



PURCHASE CARD POLICY

Purchase Card Policy

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Purchase Card Policy

1. Scope and Definition

This policy applies to all employees of Aberystwyth University and its subsidiary companies who have a Purchase Card (P-Card).

The Card Holder is responsible for adherence to this policy, wider Aberystwyth University policies and UK law which have a bearing on the use or management of P-Cards shall also apply.

2. Purpose of the Policy

The purpose of this policy document is to ensure that Purchase Cards are used as an efficient, secure business tool, strategically aligned with the wider requirements of the business. Specifically, the policy document will ensure that:-

- 2.1** Robust rules, guidelines, processes and control mechanisms are established for the use of Purchase Cards.
- 2.2** The policy is clear and unambiguous, easy to understand, and is easily accessible.
- 2.3** Purchase Cards are used in an appropriate, effective and controlled manner.
- 2.4** Obligations and responsibilities for all staff involved in the use or management of Purchase Cards (Card Administrators, Card Holders and Card Supervisors) are clearly defined.
- 2.5** All staff involved in the use or management of Purchase Cards are made aware of the potential consequences resulting from the misuse of Purchase Cards.

3. Purpose of the Purchase Card

Purchase Cards (referred to within the rest of this document as the "P-Card") are designed to provide Aberystwyth University with an efficient and cost effective method for managing certain types of purchasing requirements.

P-Cards are assigned to individual members of staff who are authorised to make certain types of purchases on behalf of Aberystwyth University.

P-Cards streamline the purchasing process by reducing and/or removing the need for reliance upon traditional purchasing routes such as Purchase Orders, Cheque Requests, Petty Cash.

P-Cards also reduce the administrative effort associated with the more traditional purchasing routes referred to above.

Where appropriate and specifically allowed for, P-Cards can also provide Aberystwyth University with a degree of additional purchasing flexibility. For

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example P-Cards can be set up to allow purchases to be made outside of normal working hours when it is not possible to raise a Purchase Order.

Typically P-Cards are designed to manage the following types of purchasing requirement:-

- High volume-low value purchases (typically single transactions less than £500), and monthly spend limit typically of £10,000.
- Higher value transactions are allowed where management approval has been granted, and higher card transaction and higher monthly spend limits have been pre-approved with the Card Administrator,
- One-off purchases (e.g. using a supplier on one occasion only). Using a P-Card is normally cheaper than the cost of setting up a supplier within the Purchase Order system),
- Single item purchases,

The billing cycle runs from the 2nd of every month or closest working day.

Card Holders must authorise their transactions for the current billing cycle by the 7th working day of every month.

Supervisor approval must be authorised within 1 to 2 weeks after the 7th working day of the month following the billing period.

4. Obtaining a Purchase Card

A P-Card will only be issued to an individual once:-

- A P-Card application has been properly completed, submitted to and approved by the Card Administrator which includes Card Holder acknowledgement of having accepted the terms of use within the policy document.
- The Purchase Card applicant and their Supervisor both have individual e-mail accounts (so that they can receive any necessary automated alerts)
- The Purchase Card applicant and their Supervisor both have access to the transaction management system.

Please refer to the form titled "AU P Card New" which can be found on the Finance Office web page under forms.

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5. Permitted Spend Categories

Permitted Spend Categories are those not included in Prohibited Spend Categories- see Section 6 below. The Card Administrator reserves the right to block categories of spend and or supplier by individual card where appropriate.

6. Prohibited Transactions, Spend Categories & Suppliers

6.1 The following spend categories / activities / transaction types are prohibited:-

- a) Items for personal use or for personal benefit.
- b) Items for non-business purposes.
- c) Staff entertainment and/or benefits (including but not limited to Christmas parties / retirement functions / retirement gifts / staff gifts).
- d) Cash advances.
- e) Alcoholic beverages.
- f) Prescription drugs. (Unless for medical emergencies or medical/veterinary research purposes.
- g) Payments made to individuals.
- h) Personal credit card fees or penalties.
- i) Fuel.

Note: Any of the prohibited spend categories listed above that relate to genuine and justifiable business expenditure should be routed as personal claims or via the T&S process.

6.2 The following spend categories are typically prohibited but may be allowed depending on job role:-

- a) IT (e.g. Laptops and Desktop PCs) including hardware and software.
- b) Telecommunications (e.g. Mobile Phones, Desk Phones, Conferencing Equipment) including hardware and software.
- c) Estates/Construction related expenditure (other than the Estates Department)

Note:

Permission for an individual P-Card Holder to be able to transact against spend categories that are typically prohibited will only be granted if there is a genuine and justifiable business requirement.

7. Transaction Limits

Specific transaction limits will be assessed and established on an individual basis for each and every P-Card Holder.

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The default transaction limits are £500 per single transaction and a maximum limit of £5,000 per month.

Both Single Transaction and monthly credit limits can be changed by completing the required form: Please refer to the form titled "AU P Card Amendment", which can be found on the Finance Office web page under forms.

8. Termination of Employment

Every Purchase Card remains the property of Aberystwyth University at all times.

It is the responsibility of the Supervisor of each P-Card Holder to inform the Card Administrator immediately upon termination of employment of a P-Card Holder, and to return their P-Card to the Card Administrator. Cards should be cut in half before returning.

9. Change of Job Role

Upon a change of job role, the Supervisor must assess whether it remains appropriate for the individual to continue to remain a P-Card Holder or if the named Supervisor should be changed. The results of this decision must be communicated in writing to the Card Administrator by the Supervisor so that the individual's details can be updated accordingly.

10. Audit Provisions

Use of P-Cards and compliance with P-Card policy will be subject to regular audit (both formal and informal).

It is the responsibility of all individuals either directly or indirectly involved in the use or management of P-Cards to conduct regular analysis of all P-Card transactions and to self-audit compliance with P-Card Policy.

Individuals directly or indirectly involved include:

- Card Administrator(s)
- P-Card Holder(s)
- P-Card Supervisor(s)
- Line Managers of P-Card Holders and P-Card Supervisor
- Budget Holders
- Procurement Department

It is the responsibility of all individuals to immediately inform the Card Administrator in writing of all identified instances of P-Card misuse or non compliance with P-Card Policy.

Each non conformance will be communicated by the Card Administrator(s) direct to the relevant P-Card Holder, their P-Card Supervisor and their Line Manager,

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and will be investigated in accordance with the provisions detailed within section 11 below.

Audit provisions are intended to identify the following typical examples / indicators of potential / actual misuse, or potential / actual non compliance with P-Card Policy. Note: The list below is indicative and is non exhaustive...

- a)** Unusual transaction patterns e.g. transactions made on weekends/ out of office hours.
- b)** Purchases made in contravention of prohibited spend categories and/or suppliers.
- d)** Unusual increases in P-Card Holder average spend.
- e)** Any instances where it appears that a supplier has processed multiple transactions for a single item to work around single transaction limits.
- f)** Transactions that have not been validated and approved in a timely manner by both Card Holders and Supervisors.
- g)** Not coding the VAT charge or failing to obtain receipts.

11. Consequences for misuse or non-compliance with policy

Where a potential miss-use of P-Card has been reported, Aberystwyth University Finance department will investigate all instances or non compliance with this policy.

Investigation will look at:-

- Risk taken;
- Whether a breach of discipline has occurred;
- Whether a breach of criminal law has occurred;
- Individual circumstances – current disciplinary record, any previous instances of misuse or non-compliance, P-Card training provided etc.

Aberystwyth University will generally seek to apply a “three strikes” approach. This means:

The University Procurement Team will email “provisional” strikes to the Card Holders and the Supervisors stating the reason(s) for the strike and inviting feedback from them both as to why the strike should not be issued. Where feedback is received it is the Procurement Manager who will take the decision whether to issue the strike. Any appeals to this decision must be considered by the Director of Finance & Corporate Services (or nominee).

A third instance (“strike”) will result in automatic cancellation of the card and the Card Holder will not be allowed to have a new card and the Supervisor will be removed from their P-Card responsibilities.

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If an instance of misuse or non compliance is of a serious nature then P-Card Holder or P-Card Supervisor status may be removed immediately even if it is the first instance.

Each case will be investigated on its own merits to understand the individual circumstances, where necessary following the HR disciplinary policy.

Unauthorised or inappropriate use of a P-Card may result in action under the University's disciplinary procedure for the P-Card Holder or P-Card Supervisor, which could include loss of P-Card privileges (either temporary or permanent), termination of employment and criminal prosecution.

Following the University's disciplinary procedure, where it is determined that a breach of discipline has occurred, a disciplinary hearing will take place in accordance with the procedure.

Where it is determined that a breach of criminal law may have occurred, the Finance Department will inform the Director of Human Resources and Organisation Development immediately under section 1.2 of the University disciplinary procedure.

Important Note:

If a transaction is found to be in violation of policy, the P-Card Holder may be required to return the item(s) purchased and/or repay Aberystwyth University the value of the purchase(s).

Repayment will be in a manner specified by Aberystwyth University, and subject to approval from the employee, may be in the form of a deduction made directly from the P-Card Holder's salary.

12. Lost, Stolen or Damaged Purchase Cards

If a P-Card is lost, stolen or damaged the P-Card Holder must immediately notify the following:-

- a)** The P-Card issuer using the following telephone number [UK 0333 202 2051, Overseas +44 333 202 2051],
- b)** The Card Administrator – Julie Woolley, Procurement Assistant, ext. 8584. Email jup@aber.ac.uk.
- c)** Their P-Card Supervisor,
- d)** Their Line Manager.

In the event of loss or theft the P-Card account will immediately be closed and every effort will be made to have a new account opened as soon as possible.

Aberystwyth University is liable for all unauthorised use of the card until the P-Card issuer is notified.

All charges associated with a card prior to notification being made to the P-Card issuer will be allocated to the department to which the P-Card Holder was assigned at the time the P-Card was issued.

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13. Declined Purchase Card Transactions

In the event a transaction has been declined the P-Card Holder should contact the Card Provider direct or the P-Card Administrator. The Card Provider can be contacted on [0333 202 2051].

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14. Purchase Card Holder: Responsibilities & Obligations

The obligations and responsibilities are in operation at all times until the P-Card is cancelled and all transactions / charges relating to the P-Card have been correctly reconciled

No	Description	Responsibility and Obligation
14.1	Responsibility for transactions and charges.	A P-Card is issued in the name of an employee who assumes responsibility for all charges incurred, and has signed an acknowledgement form accepting the Terms and Conditions for use of the Card and agreement specifically with the Purchasing Card policy.
14.2	Policy Compliance	Ensure compliance with policy.
14.3	User Guidelines	Ensure compliance with Card Holder User guidelines.
14.4	Security	<ul style="list-style-type: none"> • Always keep P-Card in a secure place. • <u>Do not allow your P-Card to be used by anyone other than yourself.</u> • Return the P-Card upon a request to do so. (Ensure the P-Card is cut in half). • Immediately inform P-Card Provider and Card Administrator of lost, stolen or damaged P-Card. • P-Cards are not "Department Cards" to be used by others.
14.5	Termination of Employment	Return P-Card immediately upon termination of employment to your Supervisor.
14.6	Transaction receipts	<p>Request itemised VAT receipts for every transaction.</p> <p>Ensure that VAT receipts are obtained for all transactions.</p> <p>It is the responsibility of the P-Card Holder to retain receipts and records locally for audit inspection.</p>
14.7	Transaction validation and authentication	<p>Enter a clear description for every transaction, which is unambiguous and which clearly illustrates what has been purchased. Descriptions must be entered in a timely manner. Under no circumstances is it acceptable to leave the description box unpopulated.</p> <p>Ensure correct item code is allocated to every transaction.</p> <p>Complete transaction validation and authentication on a regular basis, and at all times in line with monthly billing and transaction reconciliation timescales.</p>

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		Where a P-Card is used for departmental purposes the P-Card Holder must maintain a record of who initiated or requested each purchase and must indicate the name of the initiator in the receipt.
14.8	VAT Information	<p>Ensure that full VAT information is either ...</p> <p>a) Obtained via a virtual VAT receipt whereby each transaction line item is fully itemised for VAT purposes within the receipt and full line item VAT information is automatically populated within the P-Card system (by the P-Card Supplier).</p> <p>OR</p> <p>b) Obtained via a physical VAT receipt where VAT is only shown at a summary level across multiple transactions, in which case VAT information for each line item must be manually entered.</p> <p>A VAT receipt must be obtained for all P-Card transactions.</p>

15. Purchase Card Supervisors: Responsibilities & Obligations

The obligations and responsibilities are in operation at all times until P-Card is cancelled and all transactions / charges relating to the P-Card have been correctly reconciled or the Supervisor no longer has responsibility for that Card Holder's transactions.

No	Description	Responsibility and Obligation
15.1	Card Holder Compliance	<p>Perform regular analysis of all P-Card transactions to ensure compliance with policy. For example but not limited to...</p> <p>a) Card Holders entering clear description for every transaction. b) Card Holders obtain VAT receipts for every transaction. c) Card Holders enter full VAT information for every transaction. d) Card Holders completing transaction validation in a timely manner.</p> <p>The Supervisor will have signed an acknowledgement confirming their acceptance of the terms and conditions of the P-Card policy prior to the Card Holder being issued with their card.</p>
15.2	Transaction validation and authentication	<p>Ensure all transactions are accurately assigned to the correct item code</p> <p>Ensure that a clear, unambiguous description has been entered for all transactions. Under no circumstances is it acceptable to leave the description box unpopulated.</p>

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		<p>Ensure that VAT requirements are being met in all instances. i.e. Card Holders obtain a VAT receipt for every transaction and either ...</p> <p>a) Obtain a VAT receipt where each transaction line item is fully itemised for VAT purposes within the receipt and full line item VAT information is automatically populated within the P-Card system.</p> <p>OR</p> <p>b) Obtain a VAT receipt where VAT is only shown at a summary level across multiple transactions, in which case VAT information for each line item must be manually entered by the Card Holder.</p> <p>Ensure Card Holders retain and store in a safe place original copies of VAT receipts or VAT invoices relating to every Purchase Card transaction (for audit purposes).</p> <p>Ensure all transaction and authentication responsibilities have been completed by the P-Card Holder in a timely manner.</p>
15.3	Transaction approval	Review and approve / reject all P-Card transactions in a timely manner. Supervisor approval must be authorised within 1 to 2 weeks after the 7 th working day of the month following the billing period.
15.4	Policy Compliance	Support any investigation of P-Card misuse or non-compliance.
15.5	Termination of Employment of Card Holder and Supervisor	Advise Card Administrator of any P-Card Holder who the line manager is responsible for whose employment is terminated in order that the card is cancelled. Cut the card in half and return to the Card Administrator.
15.6	Change of Job Role / Location	Advise Card Administrator of any P-Card Holder who the line manager is responsible for who changes job role / job location.

16. Suspension or Termination of a Purchase Card Account

Aberystwyth University may terminate the right to use a P-Card at any time and for any reason. The relevant P-Card Holder must return a terminated P-Card immediately upon request.

A P-Card may be terminated for the following reasons (these are indicative examples and this is not an exhaustive list):-

- The P-Card has been awarded 3 strikes.
- The P-Card Holder continually shares the P-Card with someone else.

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- The P-Card Holder splits transactions to obtain value higher than the single transaction limit.
- The P-Card Holder uses the card for any transactions which are non compliant with P-Card Policy.