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Government of South Australia

Department for Education and
Child Development

PURCHASE CARD POLICY AND PROCEDURE FOR SCHOOLS AND PRESCHOOLS

This policy is applicable to all DECD school and preschool employees.

DOCUMENT CONTROL

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1. TITLE

The title of this policy is Purchase Card Policy and Procedure for Schools and Preschools.

2. POLICY STATEMENT

This document outlines the policy and procedure for use by all school/preschool cardholders in the Department for Education and Child Development (DECD).

South Australian Government policy on the control and use of a purchase card is prescribed in Treasurer's Instruction 12 (Government Purchase Cards and Stored Value Cards).

Cardholders are also required to comply with other relevant South Australian Government and DECD policies and procedures, including:

- Commissioner's Standard: Determination 3.2 - Employment Conditions - Remuneration – Allowances and Reimbursements
- DECD Procurement Framework
- DECD Entertainment Policy for Schools and Preschools
- DECD Financial Delegation Policy.

3. PROCEDURAL PURPOSE

Purchase cards were introduced to streamline procedures, reduce administrative costs and to improve timelines of payment to suppliers.

4. SCOPE

This policy applies to all DECD school and preschool employees in the delivery of services to children and children in care.

5. OBJECTIVE

The objectives of this policy and procedure document are to:

- Provide instruction for the application process, use, maintenance, security and accountability of school/preschool purchase cards
- Ensure compliance with legal and policy obligations.

6. THE GOVERNMENT-CONTRACTED BANKING PROVIDER FOR PURCHASE CARDS

Schools and preschools do not fall under the umbrella of the whole of government banking contract and therefore are not bound to apply for purchase cards from the current service provider, however they are strongly encouraged to do so.

7. POLICY DETAILS

7.1 Use of Purchase Card

An approved cardholder may use a card to purchase generic goods and services for official DECD school/preschool business.

Employees authorised to be cardholders are required to comply with the associated procedure outlined in this document and in recognition of these requirements must sign an Application and Agreement School/Preschool Purchase Card Form (SPPC01).

7.2 Key Controls for Card Use

- All purchase card applications are endorsed by the School Principal/Preschool Director and approved by the Governing Council or equivalent preschool governance committee.
- As a minimum operational requirement the School Principal/Preschool Director must register on the school/preschool card billing account as an 'Authorised Signatory' and authorise each cardholder request form to implement the Governing Council's approval decision.
- All purchase card applications are forwarded to the Department with a copy of the completed Application and Agreement School/Preschool Purchase Card Form (SPPC01).
- The issue of a purchase card is subject to the cardholder signing an Application and Agreement School/Preschool Purchase Card Form (SPPC01); in doing so, the purchase card holder agrees to comply with all the conditions listed therein.
- A banking Terms and Conditions brochure is issued by the financial provider to each cardholder, detailing the bank's requirements for compliant use of the card.
- A purchase card can only be used when funds are available within the approved budget and the expenditure is within the monthly purchase card limit and transaction limit approved in accordance with this policy.
- Per card, the monthly purchase card limit may be approved up to a maximum of \$10,000 with the transaction limit set up to a maximum of \$5,500 but spending must not exceed the cardholder's financial delegation. Both amounts are including GST.

Note: In exceptional circumstances, such as for school overseas excursions, temporary higher limits may be approved by the Chief Executive – refer 7.8.

- The monthly card limit is reviewed by the School Principal/Preschool Director at least annually in accordance with Treasurer's Instruction 12.
- A record of each cardholder and related card maintenance details must be kept, using the School/Preschool Purchase Card Register (SPPC02).

7.3 Non Compliance with Policy

A card may be cancelled by the School Principal/Preschool Director if a cardholder has not complied with policy, particularly if:

- Goods or services deemed as exclusions from card use in this policy and procedures document have been purchased.
- The cardholder has shown disregard for the secure use of their card.
- Tax invoices/receipts to support all transactions on the card bank statement have not been provided.
- The cardholder has not reconciled the card bank statement within two months of receiving it.

Any suspected card misuse will be investigated through the provisions of the *Education Act 1972* or *Children's Services Act 1985*, or other legal avenues as applicable. Offenders may be prosecuted if card misuse is proven.

7.4 Cardholders

A cardholder application must be based on an employee's need to purchase generic goods and services as part of their role at the school/preschool, for example employees who regularly purchase goods and services on behalf of the school/preschool such as finance officers and site leaders.

7.5 Purchasing

All purchasing must comply with DECD Procurement Framework and any other relevant policies and procedures. If required, officers from the DECD Procurement Unit will be able to provide advice with regard to this framework and any other purchasing advice.

7.6 Card Use

A cardholder may use a card to pay for generic goods and services that have been:

- purchased over the counter
- purchased by phone or mail order
- purchased over the internet.

Examples of the types of goods and services that may be purchased are expenses incurred while on school excursions, meals/ accommodation when attending training and development courses/conferences, taxi transport, stationery orders and library subscriptions for example.

7.7 Purchasing Over the Internet

A card may be used to purchase generic goods and services over the internet. However, before purchases are made the cardholder is to ensure that a secure browser is used. Most sites which offer purchasing over the internet clearly state that they provide a secure site and these are the sites recommended for use.

Card details should not be sent in e-mail transmissions because they can be intercepted and an unauthorised party could misuse the card number.

7.8 Overseas Travel

Purchase cards may be used by cardholders whilst on official school business overseas. DECD policies apply in regard to financial management, expenditure, procurement and entertainment.

If required, approval for a temporary increase in card limit can be sought from the Chief Executive prior to travelling. Application to Amend Purchase Card Amount Form (SPPC05) is to be used for this purpose.

Approval from the Chief Executive or Deputy Chief Executive/Chief Operating Office may also be sought for permission to use a purchase card to withdraw cash from automated telling machines whilst overseas.

Completed Application to Amend Purchase Card Amount Forms (SPPC05) must be forwarded to Site Financial Policy (R11/03D) at least one month prior to the commencement of travel.

7.9 Exclusions from Card Use

Cardholders must only use their card for official DECD business and must not use it for:

- non-business or personal use

- entertainment purposes (for example, the general provision of morning and afternoon teas or purchase of alcohol, flowers, gifts), unless prior written approval has been granted as per the DECD Entertainment Policy
- social functions such as staff farewells and staff Christmas dinners
- the purchase of fuel for government vehicles (unless there are extenuating circumstances where a school/preschool fuel card account cannot be used)
- over the counter cash withdrawals or cash withdrawals from automated teller machines (except for Chief Executive prior approved overseas use as per 7.8).

7.10 Card Security

The cardholder is responsible for the security of their purchase card at all times and must not knowingly let any other person use it.

7.11 Credit Rating

The use of a school/preschool purchase card does not affect a cardholder's personal credit rating.

7.12 Accounting

Cardholders must compare and reconcile all transactions listed on the monthly bank statement with actual purchases made. It is essential that this process occurs immediately after the statement is received.

All transactions must be supported by compliant documentation; that is, tax compliant invoices from GST registered suppliers or invoices from non-GST registered suppliers.

The Site Finance Fact Sheet GL0304 available from SSONet details the accounting processes that must be completed by the cardholder, and the subsequent transactions to be undertaken by the finance officer.

7.13 Goods and Services Tax (GST)

GST is paid when the cardholder purchases taxable goods or services from a supplier registered for GST.

Most purchases made with a card will have a GST component included in the price and in line with whole of government policy, the school/preschool must claim an Income Tax credit (ITC) from the ATO via the Business Activity Statement (BAS). Compliant tax invoices/receipts must be obtained by the cardholder for these transactions.

Information on the requirements for a compliant tax invoice/receipt can be found in the Tax Reference Manual for Schools available from SSONet.

7.14 Disputed Charges

If a charge appears on a purchase card bank statement which is not for a purchase made or varies from the agreed amount, the cardholder must contact the bank immediately about the transaction in dispute.

7.15 Revised Card Limit

A cardholder may request a change in the transaction limit and/or monthly card limit. This request must be endorsed by the School Principal/Preschool Director and approved by Governing Council before requesting a change with the bank. The revised limits must be within the limits prescribed in section 7.2. A new SPPC01 Form is not required however the School/Preschool Purchase Card Register (SPPC02) must be noted.

Where under exceptional circumstances (excluding overseas travel – refer section 7.8) that a credit card monthly purchase card limit and/or transaction limit is required above the limits prescribed in section 7.2, approval of the Chief Executive or Deputy Chief Executive/Chief Operating Officer must be sought.

7.16 Change of Cardholder Name

If a cardholder has changed their name, the bank requires that the name appearing on the card be changed as soon as practicable. The cardholder must provide the bank with documentary evidence to confirm the name change (for example the marriage certificate or change of name by deed poll certificate).

The School/Preschool Purchase Card Register (SPPC02) will be noted accordingly. A copy of the documentary evidence of name change will be filed by the school/preschool with the SPPC02 for record management and audit purposes.

7.17 Adding Signatories to Billing Account Facility

Additional signatories may be added to an existing card billing account and existing signatories removed as required. Also additional cardholders may be appointed to an existing billing account if required.

7.18 Card Cancellation

The school/preschool must immediately cancel a purchase card if a staff member cardholder leaves the organisation or transfers to another site/office within DECD.

When surrendering a card, details of any purchase made within the month of surrendering the card must be provided to the school/preschool finance office along with supporting tax invoice/receipts, so that the account can be finalised with the bank.

The card must be destroyed immediately and the bank notified by completion of the relevant banking form.

7.19 Lost or Stolen Cards

The cardholder must report any lost/stolen card immediately to the relevant bank. Notification must also be made as soon as practicable to the school/preschool finance office.

DECD liability for any unauthorised transactions made with the card prior to notifying the bank is as per the bank's Terms and Conditions brochure. In the event a cardholder has contributed to a loss by unreasonably delaying notification, the school/preschool may be liable.

7.20 Depositing funds onto a Purchase Card

Depositing funds onto a purchase card prior to the expenditure being incurred should not occur in accordance with this policy. In the event that this does occur, the monthly purchase card limit and transaction limit prescribed in this policy apply in all circumstances unless approved by the Chief Executive.

8. APPLICATION PROCESS

The following is an outline of the application process undertaken at the school/preschool:

- Card applicants must complete the relevant purchase card application forms.
- Application forms from the current government-contracted banking service providers are available from <http://www.decd.sa.gov.au/goldbook/default.asp?id=32632&navgrp=2712>. (If choosing another financial institution outside of the government banking contract, forms must be obtained from the relevant financial institution).

- In addition to the bank provided forms, each purchase card applicant must complete a School/Preschool Application and Agreement Form (SPPC01).
- As part of the application, the School Principal/Preschool Director must recommend an appropriate monthly purchase card limit and transaction limit for each cardholder and submit this to the Governing Council for approval. The limits must be within those prescribed in section 7.2.
- Nominated card limits must be within the applicant's financial delegations.
- The Governing Council will be required to ratify the financial delegation for the cardholder (employee) where the employee does not have existing financial delegation.
- The approval/non-approval for each proposed cardholder must be minuted in Governing Council meeting minutes.
- Once an application has been approved at the site level, a copy of the completed School/Preschool Application and Agreement Form(s) (SPPC01) must be sent to the Department along with:
 - all original forms if choosing the government-contracted banking service provider, or
 - a copy of all application forms if choosing if choosing another service provider
- All authorised signatories for card billing accounts and all cardholders must have 100 points of identification established at the card-issuing bank, either by way of an existing account held or by setting up a customer profile in readiness for submitting the application.
- Applications made with the government-contracted banking service providers must be forwarded to the Department for authorisation and to facilitate processing. Forms are to be sent to:

Assistant Director, Financial Services
Level 12, 31 Flinders Street
ADELAIDE SA 5000
Courier R11/16A

or

GPO Box 1152
ADELAIDE SA 5001
- Once the application has been processed by the financial service provider, the card(s) will be available for collection by a site nominated card collector from the bank branch nominated on the application form.
- If the card is being collected by the cardholder, the cardholder must sign the card immediately. If a third part has been nominated on the banking application form to collect the card on the cardholder's behalf, the cardholder must sign the card immediately upon receipt of the card.

9. APPENDIX - DECD FORMS:

1. SPPC01 - Application and Agreement School/Preschool Purchase Card
2. SPPC02 - School / Preschool Purchase Card Register
3. SPPC03 - Purchase Card Reconciliation Form
4. SPPC04 - Purchase Card Interim/Dummy Receipt Form
5. SPPC05 - Application to Amend Purchase Card Limit



APPLICATION and AGREEMENT SCHOOL/PRESCHOOL PURCHASE CARD

School/Preschool Name:	Applicant's Full Name:		Employee ID No:
Applicant's Position Title:	Monthly Limit: \$	Transaction Limit (per transaction): \$	
<p>I understand and agree that the School/Preschool Purchase Card is issued to me on the express understanding that I will at all times comply with the following conditions:</p> <ol style="list-style-type: none"> 1. I will use the purchase card in accordance with the DECD Purchase Card Policy and Procedure for Schools and Preschools, and the Terms & Conditions issued by the card-issuing bank. 2. The purchase card is the property of DECD and will be in my possession and I will take adequate and reasonable measures to protect the purchase card from being lost, stolen or misused. 3. I will not permit the purchase card to be used by any person other than myself. 4. I will only use the purchase card for proper school/preschool purposes. 5. I can only use the purchase card to the monthly and transaction \$ limits specified above which are within my purchasing delegation limits and have been approved by Governing Council. 6. I will ensure that every transaction made using the purchase card is substantiated by original supporting documentation and will match all transactions on the monthly statement to original supporting documentation. 7. On receipt of the monthly statement I will check all transactions and immediately report any suspected or known unauthorised use of the purchase card to the card-issuing bank (24 hour emergency number) and to the Principal. 8. I will complete the 'Purchase Card Reconciliation Form' for the Finance Officer and submit to the Finance Officer together with the verified monthly statement for approval, prior to the monthly payment from school/preschool funds to the card-issuing bank. 9. I will immediately return the purchase card to the Finance Officer if: <ul style="list-style-type: none"> • I resign, or retire, or am transferred to another school/preschool, or if my services as an employee are otherwise terminated • the purpose for which the purchase card was issued to me has terminated or ceased • the purchase card is withdrawn by the Principal/ Director or cancelled by the card-issuing bank. 10. I will immediately report the loss or theft of my school purchase card to the card-issuing bank (24 hour emergency lost card number) and the site's Finance Officer. 11. If I misuse the card, I understand that DECD may take disciplinary action and that proceedings may be instituted against me under law. 			
Signature of nominated cardholder:	Authorised by: Principal/Director		and Governing Council Chair
_____	_____		_____
Date:	Date:	Date:	
<p>DECD Site Financial Policy Use Only -</p> <p>Authorising Officer Name: _____ Authorising Officer Signature: _____ Date: _____</p>			

Send a copy of this form with completed purchase card application forms to:

DECD Site Financial Policy - R11/03D



SCHOOL / PRESCHOOL PURCHASE CARD REGISTER ENTRY

RETAIN FOR AUDIT

Name of Approved Cardholder:		
SPPC01 Agreement Form signed/...../.....	Cardholder: Position held at school/preschool:	
Date Approved by Governing Council/...../.....	Card limit approved \$	Transaction limit approved \$
Bank	Check: All Authorised Signatories and cardholders have been identified at bank with 100 points ID	Application forms and copy of SSPC01 sent to DECD
Card No.	Date card received from bank/...../.....	Card Expiry Date/...../.....

[illegible]



PURCHASE CARD RECONCILIATION FORM

RETAIN FOR AUDIT

Cardholder's Name:

Monthly purchase card statement for: (month) 20 (year)

Details of all purchases

Supplier Name	EDSAS Budget Line	*Tax Invoice/ receipt attached ✓	Amount \$
TOTAL			\$

Where no tax invoice/receipt has been obtained for a purchase, a dummy receipt form (SPPC04) must be included as an interim replacement document until compliant tax invoice/receipt is obtained by the cardholder.

I certify that my purchase card statement has been reconciled and verified as per instruction, and that I have the appropriate financial delegation to purchase these goods and/or services.

Cardholder's Signature:	Date:
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Finance Office Use:

Journal to be completed:

	EDSAS Account line	\$ GST Excl	\$ GST	GST Code	\$ TOTAL
Debit					
Debit					
Debit					
Debit					
Debit					
Debit					
Debit					
Debit					
Total Dr					\$

Credit	L-ZZZ-3555-000#	Credit Card Liability Account	\$
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Note: all \$ totals to agree

Transfer Journal completed by Date



PURCHASE CARD INTERIM/DUMMY RECEIPT FORM

RETAIN FOR AUDIT

Important Information

- This form, which is **not a tax compliant document**, serves two purposes as follows.
 - It is to be used as an interim receipt until a tax compliant invoice/receipt is received from the supplier for purchases made by phone or mail order.
 - It is also to be used as a dummy receipt when in extraordinary circumstances a tax compliant invoice/receipt cannot be obtained or has been lost. Note: Any GST will be debited to the cardholder's budget line in EDSAS instead of the school/preschool GST liability line because the school/preschool will not be able to claim an input tax credit from the Australian Taxation Office.

The transaction is to be coded in EDSAS with the Tax Free Supplies (G14) tax code.

- This form is to be attached to the card bank statement as supporting documentation.

Cardholder to Complete

Name of Supplier:		Amount (incl GST):
		\$
Full Address of Supplier		
Description of the Purchase:		
Name:	Signature:	Date:
	_____	/ /



**APPLICATION TO AMEND SCHOOL / PRESCHOOL PURCHASE CARD LIMIT
EXCEPTIONAL CIRCUMSTANCES – Chief Executive Approval**

Retain For Audit

1. Card Details

Billing Account Number	<input type="text"/>
Card Number	<input type="text"/>
Cardholder Name	<input type="text"/>
School / Preschool	<input type="text"/>
Contact Person	<input type="text"/>
Telephone No:	<input type="text"/>

2. Increase /Decrease Details

Exceptional Circumstances: Start Date: Limit to be increased above standard limit from / /
Finish Date: Limit to be returned back to standard limit / /

Current Monthly Limit	Requested Monthly Limit	Current Per Transaction Limit	Requested Per Transaction Limit
\$	\$	\$	\$
Description of Exceptional Circumstances			
Permission sought for approval for cardholder to withdraw cash from overseas ATM <input type="checkbox"/> No <input type="checkbox"/> Yes			

School Principal / Preschool Director Agreement

I agree that this increase to the cardholder's school/preschool purchase card limit is necessary as part of the officer's duties. School Governing Council/Equivalent Preschool Management Committee have approved the request to increase the cardholder's limit for the timeframe listed above and have approved appropriate financial delegation for the cardholder.

Name	<input type="text"/>	Position Title	<input type="text"/>
Signature	<input type="text"/>	Date	<input type="text"/>

3. Approval

Approval recommended:

Name	<input type="text" value="Tim Elliott"/>	Position Title	<input type="text" value="Assistant Director, Financial Services"/>
Signature	<input type="text"/>	Date	<input type="text"/>

I approve the increase to the School/Preschool Purchase Card as stated above

Name	<input type="text" value="Chris Bernardi"/>	Position Title	<input type="text" value="Director, Finance and Investing"/>
Signature	<input type="text"/>	Date	<input type="text"/>

For

4. SITE FINANCIAL POLICY USE ONLY

- | | |
|--|---|
| <input type="checkbox"/> Increase request faxed to ANZ | <input type="checkbox"/> Finish Date recorded in calendar to process |
| <input type="checkbox"/> Decrease request faxed to ANZ | <input type="checkbox"/> Email to site for limit returned to standard |