The Rosary Trust
A Catholic Education Trust

Purchase Card Policy and Procedures

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1. Introduction

This document sets out the Trust's policy in respect of School Purchase Cards.

The Rosary Trust is committed to ensuring that its systems of financial governance conform to the requirements of both propriety and sound financial management.

This includes making sure that there are adequate controls in place over the use of the payment cards, required to enable the trust to purchase goods/services, where the company being used provides the best value but an invoice cannot be raised or a credit account set up.

This policy is intended to provide guidance and assistance in the correct and responsible use of the payment cards, and will be fully incorporated into the financial policies and regulations.

A Purchase Card is the business equivalent of a credit card. The main purpose is to provide an efficient and effective route to market for particular expenditure on goods and services.

The use of a Purchase Card would typically be appropriate where:

- the supplier cannot accept school orders raised through the school's Finance System or is 'online only' (e.g. training/conference bookings);
- the transaction is of a low value;
- the use of that supplier is a one-off or low volume; or
- an immediate purchase is required in unforeseen circumstances.

Purchase Cards:

- are only for legitimate school business purchases, incurred in accordance with the school's Financial Regulations and Procurement Guidance;
- should not be used if there is a school contract in place for the goods or services required, or otherwise where expenditure can more cost-effectively be incurred using a school purchase order.
- may be used for urgent unforeseen requirements where, exceptionally, it has not been possible to use other procurement routes; and
- are subject to a number of restrictions around the types of expenditure that may be incurred. These restrictions are intended to protect the school and our bank in the event of loss or misuse of the Card. Please refer to Appendix 1 for full details.

2. Applying for a Card

Members of staff who feel that they require a Purchase Card should discuss their requirements with their Head Teacher, as well as their School Business Manager. The Head Teacher is responsible for confirming that the need is genuine and appropriate.

If the need is agreed with the Head Teacher, the member of staff should complete the online application form with the School Business Manager. The Head Teacher must authorise this online.

3. Ordering and Receiving a Card

Once the bank's online application has been approved, it normally takes between 10 – 15 working days to be issued.

The School Business Manager will take receipt of the Card to log the card details and will in turn activate the Card on the bank system, then give the card to the applicant.

4. Credit Limits

Each Purchase Card has an individual monthly credit limit.

Cardholders will be restricted to their designated limits by the banking system.

- The standard maximum monthly spend is £5,000 (unless otherwise agreed).

5. Use of the Card

Subject to the Trust's policies and procedures as outlined above, Purchase Cards may be used by the Cardholder as a mechanism for incurring school-related expenditure in the same manner as any credit or debit card. Value for money must be demonstrated at all times.

The Card must NOT be used:

- for personal purchases, which are not allowed under any circumstances – even if the Cardholder intends to repay the cost of the transaction;
- to purchase any goods or services in merchant categories that have been blocked (as listed in Appendix 1);

- by anyone other than the member of staff to whom the Card has been issued (the 'Cardholder'), who is responsible for the security of the Card and Card details;
- for withdrawing cash – any attempts to withdraw cash are recorded and reported to the School;
- as a means to avoid purchase from the school's Contracted Suppliers or preferred routes to market.

The Trust expects all Cardholders to treat their Purchase Card with the same levels of security and responsibility as they would treat their own personal credit card.

Cardholders will assume full responsibility for the proper use and security of their Card allocated to them.

Cards must be kept in a secure location such as a locked drawer or safe.

Cardholders must not allow others to use their Card, and they must not divulge a Card's number to anyone except a supplier in the course of a transaction. Cardholders must store their Card details securely, and the PIN should not be the same as the Cardholder's personal card PIN.

Valid receipts must be obtained for every transaction, which should be VAT receipts where applicable.

Note that a VAT receipt may need to be specifically requested in addition to any Card transaction confirmation slip, which is typically not a valid VAT receipt.

Cardholders are required to retain any invoices, order confirmations, receipts (including VAT receipts) and any other documentation received in relation to the transaction for a period of seven years.

All Purchase Card transactions will be subject to regular scrutiny and audit checks.

Failure to adhere to this Policy will result in the Card being withdrawn and may result in disciplinary action.

6. Reconciliation and authorisation of expenditure

Each Cardholder must comply with the school's process for reconciling Card transactions every month, handing in receipts and any other relevant documentation, and obtaining the appropriate approval.

Receipts / invoices are required to support every item of expenditure and a separate VAT receipt / invoice obtained if any purchases contain any VAT charges.

7. Cardholders leaving the Trust or changing roles

Cardholders must inform the School Business Manager immediately when they cease to become an employee for any reason, or change to a role that no longer warrants their remaining a Cardholder.

Cards must be destroyed and returned at least one working week before the Cardholder's leaving date or change of role.

8. Loss or compromise of a Card

If a Card has been lost or stolen, or it is suspected that Card details may have been otherwise compromised (for example, divulged to inappropriate persons or used fraudulently) this must be reported immediately to:

- Call Lloyds on 0800 096 9779. Speak to an advisor Mon-Sun, 7am – 11pm.
- Inform the School Business Manager or Head Teacher

On a regular basis, you should check your pending transactions to ensure there is no fraudulent use of your Card. Should Cardholders suspect fraudulent transitions on Card statements, the Cardholder must telephone Lloyds Bank. It is the responsibility of the Cardholder to raise fraudulent transactions with Lloyds Bank and not the School Business Manager, as Lloyds Bank will require specific information on transactions that the School Business Manager would not know.

When the Cardholder informs the bank of the loss or misuse of their Card, the bank automatically issues a new Card which is delivered to the school within 5 – 7 working days.

9. Troubleshooting

If a transaction is declined or not validated by the supplier, the Cardholder should in the first instance contact the supplier and check all the details given to them at the time of the transaction (i.e. expiry dates, account address, etc.)

If all appears correct, then the Cardholder should contact the School Business Manager. Some potential causes are exceeding the Procurement Card monthly limits, or attempting to purchase outside the designated spend categories assigned to the Card.

10. Key Terms and Conditions of Use

Each Card is directly associated with the relevant member of staff in the financial records, and Cardholders are responsible and accountable to the school for the use of the Card, in the same manner as they would be responsible for expenditure incurred by them through other channels such as expense claims or purchase orders.

Purchase Cards are issued subject to the discretion of the Head Teacher, who will monitor use and may withdraw the facility if there is evidence that the Cardholder is persistently failing to observe this Policy, or if the extent of usage falls below a level that justifies maintaining the Card.

Appendix 1: Permitted expenditure categories

All organisations that accept credit cards are assigned a ‘merchant category’ by their bank. These categories reflect a supplier’s primary product, service, or line of business. Transactions on Purchase cards can only be undertaken with suppliers in merchant categories that have been deemed appropriate for use with a school Purchase Card.

Transactions can be undertaken with suppliers within the following categories:

- Building materials
- Building services
- Catering and catering supplies
- Cleaning services and supplies
- Clubs/Associations/Organisations
- Estates and garden services
- General retail and wholesale
- Mail order / Direct selling
- Office stationery, equipment and supplies
- Statutory bodies
- Telecommunication services
- Training and educational
- Travel

Regardless of whether a transaction is with a supplier in a permitted category, expenditure must also be incurred in accordance with the School’s Financial Regulations and Procurement Guidance. Failure to adhere to the School’s Purchase Card Policy and Procedures may result in disciplinary action.

Blocked merchant categories

Transactions cannot be undertaken with suppliers in the following merchant categories:

 Car fuel

 Cash withdrawal at ATM

 Cash withdrawal over branch counter / foreign currency outlets

 Financial services

 Leisure activities

 Personal services

 Professional services

 Restaurants

 Staff – temporary recruitment

 Utilities and non-automotive fuels

Appendix 2: Card Application & Employee Agreement

Background

A Purchase Card is the business equivalent of a credit card. The main purpose is to provide an efficient and effective route to market for particular expenditure on goods and services.

The use of a Purchase Card would typically be appropriate where:

- the supplier cannot accept school orders raised through the School's Finance System or is
- 'online only' (e.g. training/conference bookings);
- the transaction is of a low value;
- the use of that supplier is a one-off or low volume; or
- an immediate purchase is required in unforeseen circumstances.

A Purchase Card is issued subject to certain criteria being met for its intended use, the role of the applicant and their location.

Applicants must review the Purchase Cards: Policy and Procedures prior to applying for a Card.

Application

A Purchase Card is issued subject to certain criteria being met for its intended use, the role of the applicant and their location.

Please complete all fields of this form, and once completed, please email the form to the School Business Manager. When submitting your application, please answer all questions and ensure it is signed by the applicant and the Head Teacher.

Please complete all fields of this form, and once completed, please give / email the form to the School Business Manager:

1. Applicant Details

Name:	
Position:	
School:	
Telephone:	
Email:	

2. Business Requirement for a Card

Please detail the business requirement for a Purchase Card. Please include an outline of the primary goods/services being purchased using the Card.

3. Cardholder Declaration

I, as a Purchase Cardholder, agree to comply with the following conditions regarding the use of my Card:

• I confirm that I have read the Purchase Card Policy and Procedures. I understand and accept the requirements for the use of the Card. I will follow the established procedures for the use of this Card. I understand that failure to do so may result in either revocation of my user privileges or other disciplinary actions, including termination of employment.

• I confirm that I will not use my Card for personal purchases or loan my Card to another individual.

• I understand that I am being entrusted with a Purchase Card and will be making financial commitments on behalf of the School. I will not use the Cards if there is a school contract in place for the goods or services required, or otherwise where expenditure can more cost-effectively be incurred using a school purchase order.

• I understand that the School will audit the use of this Card and report on, and take appropriate action on any discrepancies. I agree to retain all necessary paperwork for a minimum of 7 years for audit purposes.

• I understand that the School is liable to Lloyds Bank for all charges made on the Card.

• I agree to return the Card immediately upon request or upon termination of employment (including retirement).

• If the Card is lost or stolen, or if I discover fraudulent transactions on my Card, I agree to notify the School Business Manager and contact Lloyds Bank immediately.

Cardholder

Signed:

Print Name:

Date:

4. Approval by Head Teacher

I agree to the issue of a Purchase Card for the intended use and for the Cardholder to be given access to use their Card. I give my approval for the proposed Cardholder to incur commitments against the budget as, agreed with them, from time to time.

I have read and understand this Employee Agreement, as well as the Purchase Card Policy and Procedures, and agree to be bound by the terms of use.

Head Teacher

Signed:

Print Name:

Date: