

# Purchasing Card Policy

## RATIONALE

The School Council is responsible for the financial management of the school. School Council ultimately confirms and acknowledges transaction revenue and expenditure by prior approval or ratification. The introduction of the school purchasing card impacts on the School Council, as it represents another means of acquiring goods and services for the school. A school's decision to apply for and use a school purchasing card is not intended to replace the existing purchasing practices. A school purchasing card is offered as an enhancement to current methods.

## AIMS

- To offer enhancements to the methods of purchasing
- To assist with flexibility, time saving and convenience
- To improve internal financial control

## IMPLEMENTATION

- The School Council determines which personnel will be eligible to obtain the school purchasing card.
- The School Council and Principal determine the expenditure limit for each cardholder and provide financial delegation to this upper limit
- ☐ School Council after advice from the Principal; appoint an Authorisation Officer. Where the Principal is the cardholder, the School Council President must be the Authorisation Officer for that card.
- ☐ The Business Manager will be appointed as the Administration officer and ensures the efficient and effective administration of the school purchasing card.
- Maintain a Cardholder register which includes the following details:
  - the name and position of each Cardholder;
  - the date the "Undertaking by the Cardholder" was signed;
  - a copy of the signed "Undertaking by the Cardholder";
  - the maximum monthly limit applicable to each School Purchasing Card;
  - the maximum limit on individual transactions applicable to each School Purchasing Card;
  - the restrictions (if any) imposed on the types of goods, services, equipment or material which can be purchased using each School Purchasing Card;
- any amendments to a Cardholder's details or the School Purchasing Card details (including, for example, upon a new or replacement card being issued); and
- ☐ the date a Cardholder's authority to use the School Purchasing Card was terminated and the date the School Purchasing Card account was cancelled or closed;
- An 'Undertaking by the Cardholder' is completed by each user annually
- All approved purchasing card holders receive a briefing on the use of the card
- The cardholders names, card details and limits are minuted at School Council at the first School Council meeting of each year
- All documents relating to these purchasing cards are kept in a secure and locked environment
- Monthly purchasing card statements to be attached to the relevant CASES21F reports are tabled and minuted at School Council.
- Ensure that all Westpac Visa cards and DET purchasing card procedures and controls are met.
- The Westpac bank statement must be signed by the cardholder and authorisation officer for audit requirements.

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- The school purchasing card carries a liability for school council – not an individual liability for the cardholder. Therefore the school purchasing card does not impact on a cardholder's personal credit rating.
- ☐ Details of the school's official account, for monthly debit of transactions and charges, will need to be provided. This becomes the authorisation for the direct debit ("sweep" from official account to purchasing card).
- The settlement must be paid through CASES21 Creditors module with Westpac established as a creditor and all invoices listed for payment, in the month, against the creditor. Settlement period is 10 calendar days from the end of the billing cycle, i.e. the school must finalise data and ensure sufficient funds are available in the official account, for the direct debit "sweep" of the closing credit balance by Westpac.
- School principal is to complete and return the Annual Letter of Assurance document certifying the appropriate school purchasing card usage, in accordance with DET Purchasing Guidelines. The Annual Letter of Assurance will be distributed by DET Financial Services Division for reporting as at 30 June each Financial Year
- Cardholders must maintain a "Cardholder's Activity Report" to assist in reconciling the items listed on the monthly card statement along with supporting documentation. The reconciliation should be completed in sufficient time for pre-arranged monthly payment of the card balance.
- A school council must implement or arrange for the implementation of appropriate procedures whereby:
  - (a) a Cardholder does not authorise his or her own expenditure;
  - (b) all proposed expenditure is approved by the Authorisation Officer upon completion of a school purchase order by the Cardholder; and
  - (c) all expenditure approved by the Authorisation Officer is reported to, and subsequently accepted by, the school council.
- A school council must implement or arrange for the implementation of suitable procedures to ensure that:
  - (a) a Cardholder may only use the School Purchasing Card in connection with proper school purposes, regardless of:
    - (i) the amount of the transaction involved; and
    - (ii) the manner in which the transaction is effected (ie. by telephone order, mail, electronically or other means); and
  - (b) a Cardholder does not use the School Purchasing Card for the payment of personal expenses, personal travel expenses or other expenditure unrelated to proper school purposes.
- Where a school council authorises the issue of a School Purchasing Card to a Cardholder, the school council must require a Cardholder to comply and adhere to the conditions of use for the purchasing card including:
  - (a) **Not exceed limits**

All expenditure incurred by a Cardholder using the School Purchasing Card must not exceed:

    - (i) a maximum monthly limit of \$3,000, or such lesser amount determined by the school council from time to time;
    - (ii) the maximum limit of each individual transaction which may be set
  - (b) **Ensure compliance**

In addition to complying with these guidelines and directions, the Cardholder must use the School Purchasing Card in compliance with:

    - (i) the Terms and Conditions issued by the Financial Institution;

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(ii) DET Purchasing Guidelines

**(c) No cash advances**

The School Purchasing Card must not be used to obtain cash.

**(d) Provide sufficient supporting documentation**

Each transaction made using the School Purchasing Card must be substantiated by original supporting documentation. In particular:

(i) transactions made directly with a merchant must be supported by receipts and merchants records;

(ii) transactions by telephone or mail order must be supported by an invoice or receipt which should be requested at the time of making the order. In the case of transactions by telephone, the date, time and person with whom the order was placed, should be noted; and

(iii) transactions made by electronic means must be supported by receipts and merchant records.

**(e) Report loss or theft of School Purchasing Card**

The Cardholder must report any loss or theft of the School Purchasing Card to:

(i) the Authorisation Officer; and

(ii) Immediately upon identifying a lost or stolen school purchasing card, the cardholder is to advise Westpac to cancel the school purchasing card. Contact Westpac Business & Corporate Cards team on 1300 650 107 (24 hours, 7 days).

**(f) Report unauthorised transactions**

Where it is suspected or known that unauthorised transactions have been made using the School Purchasing Card, the Cardholder must report this suspicion or fact to:

(i) the Authorisation Officer; and

(ii) the Financial Institution using the 24 hour emergency number provided by the Financial Institution, and in accordance with any other requirements relating to unauthorised transactions determined by the Financial Institution from time to time. Contact Westpac Business & Corporate Cards team on 1300 650 107 (24 hours, 7 days).

**(g) Security of School Purchasing Card**

The Cardholder must take adequate and reasonable measures to protect the School Purchasing Card from being lost, stolen or misused.

**(h) Return of School Purchasing Card**

The Cardholder must immediately return the School Purchasing Card to the Authorisation Officer when the Cardholder ceases to be employed in connection with the school.

**Review statement issued by Financial Institution**

- The monthly statement issued by the Financial Institution must be reviewed by the Authorisation Officer for completeness and accuracy, and transactions appearing on the monthly statement should be matched by the Authorisation Officer to original supporting documentation.
- The school council should also implement or arrange for the implementation of procedures to ensure that the Administration Officer:
  - (i) follows up and resolves discrepancies on the statement with the Financial Institution, and promptly advises any discrepancies to the Principal and Authorisation Officer
  - (ii) ensures that goods, services, equipment or material paid for using the School Purchasing Card are actually delivered or provided;
  - (iii) ~~arranges for credits on the School Purchasing Card to be raised where goods, services,~~

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equipment or material are not delivered or are not provided in accordance with original expectations;

(iv) verifies that all transactions on the statement can be reconciled with the Accounting Program; and

(v) submits the verified statement, any report issued by the Accounting Program and all original supporting documentation to the Authorisation Officer for approval prior to acceptance and payment by the school council to the Financial Institution.

## EVALUATION

- The Principal and Authorisation Officer will evaluate the holders of school purchasing card at the beginning of each year.
- The Principal and Authorisation Officer will decide at the beginning of each year which personnel will be nominated to School Council to obtain a card.
- The Principal and Authorisation Officer will nominate the expenditure limit of these cards.
- This policy will be reviewed annually by School Council to confirm and enhance internal control procedures

**Reference:** DET Schools purchasing card - DET guidelines and procedures  
<http://www.education.vic.gov.au/Documents/school/principals/finance/cardguidelines.pdf>

This policy was last ratified by School Council - 18<sup>th</sup> February 2019 and is due for review in February 2020.

## UNDERTAKING BY THE CARDHOLDER

### School Purchasing Card Agreement and Acknowledgment by Cardholder

Name of Cardholder: \_\_\_\_\_

Position: \_\_\_\_\_

School Council President: \_\_\_\_\_

I understand and agree that the School Purchasing Card is issued to me on the express understanding that I will, at all time, comply with the following conditions:

## USE

1. I will only use the School Purchasing Card for proper school purposes.
2. I can use the School Purchasing Card to a maximum limit of \$2,000 in any one transaction and to a maximum monthly limit of \$2,000.
3. I will not split transactions on the School Purchasing Card to avoid exceeding purchasing card transaction limits.

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4. My use of the School Purchasing Card is subject to the following restrictions on transaction types: *(please specify)*\* Nil
5. I will use the School Purchasing Card in accordance with the terms and conditions issued by the *Westpac Banking Corporation* relating to its use.
6. I will not use the School Purchasing Card to obtain cash.
7. I will not use the School Purchasing Card to pay for tips or gratuities.
8. I will not permit the School Purchasing Card to be used by any person other than myself.
9. I will ensure that each transaction made using the School Purchasing Card is substantiated by original supporting documentation.
10. I will take adequate and reasonable measures to protect the School Purchasing Card from being lost, stolen or misused.

## LOST OR STOLEN CARDS

11. I will immediately report the loss or theft of my School Purchasing Card to the *Westpac Banking Corporation* (using the 24 hour emergency number) and to the Authorisation Officer.

## UNAUTHORISED TRANSACTIONS

12. I will immediately report any suspected or known unauthorised use of the School Purchasing Card to the *Westpac Banking Corporation* (using the 24 hour emergency number) and to the Administration Officer.

## MONTHLY RECONCILIATION

13. I will review the monthly statement issued to me by the *Westpac Banking Corporation* for completeness and accuracy, and will ensure that transactions appearing on the statement are matched to original supporting documentation. I will:

- ensure that discrepancies on the monthly statement are followed up with the *Westpac Banking Corporation* and promptly advised to the Authorisation Officer;
- ensure that goods, services, equipment or material paid for using the School Purchasing Card are actually delivered or provided;
- ensure that credits on the School Purchasing Card are raised as soon I become aware that goods, services, equipment or material are not delivered or provided in accordance with original expectations;
- verify that all transactions on the monthly statement can be reconciled with any report issued by the accounting program used by the school council from time to time; and
- submit any such report, together with the verified monthly statement to the Authorisation Officer for approval prior to any payment by the school council to the *Westpac Banking Corporation*.

## RETURN OF SCHOOL PURCHASING CARD

14. I will immediately return the School Purchasing Card to the Authorisation Officer if:
  - I resign or retire, or if I am transferred to another school, or if my services as an employee are otherwise terminated;

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- The purpose for which the School Purchasing Card was issued to me has terminated or ceased; or
- The School Purchasing Card is withdrawn by the Authorisation Officer or cancelled by the *Westpac Banking Corporation*.

## PERSONAL INFORMATION

15. I consent to my personal details and my date of birth being disclosed by the school council to the *Westpac Banking Corporation* for use only in connection with the issue to me of a School Purchasing Card.

## DECLARATION

16. I confirm that I have access to only one School Purchasing Card.

17. I acknowledge receipt of

- Ministerial Guidelines and Directions 1 to 6 of 2008;
- School Purchasing Card - DET Guidelines and Procedures , and
- The terms and conditions relating to the use of the School Purchasing Card issued by *Westpac Banking Corporation*

18. I have been briefed on all aspects of the operation and use of the School Purchasing Card.

Date: \_\_\_\_\_

Name of Cardholder \_\_\_\_\_

Signature of Cardholder \_\_\_\_\_

Name of Principal \_\_\_\_\_

Signature of Principal \_\_\_\_\_