



**DISTRICT SCHOOL BOARD  
ONTARIO NORTH EAST**

**Procedure No. 3.1.5**

**Section: Finance**

**Related References:**

**Appendices: A-F**

**Approved: June 19, 2007**

**Revised: March 22, 2017**

**Review Date:**

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**TITLE: PURCHASING CARD PROGRAM POLICY**

**PROCEDURES:**

See Administrative Guideline on following pages



DISTRICT SCHOOL BOARD ONTARIO NORTH EAST

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COMMERCIAL PURCHASING CARD PROGRAM

ADMINISTRATIVE GUIDELINE

Date: October 20, 2004

## PROCEDURES:

### ADMINISTRATIVE GUIDELINE

#### **Purpose of this Administrative Guideline**

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The purpose of this administrative guideline is to outline the internal controls, acceptable use and procedures for the use and control of Commercial Cards.

#### **Authorization and Benefits to District School Board Ontario North East**

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The purpose of the Commercial Card program is to establish a more efficient, cost effective alternative for departments and/or schools to make supply-type purchases. The Commercial Card should greatly reduce, if not eliminate, the need for petty cash amounts as well as greatly reduce the need for small monetary value purchase orders.

Using the Commercial Card will be a benefit to District School Board Ontario North East, its suppliers, and its users. District School Board Ontario North East will save time and money by consolidating paperwork, suppliers will receive payment more quickly, and users and departments and/or schools will get the supplies needed without unnecessary delays.

As employees of District School Board Ontario North East, employees are being entrusted and empowered with the ability to make small-dollar purchases on behalf of the Board. Along with this empowerment comes responsibility. Cardholders are expected to make sound business decisions in the best interest of District School Board Ontario North East and always comply with the processes and procedures as set forth in this administrative guideline.

#### **Goals for a Commercial Card Program**

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- Departmentally and/or school-based approved employees are authorized to use the Commercial Card to purchase low-dollar-value goods and services in support of sound business practices that will replace the more costly purchase order process.
- Benefits will accrue at the Board finance level by reducing the number of invoices, cheque requisitions and cheques processed in the Accounting Department; by reducing the number of purchase orders and requisitions processed through the Purchasing Department; by reducing the use of petty cash in schools and/or departments; by providing a simplified process and an increased level of service and reducing supplier invoicing to us subsequently reducing turn-around time for payment.

- To reduce the cycle time from order to receipt, and as a result, improve convenience for employees and create opportunities to lower amounts of items kept on hand as stock.

Commercial Cards will not replace all purchasing activities; however they will displace a majority of small-dollar item purchases pertaining to District School Board Ontario North East business practices.

## **Key Contacts**

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### **District School Board Ontario North**

#### **Commercial Card Coordinator**

**Rosa Montico-Reimer**  
**Manager of Financial Services**  
**705-360-7678**  
**Internal Directory: 17678**

#### **Designate Commercial Card Co-coordinators**

**Linda Vail**  
**Accounting Clerk**  
**705-360-7679**  
**Internal Directory: 17679**

**Note:** The Commercial Card Coordinator or designate is the sole contact with the issuing bank Commercial Card representatives. Note throughout this administrative guideline that whenever Commercial Card Coordinator is reference, “or designate” is to be appended.

### **Scotiabank Commercial Card Service**

#### **Hotline**

**888-823-9657 (Canada/USA)**  
**416-750-6138 (Collect-Outside Canada & USA)**

The Scotiabank Commercial Card Customer Service Hotline is available 24 hours a day, seven days a week. You may call the Hotline for the following:

- Answering questions about account balances
- Reporting lost or stolen cards
- Emergency card replacement
- The dispute process
- Problem resolution on any purchase

## Acceptable Use

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1. Each Commercial Card will have a unique number, and will be issued in the name of District School Board Ontario North East and the name of the employee who has been authorized to use that card. The card is not transferable to any other person.
2. Every cardholder shall be informed in writing of their responsibilities and restrictions regarding the use of the Commercial Card and shall agree to them in writing by the signing of a Commercial Card Cardholder Agreement. Individuals given Commercial Card access are held accountable for all the transactions related to their respective cards. Cardholders will be held liable for any misuse or willful disregard of administrative guidelines or operating procedures which result in a loss of money, fraud or collusion. Consequences for misuse of the Commercial Card are serious.
3. The Commercial Card is restricted to business use only and may not be used for any personal purposes. Unauthorized and/or inappropriate use may result in loss of the Commercial Card and disciplinary actions.
4. Total card limits shall not be exceeded.
5. At no time for any purpose is the Commercial Card to be used to obtain goods and services that total over individual transaction limits for any individual transaction. Individual transactions are not to be repeated or used on a repetitive basis to supercede pre-established individual transaction limits.
6. Commercial Cards must not be used:
  - when the goods and services are available under an existing contract(s);
  - when the cost of the goods or services would be significantly increased as a result of using the card and an alternative method of payment is available (i.e., a discount is provided by the vendor as a result of not using the card);
  - when the goods are of a capital nature and over \$500 per transaction;
  - when a competitive bid is required under the Board's purchasing practices.
7. Under no circumstances are cash advances allowed for any cardholders.
8. When merchandise is returned or other adjustments to accounts are necessary, credit vouchers must be issued by vendors. No cardholder may accept cash or a cheque from a vendor who is making a refund pertaining to a transaction previously charged to a Commercial Card account.

## **Card Ownership**

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Commercial cards are the ownership of District School Board Ontario North East and are only to be used on District School Board Ontario North East business. Unauthorized and/or inappropriate use may result in loss of the Commercial Card and disciplinary actions. The Commercial Card is not transferable to any other person. It is expected that reasonable care of the Commercial Cards and card numbers will be exercised by all cardholders.

The business charges are a liability of District School Board Ontario North East and not that of the individual cardholder. Therefore, the Commercial Card program will not impact on personal credit ratings in any way.

The maximum liability for unauthorized use of the card following loss or theft of the card shall be in compliance with banking arrangements. Unauthorized use means a use that did not benefit District School Board Ontario North East and was made by someone other than the cardholder. District School Board Ontario North East is not liable for any unauthorized use of the card which occurs after notification of loss, theft or cancellation has been received by the issuing bank. However, if the loss or theft of a card is not reported immediately, District School Board Ontario North East may be liable for all unauthorized purchases charged to the account.

## Responsibilities

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1. The **Cardholder** is responsible for:
  - adhering to all conditions and restrictions imposed on the Commercial Card by District School Board Ontario North East and the issuing bank;
  - ensuring that the Commercial Card, monthly statements and other documents bearing the card number are kept in a secure location with controlled access;
  - notifying the issuing bank and supervisor immediately of any loss or theft of the card;
  - informing supervisor of cancellation or any changes to cardholder information on file;
  - returning the card to supervisor for cancellation, as appropriate;
  - keeping all original sales slips and proof of purchase information for reconciliation purposes;
  - monthly completion and submission of reconciliations to Accounting Department which must be approved by immediate supervisor;
  - resolving disputed charges on cards.
  
2. **Department and/or School Administrators** are responsible for:
  - identifying the employee(s) who will be authorized to have a card;
  - establishing the credit limit and transaction limit for each cardholder in conjunction with Commercial Card Coordinator;
  - preparing and submitting the appropriate bank forms requesting any changes to staff commercial cards;
  - ensuring that each cardholder is informed of their responsibilities regarding the use of the Commercial Card;
  - notifying the Card Coordinator when an employee's employment is terminated;
  - reviewing and approving respective cardholders' monthly reconciliations.
  
3. The **Commercial Card Coordinator** is responsible for:
  - authorizing the issuance or withdrawal of Commercial Cards with the issuing bank;
  - maintaining master listing of all Commercial Cards;
  - maintaining file of all original Cardholder Agreement letters;
  - processing bank forms for changes and/or modifications to Commercial Cards;
  - providing co-ordination with respect to monitoring the overall utilization of Commercial Cards with District School Board Ontario North East;
  - developing corporate administrative guidelines and procedures on low-dollar-value purchasing for goods and services; and
  - ensuring that the conduct of all purchasing activity is done in accordance with approved administrative guidelines and procedures.

## **Procedures**

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### **1. Requests for Commercial Cards**

- An application form from the Commercial Card Coordinator must be completed and signed by prospective cardholder and approved by the department/school administrator.
- The approved application form must be sent to the Commercial Card Coordinator for submission to the issuing bank.

### **2. Issuance of Commercial Cards**

- Upon receipt of the cards from the issuing bank the Commercial Card Coordinator must review the listing of enclosed cards for accuracy reporting any inaccuracies to the issuing bank.
- The department/school administrator must inform the cardholder of the responsibilities and restrictions regarding the use of the Commercial Card. A signed Commercial Card Cardholder Agreement from each cardholder must be forwarded to Card Coordinator before issuance of cards.
- The cardholder must sign the Commercial Card and store it in a secure place until used.

### **3. Cancellation of Commercial Cards**

- The cardholder must complete the Change or Cancellation Form and return the card cut in half to the Commercial Card Coordinator for cancellation, through the department/school administrator, when:
  - specifically requested to return the card by the Commercial Card Coordinator or the department/school administrator
  - upon transfer to another department or area of responsibility; or
  - upon termination of employment with District School Board Ontario North East

### **4. Lost of Stolen Commercial Cards**

- The cardholder must immediately notify the issuing bank of any loss or theft of the card. The cardholder must also advise the department/school administrator who shall confirm the loss or theft in writing by forwarding a Change form to the Commercial Card Coordinator. If the card is stolen, the police must be notified with a police report requested by the department/school administrator.
- If the lost or stolen card should eventually be recovered or found, it must be cut in half and returned to the Commercial Card Coordinator through the department/school administrator.



## **5. Change of Department or Area of Responsibility**

- To change the department or area of responsibility, the department/school administrator must complete a Change form and forward to the Commercial Card Coordinator.
- The card will be cancelled when the form is received. If another card is required a new Commercial Card Application form must be completed.

## **6. Modification of Credit Limit**

- The department/school administrator must complete a Change form and forward it to the Commercial Card Coordinator. The change to the credit limit is expected to be made within a time frame that is in compliance with banking arrangements.

## **7. Disputed Charges**

- Items charged on monthly statements of accounts that do not accurately reflect the transactions made by the cardholder are considered to be disputed items.
- The cardholder must notify the Commercial Card Coordinator immediately by telephone when disputed items are involved, as well as inform the department/school administrator concerned. It is required that a Commercial Card Dispute Form as per Appendix B be completed reporting the dispute which will be forwarded to the issuing bank. Disputed items reported by cardholders will be credited on the individual statement in the following month (provided they are legitimate). The amount indicated on the statement is the amount which should be paid to the issuing bank.
- The cardholder shall provide information and assistance to the issuing bank to settle the disputed items, as required.
- If the questionable item is not a bank error the matter must be settled directly with the vendor by the cardholder. When the amount in dispute is of an insignificant dollar value, notices to vendors should be in writing even though settlement may be accomplished through telephone calls. Copies of the notices to the vendors should be attached to the respective monthly cardholder reconciliations. Disputes with vendors are not considered to be disputed items and must not be deducted from monthly statements of accounts.

## **8. Purchase of Goods and Services**

Records for purchases made with Commercial Cards, must be sent to the Accounting Department for audit purposes and to facilitate reconciliation and account verification (i.e. sales slips, credit vouchers, notices to vendors, etc.).

- The appropriate Provincial Sales Tax and Goods and Services Tax are to be paid where applicable.
- The supplier must provide the cardholder with a detailed list of items purchased as well as a copy of the transaction slip. It is mandatory that these transaction slips be held for matching to cardholder's statements.
- For over-the-counter transactions, the cardholder will certify that the goods have been received or the services have been rendered by signing the sales slip; when goods are shipped, the cardholder must ensure that the shipment matches the order or sales slip.
- For telephone, mail or fax orders, the cardholder must request the vendor to provide a detailed list of items purchased as well as a copy of the transaction slip. It is mandatory that these transaction slips be held for matching to cardholder's statements.

#### 9. **Auto-Payment of Monthly Corporate/Consolidated Statements**

- A cycle date of the 28<sup>th</sup> of each month is the monthly cutoff date for transactions.
- A consolidated statement of account for all cardholder transactions will be issued on the 28<sup>th</sup> of each month by the issuing bank and will be sent directly to the Commercial Card Coordinator. This consolidated statement will be kept in the Accounting Department to form the source document to support monthly payments made to the issuing bank.
- The Accounting Department will receive a summary/consolidated statement for all cardholders monthly and will pay the issuing bank within 25 days on the due date, the 25<sup>th</sup> of each month.
- On the 28<sup>th</sup> of each month individual cardholder statements of account will be distributed via email to all respective cardholders. **The employee statement of account is a memo, as all charges are payable by District School Board Ontario North East. It is not an employee liability.** Further refer to Appendix C - How to Reconcile your Monthly Cardholder Statement and Appendix D – Accounting Department Monthly Procedures.

#### 10. **Refunds from Vendors**

- When merchandise is returned or other adjustments to accounts are necessary, credit vouchers will be issued by vendors. Such credits must be issued against the same Commercial Card that the original purchase was charged to.

#### 11. **Card Renewal**

- Each Commercial Card is issued for a period of three (3) years starting with the month in which the card is issued. Cards will be automatically renewed unless the issuing bank is advised otherwise.

## **Spending Authority Limits**

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### **1. Individual Transaction Limits**

The spending limit for individual transactions is to be determined by the Commercial Card Coordinator in conjunction with department and/or school administrators and approved by the Senior Administration. At no time for any purpose is District School Board Ontario North East Commercial Card to be used to obtain goods and services that total over individual transaction limits for any individual transaction. Individual transactions are not to be repeated or used on a repetitive basis to supersede the above amounts.

If there is a business need, the individual transaction limit can be changed subject to management approval.

### **2. Total Card Limits**

The total spending limits for each cardholder is to be determined by the Commercial Card Coordinator in conjunction with department and/or school administrators and approved by the Senior Administration.

If there is a business need, the credit limit can be changed subject to management approval.

## **Cash Advances**

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Under no circumstances are cash advances allowed for any cardholders. The cash advance feature has been disabled globally for all Commercial Cards.

## **Internal Audits**

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Random audit of cardholder purchases will occur on a monthly basis. In addition, Internal Audit and external auditors will carry out audits from time to time. These periodic and random audits are to review and audit cardholder activity for compliance with administrative guidelines. Cardholders found not in compliance with these administrative guidelines and procedures will be subject to disciplinary actions.

## District School Board Ontario North East Commercial Purchasing Card Agreement

Enclosed is your new District School Board Ontario North East Commercial Purchasing Card issued by Scotiabank. Your participation in the District School Board Ontario North East Commercial Purchasing Card Program is a convenience that carries responsibilities along with it. Although the card is issued in your name, it should be considered company property and should be used with good judgment. Your signature below verifies that you understand the Commercial Card Program guidelines outlined below and agree to comply with them.

1. The Commercial Purchasing Card is provided to employees based on their need to purchase business-related goods and services. A card may be revoked at any time based on change of assignment or location. The card is not an entitlement nor reflective of title or position.
2. The card is for business-related purchases only; personal charges are not to be made using the card.
3. You are the only person entitled to use the card and are responsible for all charges made against the card.
4. Unauthorized use of the card can be considered improper use of company funds, which may result in disciplinary action, up to, and including termination.
5. Cardholders are expected to comply with internal control procedures in order to protect company assets. This includes keeping receipts, reconciling monthly card statements and following proper card security measures.
6. Cardholders are responsible for reconciling their Commercial Purchasing Cards monthly memo statement and resolving any discrepancies by contacting the supplier or the bank.
7. Charges against the card are automatically recorded against the appropriate general ledger lines as specified by management. As a result, only purchases consistent with the type of materials and services authorized by management should be charged to the card.
8. A lost or stolen card should be reported immediately by telephone to the District School Board Ontario North East Card Coordinator at 705-360-1151 and to the Scotiabank Commercial Card Service Centre at 1-888-823-9657.
9. A cardholder must surrender his or her card upon termination of employment (i.e. retirement or voluntary/involuntary termination). At this point, no further use of the account is authorized.

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

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Cardholder Printed Name

\_\_\_\_\_  
Supervisor Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## Scotiabank Commercial Card Dispute Form

If you have a transaction appearing on your statement that you are disputing you may complete this form and send to:

**Scotiabank Commercial Card Service Centre,  
P.O. Box 4100, Postal Station "A", Toronto, ON, M5W 1T1  
or fax: (416) 701-7022**

**Please Print**

Account No. \_\_\_\_\_ Amount \$ \_\_\_\_\_

Posting Date     /    /     Transaction Date:     /    /      
MM DD YY MM DD YY

Reference Number | \_\_\_\_\_

Description \_\_\_\_\_

- 1. The amount of my sales draft was increased from \$\_\_\_\_\_ to \$\_\_\_\_\_; or my sales slip was added incorrectly. Enclosed is my copy of the sales draft which shows the correct amount.
- 2. I certify that the charge(s) listed above was/were not made by me or a person authorized by me to use my card, nor were the goods or services represented by the transaction received by me or a person authorized by me. (If you do not recognize the sale(s), please choose this option).
- 3. I have not received the merchandise which was to have been shipped to me. I contacted the merchant on \_\_\_\_\_ and requested that my account be credited.
- 4. The attached credit slip was listed as a sale on my statement.
- 5. I was issued a credit card slip which was not posted on my statement. A copy of my credit slip is enclosed.
- 6. I certify that the charge in question was a single transaction, but was posted twice on my statement. I did not authorize the second transaction. (Please note on which dates the sale in question posted to your account.)
- 7. I notified the merchant on \_\_\_\_\_ to cancel the pre-authorized order (reservation). Please note cancellation number, if applicable \_\_\_\_\_.
- 8. Although I did engage in a transaction at the merchant, I was billed for \_\_\_\_\_ transaction(s) totalling \$\_\_\_\_\_ that I did not engage in nor did anyone else authorized to use my card.
- 9. Merchandise which was shipped to me has arrived damaged and/or defective. I have returned it and requested that my account be credited.

Name (Please Print) \_\_\_\_\_

Company \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

Telephone No. Work (\_\_\_\_\_) \_\_\_\_\_

Fax (\_\_\_\_\_) \_\_\_\_\_

## **How to Reconcile your Monthly Cardholder Statement**

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- On approximately the 28<sup>th</sup> of each month a detailed cardholder statement will be emailed to each cardholder for reconciliation against transaction slips and approval.
- Compare the statement to the transaction slips, checking off each transaction and ensuring that the correct charges are listed on the statement;
- Staple the transaction slips to the statement in the same order as listed with any additional documentation i.e. packing slips, order forms.
- Each transaction must be coded to respective general ledger budget account numbers. Note that each Commercial Card is tied to one specific cost centre/general ledger budget account number. Cardholders are responsible for the allocation of transactions to the appropriate cost centers/budget account numbers. Once transactions appear in the general ledger, reallocations must follow the traditional journal entry process housed in the Accounting Department.
- Have the reconciled statement approved by the cardholder and the person responsible for the budget, signing and dating the cardholder statement;
- Commercial Card expenditures must be reconciled and forwarded to the Accounting Department within 14 days of the Statement date.

Cardholders who have not acquitted their monthly expenditure within this period will be asked to reconcile their monthly expenditure immediately to avoid having their Commercial Card privileges temporarily suspended until such time as reconciliation is provided to the Accounting Department. Cardholder privileges will be suspended if the cardholder reconciliations are not submitted as requested. Continued or repeated non-conformance to this section of the administrative guideline will result in cancellation of the Commercial Card.

## **Accounting Department Procedures**

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### **Cardholder Statements**

Each month on the 28<sup>th</sup> the cardholder receives a Cardholder Statement and will reconcile it following the process outlined in Appendix C - How to Reconcile your Monthly Cardholder Statement. Within 14 days of receipt of respective cardholder statements the Accounting Department will receive month end reconciliations.

As each statement is received from the school/department the Accounting Department will:

- Stamp each statement with the date of receipt
- Verify that the statement was signed by the person responsible for the budget
- Verify that the statement was signed by the cardholder
- Verify that all of the transaction slips have been attached
- Verify that appropriate coding has been provided.

If all of these conditions have been met:

- Match the cardholder statement to the Board's consolidated monthly statement
- Go to "Consolidated Statement" section below.

If a signature or a transaction slip is missing or inappropriate coding is provided

- Fax a copy of the statement to the cardholder, requesting the missing information
- Write date of request on statement
- File until information is received

If the cardholder statement or information requested above is overdue more than 7 days:

- Fax a copy of the statement to the Principal or Manager responsible for respective staff member
- Notify the Principal or Manager that the request is over 7 days old
- Write date of request on statement
- File until information is received
- Suspend card privileges

### **Consolidated Statements**

Each month, the issuing bank will forward a consolidated statement of cardholder activities to the Commercial Card Coordinator. District School Board Ontario North East bank account will be credited for the total of the consolidated statement each month. Commercial Card transactions will be charged to the budget account number assigned to each Commercial Card and will be journalized directly from the consolidated statement. (Only when cardholder month end reconciliations are provided to Accounting will redistribution of transactions be processed to accounts provided in month end reconciliations).

- Match consolidated statement to individual cardholder statements
- Load the consolidated statement as an external invoice into the Accounts Payable System and record payment to bank on the due date. This will debit default cardholder general ledger account, unless redistributed on reconciliation, for total cardholder transactions and credit bank account
- File reconciled cardholder statements with consolidated statement and payment advice with paid invoice



## District School Board Ontario North East Scotiabank Purchasing Card Change Request

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**Cardholder Name:** \_\_\_\_\_

**Location/School:** \_\_\_\_\_

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**Change of Card Limits**

Monthly Limit                      From: \$ \_\_\_\_\_                      To: \$ \_\_\_\_\_

Single Transaction Limit      From: \$ \_\_\_\_\_                      To: \$ \_\_\_\_\_

Effective Date                      \_\_\_\_\_

Expiry Date                      \_\_\_\_\_ (if temporary change)

Processed by: \_\_\_\_\_                      Signature: \_\_\_\_\_

**Change of Cardholder Information**

New School/Department Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_, ON Postal Code: \_\_\_\_\_ Telephone: (705) \_\_\_\_\_

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

**Cancellation of Card**

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**Change Approved by *Supervisor*:**

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

Telephone: (705) \_\_\_\_\_                      Signature: \_\_\_\_\_

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**Card Coordinator Use Only**

Date Received: \_\_\_\_\_                      Date Processed \_\_\_\_\_

Processed by: \_\_\_\_\_                      Signature: \_\_\_\_\_





**DISTRICT SCHOOL BOARD ONTARIO NORTH EAST**  
**APPLICATION FOR A SCOTIABANK PURCHASING CARD**

**Cardholder Information**

First Name	Last Name	Birth Date MM / DD / YYYY
School / Department		Empl No.
School / Department Street Address		School / Dept Telephone # (705)
City, Province		Postal Code
Applicant's Signature		Email Address
Monthly Credit Limit (\$)	Transaction Limit (\$)	
Purpose for Card		
Default GL Account Name	Default GL Account Number	Cost Centre

**Supervisor Approval**

Date	Supervisor's Name
Telephone (705)	Supervisor's Signature

**Card Coordinator Use Only**

Date Application Rec'd in Acctg	Coordinator's Approval	
Date Card Ordered	Ordered By	
Date Card Received	Date Card Released	Card Released To