financial Management](#) (Finance, Procurement and Planning)
- [Corporate P-Card Application and Agreement](#) (PDF)
- [Corporate P-Card Log Sheet](#) (Word)

For questions surrounding policy document interpretation or implementation, please contact the Office of Administrative Responsibility.

Contact for questions about this procedure: [Shared Services (Staff Service Centre)](#) or [procure@ualberta.ca](#)

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