



Broadford Primary School

PURCHASING CARD POLICY

RATIONALE

At times schools require purchases to be made online and outside of normal business hours. A purchasing card can be used by staff with the authority of the Principal. It is a preferred payment method rather than reimbursement.

AIM

To assist with school related purchases outside of normal trading hours. Payments will be made directly to the supplier.

Clause 30 of the Constituting Orders requires a School Purchasing Card to be used only for school-related expenditure. Accordingly, a school council must ensure that all expenditure incurred by the Cardholder using the School Purchasing Card is incurred for proper school purposes.

IMPLEMENTATION

Proper School Purposes

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.

Limitations on Use

The liability for all transactions made utilising the School Purchasing Card rests with the school council. Accordingly, in order to limit its financial exposure, the school council must ensure that strict limitations on the use of the School Purchasing Card are imposed on Cardholders.

(a) Not exceed limits

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

- (i) a maximum monthly limit of \$15,000, 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 by the school council from time to time and which must not be greater than the maximum monthly limit; and
- (iii) any restrictions set by the school council from time to time on the types of goods, services, equipment or material for which the Cardholder may use the School Purchasing Card.

(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;
(ii) any directions issued by the Secretary under clause 25 of the Constituting Orders in relation to the purchase by school councils of goods, equipment or material notwithstanding clause 2.2 (b) of Direction 2 of the Secretary's directions 1-5 of 1996; and

(iii) Ministerial Guidelines and directions 1-9 of 1996 notwithstanding clause 8.1(d)(ii) of Guideline and direction 8.

(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. MINISTERIAL GUIDELINES AND DIRECTIONS 8

(e) Goods and Services Tax ("GST")

(i) Each transaction made using the School Purchasing Card which is in excess of \$50 (exclusive of GST) must be supported by a tax invoice from the merchant setting out the following details:

(A) the merchant's name and Australian Business Number;

(B) the words "tax invoice";

(C) the name and address of the recipient;

(D) the date of issue;

(E) a brief description of the goods, services, equipment or material provided or supplied;

(F) the quantity or volume of the goods, services, equipment or material provided or supplied; and

(G) either the total amount payable inclusive of GST, or the amount charged for the supply, the amount of the GST and the total amount payable.

(ii) Where the transaction is \$50 or less (exclusive of GST), a tax invoice need not be obtained. However, in order to support the transaction, the following details should nevertheless be provided by the merchant or obtained by the Cardholder:

(A) the merchant's name;

(B) the date of issue;

(C) a brief description of the goods, services, equipment or material provided or supplied; and

(D) either the total amount payable inclusive of GST, or the amount charged for the supply, the amount of the GST and the total amount payable.

(f) Review statement issued by Financial Institution

The monthly statement issued by the Financial Institution must be reviewed by the Cardholder for completeness and accuracy, and transactions appearing on the monthly statement should be matched by the Cardholder to original supporting documentation.

The school council should also implement or arrange for the implementation of procedures to ensure that the Cardholder:

- (i) follows up and resolves discrepancies on the statement with the Financial Institution, and promptly advises any discrepancies to the Authorisation Officer; MINISTERIAL GUIDELINES AND DIRECTIONS 9
- (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, 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.

(g) 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) the Financial Institution using the 24 hour emergency number provided by the Financial Institution, and in accordance with any other requirements relating to the loss or theft of the School Purchasing Card determined by the Financial Institution from time to time.

(h) 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.

(i) 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.

(j) Return of School Purchasing Card

The Cardholder must immediately return the School Purchasing Card to the Authorisation Officer when:

- (i) the Cardholder ceases to be employed in connection with the school; MINISTERIAL GUIDELINES AND DIRECTIONS 10
- (ii) the School Purchasing Card has been issued to the Cardholder on a temporary basis, and the purpose for which the School Purchasing Card was issued has ceased; or
- (iii) the School Purchasing Card has been withdrawn by the school council or cancelled by the Financial Institution.

Prior to, or as soon as practicable after the cancellation of the School Purchasing Card, the Cardholder must cancel any automatic payments debited from the School Purchasing Card.

5. Administration by School Council

Guideline and Direction 5 sets out the responsibilities of a school council in issuing and administering the School Purchasing Card.

Guideline and Direction 5

A school council must:

- (a) assess whether the use of a School Purchasing Card is a cost effective and efficient manner of purchasing goods, services, equipment or material;
- (b) determine, in conjunction with the Principal, who may be authorised to be issued with a School Purchasing Card;
- (c) determine, in conjunction with the Authorisation Officer:
 - (i) whether to impose a maximum monthly limit of less than \$15,000 and, if so, the limit to be imposed;
 - (ii) the maximum limit of individual transactions applicable to each School Purchasing Card; and
 - (iii) the restrictions (if any) to be imposed on the types of goods, services, equipment or material for which the School Purchasing Card may be used; and
- (d) in conjunction with the Authorisation Officer, implement or arrange for the implementation of adequate internal controls, security measures and reporting procedures to control the use and operation of the School Purchasing Card in compliance with:
 - (i) Ministerial Guidelines and directions 1-9 of 1996 (notwithstanding for direction 8.1(d)(ii)) in relation to the provision of services to designated schools;

6. Administration by Authorisation Officer

A school council may authorise certain responsibilities relating to the use and administration of School Purchasing Cards to be performed by the Authorisation Officer.

Guideline and Direction 6

6.1 Where a school council elects to authorise the issue of a School Purchasing Card to Cardholders, the school council may impose a responsibility on the Authorisation Officer to:

- (a) ensure that Cardholders are appropriately briefed on, provided with a copy of, and comply with:
 - (i) these guidelines and directions, Ministerial Guidelines and directions 1-9 of 1996 in relation to the provision of services to designated schools
 - (ii) any directions issued by the Secretary under clause 25 of the Constituting Orders in relation to the purchase by school councils of goods, equipment or material or any other directions issued by the Secretary; and
 - (iii) the Terms and Conditions issued by the Financial Institution;
- (b) ensure that Cardholders are properly trained in the use of the School Purchasing Card;
- (c) approve or decline School Purchasing Card expenditure, having regard to the program budget, the sufficiency of funds and any other matter the Authorisation Officer considers relevant;
- (d) exercise supervisory control over expenditure incurred or to be incurred by the Cardholder using the School Purchasing Card;
- (e) determine and document arrangements for the safe and secure custody of the School Purchasing Card at all times; MINISTERIAL GUIDELINES AND DIRECTIONS 12
- (f) verify and confirm the monthly statement issued by the Financial Institution and any report issued by the Accounting Program submitted by the Cardholder prior to acceptance and payment by the school council to the Financial Institution;
- (g) upon cancellation by the school council of the Cardholder's authority to use a School Purchasing Card:
 - (i) return the School Purchasing Card to the Financial Institution;
 - (ii) advise the Financial Institution to close the School Purchasing Card account; and
 - (iii) otherwise comply with any other requirements relating to the cancellation of the School Purchasing Card determined by the Financial Institution from time to time;
- (h) maintain a Cardholder register which includes the following details:

- (i) the name and position of each Cardholder;
- (ii) the date the “Undertaking by the Cardholder” was signed;
- (iii) a copy of the signed “Undertaking by the Cardholder”;
- (iv) the maximum monthly limit applicable to each School Purchasing Card;
- (v) the maximum limit on individual transactions applicable to each School Purchasing Card;
- (vi) the restrictions (if any) imposed on the types of goods, services, equipment or material which can be purchased using each School Purchasing Card;
- (vii) 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
- (viii) 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; and
- (i) generally administer and monitor the operation of the School Purchasing Card scheme on a day to day basis.

LINKS AND APPENDICES (including processes related to this policy)

Links which are connected with this policy are:

<http://www.education.vic.gov.au/school/teachers/management/finance/Pages/purchasingcard.aspx>

Appendices which are connected with this policy are:

- **Undertaking by the cardholder**
- **Cardholder Activity Report.**

REVIEW CYCLE

This policy was last approved by school council on March 2021 and is scheduled for review in March 2022.

Appendix A

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 times, 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 \$(*insert number*)* in any one transaction and to a maximum monthly limit of \$(*insert number*)*.
3. I will not split transactions on the School Purchasing Card to avoid exceeding purchasing card transaction limits.
4. My use of the School Purchasing Card is subject to the following restrictions on transaction types: (*please specify*)*
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;
- 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 – DEECD 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

*Note: Amounts and restrictions pre-approved and minuted at School Council must be filled in prior to all partiesigning.

