



Policy Number:	CS-1002-2009
Policy Title:	Purchasing Card Policy
Policy Owner:	Chief Financial Officer
Effective Date:	December 2, 2009
Revision Date:	August 17, 2016

1. Purpose

The purpose of Mohawk College's Purchasing Card Policy ("policy") is to:

- establish a framework for request, approval and use of the College Purchasing Card for college business expenditures.
- establish a more efficient, cost effective method of purchase and payment for low dollar, high volume goods with an approach that maintains acceptable levels of control and accountability.

2. Application and Scope

This policy applies to all employees who hold or are requesting a College Purchasing Card for the acquisition of low dollar value goods, services and travel necessary for the conduct of college business.

3. Definitions

"Cardholder" means a full-time employee authorized by their manager to hold and use a Mohawk College Purchasing Card for college-related purchases.

"Plan administrator" means a designated College employee(s) responsible for control of the College Purchasing Card system.

"Purchasing card" means a Scotiabank Visa commercial card issued to full-time employees to purchase low-value goods on behalf of Mohawk College.

4. Principles

- A. Accountability** – Mohawk is accountable for public funds used to purchase goods. All expenses must support business objectives. Since expense accounts can become matters of public record through audit or other means, expenses should be incurred and claimed in a manner that is publicly defensible and will not harm the College's reputation as a good manager of its resources.
- B. Transparency** – Mohawk is transparent to all of its stakeholders and especially to the members of the Hamilton community who it serves. The rules for the use of Purchasing Cards are clear, easily understood, and available to the

public.

- C. Value for Money** – Mohawk dollars are used prudently and responsibly with the aim of achieving maximum value for the use of public funds.
- D. Fairness** – Expenses incurred during the course of the business of the College are legitimate, authorized and documented.

5. Accountability and Compliance

5.1 Accountability Framework

This policy has been approved by the Senior Leadership Team.

5.2 Compliance

The Chief Financial Officer is authorized to ensure that information within this policy is applied.

6. Rules

6.1 Requesting a Purchasing Card

Requests for a Purchasing Card should be directed to the Plan Administrator.

A 'Purchasing Card Request Form' (Attachment A, and located on MOCOmotion under the Financial Services Tab) must be completed, signed by the cardholder's manager, and returned to Plan Administrator.

A coordinator should be designated to reconcile transactions in the cardholder's absence, wherever possible.

A predetermined limit per transaction and a monthly limit apply for each Purchasing Card. The limit includes freight charges and taxes and represents Canadian funds. The usual monthly limit is \$3,000 with a per transaction limit of \$1,000. Higher limits are available for extensive travel/extraordinary circumstances in consultation with the Plan Administrator and upon written approval of the employee's manager. The Plan Administrator will investigate the need for a Purchasing Card and authorize an appropriate amount.

The Plan Administrator has the authority to temporarily increase a cardholder's per transaction and/or monthly limit to accommodate a purchase as needed, based on email approval from the cardholder's manager. Limits are returned to original defaults after the purchase is completed.

As a condition of receiving the Purchasing Card, employees are responsible for:

- Acknowledging the responsibilities and obligations for the use of the Card by signing an "Agreement to Accept the Scotiabank Purchasing Card" (Attachment B) prior to receiving the Card.
- Adhering to the College's Purchasing Card Procedures as outlined in Appendix A.

6.2 Security of Purchasing Card

The Purchasing Card should be stored in a secure location at all times. Cardholders are responsible for notifying the bank immediately by telephone regarding lost or stolen cards. The Plan Administrator should also be notified via email.

The cardholder's manager must inform the Plan Administrator upon termination of employment or internal job transfer of the cardholder.

6.3 Use of the Purchasing Card

The Purchasing Card is intended for the exclusive use by the cardholder to whom it was issued to facilitate the purchase and payment of materials and services required to conduct Mohawk College business. Any use of this card for personal purposes, allowing others to use the card for their own purchases, and unauthorized purchases is strictly prohibited.

The purchasing card must not to be used for the following purchases:

- Internal college purchases (e.g. campus bookstore, golf tournaments, job fairs and internally hosted events)
- Salaries, wages, or honorariums
- Contracted services such as:
 - temporary staff hired via an agency
 - teaching services
 - any service requiring a signed contract by a college official
 - any service that falls within the College's Procurement directive
- Capital Assets (> \$3,000 before taxes)
- Hazardous materials
- Personal purchases or cash advances
- Rental or lease agreements with a duration longer than 1 year
- Alcoholic drinks (**)

**All alcohol purchases require approval by the President or General Counsel and Corporate Secretary and must meet the requirements of the Travel Expenses & Hospitality Policy CS-1000-2013.

In order to maximize rebates earned by the College, employees who have been provided with a Purchasing Card should avoid using personal credit cards for expenditures related to college business and business related travel, whenever possible. Splitting of total purchase cost (parceling) to override the per transaction limits is not allowed. (See section 6.1 above)

Payment of purchases made using the Purchasing Card is the responsibility of the College, not the individual cardholder.

Where possible, the Purchasing Card should be used for goods and non-consulting services rather than engaging a purchase order through the Purchasing Department.

Whenever possible, the College's preferred vendor should be used for purchasing office supplies to receive discounted pricing. Contact the Manager, Purchasing Services for further information surrounding the preferred vendor's on-line ordering process.

6.4 Reconciliation and Approval of Transactions

The Cardholder is responsible for obtaining appropriate itemized, original receipts to support monthly use and reconciliation of Purchasing Card transactions (as outlined in section P2 of Purchasing Card Procedures in Appendix A).

The Cardholder is responsible for reconciling all transactions each month as outlined in section P7 of the Purchasing Card Procedures (Appendix A) and submitting required documents to their manager for approval by the indicated due dates.

The Cardholder's manager is responsible for approving the Purchasing Card statement and verifying that all purchases are appropriate, reconciled and supported. The manager is responsible for submitting the approved statement and supporting documents to Accounting Services by the due date as outlined in section P3 of Purchasing Card Procedures (Appendix A).

6.5 Cancellation of Purchasing Card

A cardholder's purchasing privileges may be canceled by the Plan Administrator upon discovery of any violation(s) of the purchasing card policy, including but not limited to the following:

- Failure to reconcile and submit the approved statement in a timely manner
- Failure to attach appropriate itemized, original receipts to statements
- Use of the card for personal or other unauthorized purchases
- Splitting transactions to avoid per transaction limits
- Card usage by someone other than the cardholder

Individuals are not permitted to approve their own expenses that may have been purchased by one of their direct reports (i.e. an administrative assistant incurs an expense on their Purchasing Card for travel arrangements for their manager).

Card use will be tracked by Accounting Services; compliance violations will be reported to the Plan Administrator and the cardholder's manager.

7. Policy Revision Date

7.1 Revision Date

August 2019.

7.2 Responsibility

The Chief Financial Officer is responsible for reviewing this policy every three years or earlier when required.

8. Attachments

Appendix A – Purchasing Card Procedures

Attachment 1 – Purchasing Card Request Form

Attachment 2 – Agreement to accept the Scotiabank Commercial Purchasing Card

9. Specific Links

CS-1000-2013 - Travel Expenses & Hospitality Policy

CS-1208-1990 - Receipt of Goods Policy

Mohawk College Procurement Directive



Appendix A Purchasing Card Procedures

P1. Employee Responsibilities

P1.1. Employees are responsible for submitting a completed "Purchasing Card Request Form" to their manager for approval. This form is included with this policy as Attachment A and is also available on MOCOmotion under the Staff Member tab's Financial Services section. All requests should be forwarded to the Plan Administrator for processing.

P1.2 Before receiving the Purchasing Card, employees must complete and sign the "Agreement to Accept the Scotiabank Purchasing Card" (Attachment B) in the presence of the Plan Administrator.

P2. Cardholder Responsibilities

Employees entrusted with a College Purchasing Card are responsible for:

- Adhering to all Purchasing Card procedures as outlined in Appendix A.
- Ensuring the card is kept in a secure location when not in use.
- Ensuring adequate precautions are taken to avoid unauthorized use of the card when quoting the card number over the phone, by fax, or when making purchases over the internet.
- Notifying Scotiabank and the Plan Administrator immediately if the card is lost or stolen.
 - Scotiabank 1-888-823-9657
 - Outside Canada/USA Call Collect: 1-416-750-6138
 - Plan Administrator 905-575-2409
- In such a situation, the card will be deactivated and a new card will be issued within 48 hours. Mohawk is liable for all debt arising from loss or theft to a maximum of \$50 before the bank is contacted. Mohawk is not responsible for any debt arising from the loss or theft after the bank has been notified.
- Ensuring the accuracy of shipments and communicating to the vendor any discrepancies. Duties also include negotiating and arranging for the return of any goods ordered or shipped in error, found to be defective and/or requiring repair or replacement. The cardholder may contact Purchasing Services for assistance if he/she is unable to resolve concerns with vendors.
- Obtaining original itemized invoices/receipts from vendors for each purchase made with the card. **Note: Credit and debit card signature approval slips by themselves are insufficient to support an expense, but should be included with a detailed receipt to substantiate any tips.**
- Forwarding the monthly statement and all associated original receipts (not photocopies) to their manager for review and approval **by the 5th business day of month following the statement date.**

- Alerting Scotiabank in advance of planned travel outside of Canada to avoid having purchases declined in error for suspected misuse.

P3. Manager's Responsibilities

Managers are responsible for the following:

- Ensuring cardholders are adhering to this policy and established procedures as outlined in Appendix A.
- Forwarding the approved Millennium FAST Purchasing Card statement and all associated receipts to Accounts Payable for review, processing and retention **by the 7th business day of the month following the statement date.**
- Ensuring all transactions are accurate, legitimate and charged to the correct FOAPAL.
- Informing the Plan Administrator of a cardholder's leave of absence for an extended period of time (e.g. maternity leave, WSIB claim, etc). The manager is responsible for returning the employee's card to the Plan Administrator for safekeeping for the duration of the leave. The manager must notify the Plan Administrator upon the employee's return to active duty and request that the card be returned to the employee.
- Returning the cardholder's card to the Plan Administrator for immediate cancellation upon transfer of the employee to another department or termination from the College.

P4. Responsibilities of the Accounts Payable Clerk

The Accounts Payable Clerk is responsible for the following:

- Training new cardholders (and/or designated coordinators) on use of Millennium FAST Purchasing Card.
- Ensuring all cardholder statements are received by the 7th business day of each month following the statement cycle date.
- Conducting periodic reviews of cardholder purchases to ensure adherence to policies and procedures. Spot checking taxes for accuracy.
- Changing FOAPALs to the allocated clearing account on Millennium FAST Purchasing Card for transactions when an approved cardholder statement had not been received by the 7th business day of the month.
- Following up with delinquent cardholders and ensuring missing statements are received by the following month.
- On receipt of a late statement submission, preparing a transfer journal to clear the clearing account and record expenses to appropriate FOAPALs as indicated on the approved statement.
- Tracking cardholder violations and providing a monthly report to the Plan Administrator.
- Filing all cardholder statements and receipts monthly.

P5. Responsibilities of the Plan Administrator

The Plan Administrator is responsible for general administration of the Purchasing Card Program including the following specific duties:

- Processing "Purchasing Card Request Forms" for new cardholders.
- Witnessing cardholder signature on "Agreement to Accept the Scotiabank Commercial Purchasing Card" (Attachment B)
- Receiving new cards from the bank and distribution to cardholder.
- Processing profile changes for cardholders.
- Processing any card cancellations including notification to the bank.
- Clarifying program guidelines to participants.
- Communicating with the bank on cardholder issues.
- Consulting with managers to assess cardholders' need for a higher limit.
- Communicating with managers on cardholder violations.
- Monitoring program performance.
- Updating Purchasing Card Policy and Procedures as required.
- Balancing and posting batch in Millennium FAST Purchasing Card for month-end following the cycle date. Ensuring tax self-assessment entries are reasonable.

P6. Making Purchases with the Purchasing Card

P6.1 Purchases Made on Location

A typical pick-up order includes the following steps:

- Cardholder selects goods and presents the cashier with purchasing card for payment.
- Cardholder signs a receipt and receives a detailed receipt to be retained for their records (Vendor's GST registration number must appear on the cash register receipt).
- The cardholder retains the receipt for attachment to the monthly statement.

P6.2 Telephone, Mail and Fax Purchases

The steps of a typical telephone, mail or fax order include the following:

- Cardholder selects goods or service and calls, mails or faxes the order to the vendor with applicable purchasing card number and expiry date.
- Cardholder instructs vendor to forward a receipt to the cardholder for confirmation. This receipt must be retained by the cardholder to attach to the monthly statement.
- If goods are purchased, the cardholder instructs the vendor to ship the goods to the Receiving Department in accordance with the Receipt of Goods Policy CS-1208-1990, with a clear indication on the packing slip that goods are "PAID IN FULL" using College purchasing card "VISA". The card number should not appear anywhere on the package.

P6.3 Internet Purchases

A typical internet purchase includes the following steps:

- Cardholder selects goods or services from a vendor website.
- Cardholder provides the purchasing card number and expiry date on "checkout" page of website.

- Cardholder confirms the transaction and requests a receipt.
- Cardholder prints and retains the receipt for attachment to monthly statement.
 - Note: Purchases from American vendors will also have brokerage fees and self-assessed taxes applied by the Accounts Payable Clerk.
- All goods purchased should be shipped to the Receiving Department in accordance with the Receipt of Goods Policy CS-1208-1990, with a clear indication on the packing slip that goods are "PAID IN FULL" using College purchasing card "VISA". The card number should not appear anywhere on the package.

P7. Retention, Reconciliation and Payment

Each cardholder (and their designated coordinator, if applicable) will receive an email notification of their monthly statement from Scotiabank. The statement identifies each transaction captured against the card during the previous month (cycle). Purchases will also be downloaded from Scotiabank on a daily basis into Millennium FAST Purchasing Card for cardholder review.

Each cardholder is responsible for completing the following steps to facilitate reconciliation of all purchasing cards:

- The cardholder must match all purchasing card receipts with the transactions listed on their Scotiabank monthly statement. Receipts for purchases that do not appear on the statement should be retained for reconciliation to the next monthly statement.
- The cardholder (or designated coordinator) must log into Millennium FAST Purchasing Card to:
 1. Reconcile the charges to their Scotiabank monthly statement;
 2. Assign each transaction to the correct FOAPAL(s), and;
 3. Correct tax amounts, if necessary, to agree with purchase receipts.

Note: Detailed instructions on the use of Millennium FAST Purchasing Card can be found on MOCOmotion under the Staff Member Tab - Financial Services section. Documentation is also available on-line within the Millennium FAST Purchasing Card application.

- The cardholder (or designated coordinator) must:
 4. Print the Millennium FAST Purchasing Card monthly statement;
 5. Sign and date it;
 6. Attach the Scotiabank monthly statement and all associated receipts/charge slips; and
 7. Forward the documentation to their manager for review and approval by the 5th business day of the month following receipt of the Scotiabank monthly statement.

Note: Managers who are given special signing privileges because of absences or vacations should note this information when signing.

- The cardholder's manager is responsible for:
 1. Reviewing and signing/approving the Millennium FAST Purchasing Card monthly statement, and
 2. Forwarding the approved statement and all associated receipts/charge slips to the Accounts Payable Clerk in Accounting Services, Fennell Campus Room F104, by the 7th business day of the month.
- Accounts Payable will assume that all transactions recorded by the bank are legitimate. Consolidated payment for all cards will be processed without approval by cardholders/managers in accordance with the Master Agreement between Mohawk College and Scotiabank. Responsibility rests with the cardholder and manager to ensure all transactions are accurate, legitimate and charged to the correct FOAPAL.

P8. Dispute Process

If a cardholder does not agree with a charge posted on the monthly statement, the cardholder can dispute the charge. Since the College will pay the initial charge before the due date to avoid any interest penalty, the cardholder should request a correction and subsequent credit. The following steps must be taken for all transactions in dispute:

- The cardholder must contact the vendor directly to try to resolve the error.
- If the vendor agrees that an error has been made, a credit will be made to cardholder's account. It is the cardholder's responsibility to ensure the vendor credits their account on the next monthly statement.
- If the vendor does not agree that an error has been made, the cardholder should contact Scotiabank Customer Service using the 1-888 number on the back of the card. The cardholder must provide details on the item in dispute. The cardholder may be asked to submit a formal request by fax within 60 days of the monthly statement date so that Scotiabank can research the disputed item. The cardholder must also notify and provide a copy of the dispute form to the Plan Administrator. Disputes will be resolved by Scotiabank within 90 days of contact.

P9. Lost or Misplaced Receipts

Failure to attach appropriate receipts can result in revocation of card privileges.

Lost or misplaced receipts should be handled as follows:

- The cardholder should contact the vendor and request a duplicate receipt.
- If a duplicate receipt cannot be obtained, the cardholder's manager signature on the monthly statement is considered to be verification of the purchase.

- Taxes should be shown as \$0 on transactions without a receipt, as the college can't claim a tax rebate unless a receipt is present.

P10. Card Denied

When making a purchase, if your card is denied, the cardholder should consider the following prior to contacting the Plan Administrator for assistance:

- Does the transaction amount (including foreign exchange and taxes) exceed your per transaction limit, or your monthly spend limit
- Have you entered your PIN number correctly
- For on-line purchases, did you enter the correct address associated with your card as: 135 Fennell Ave W Hamilton, ON L8N 3T2

P11. Cancellation of Corporate Card

To cancel the card, the cardholder must:

- Destroy the card and discard it.
- Provide a written cancellation request (email is acceptable) to the Plan Administrator requesting cancellation of the card and indicating that the card has been destroyed.

P12. Key Contacts

Plan Administrators:

Primary contact:

Senior Accounting Coordinator
Room: F104
Tel: 905-575-2049

Secondary contact:

Manager, Accounting Services
Room: F104B
Tel: 905-575-2105

Bank Customer Service:

Scotiabank Tel: 1-888-823-9657

Scotiabank Purchasing Card customer service is available 24 hours a day 7 days a week (cardholder's significant date is required). Customer service is responsible for:

- Activating new cards
- Account and balances inquiries
- Lost or stolen cards
- Emergency card replacement
- Processing disputes
- Card declines

PURCHASING CARD REQUEST FORM

Instructions

Form is to be approved by the Cardholder's Supervisor and forwarded to the purchase card Plan Administrator.

1. Forward completed & signed request form to the Plan Administrator via inter-office mail to Accounting Services – room F104, or via email to joanne.roberts@mohawkcollege.ca.
2. Plan Administrator will approve and submit application for card and contact cardholder when card arrives.
3. Cardholders will be given limits of \$1000 per transaction and \$3000 per month. Higher limits require Supervisor's consultation with the Plan Administrator regarding historical spending data to assess cardholder needs.
4. If requested below, 4 elements of FOAPAL can be setup as a default for ease of data entry: FUND, ORGANIZATION, ACTIVITY, and LOCATION. The cardholder is required to enter the appropriate account code and program code for each transaction. Activity code will default based on the Organization code entered.
5. The Cardholder is asked to identify a "Significant Date". This date will become the "unique identifier" along with the credit card number when calling the bank to discuss the account. This date should be memorable to cardholder for ease of reference.

CARDHOLDER NAME (AS IT IS TO APPEAR ON CARD)	EXTENSION NUMBER	BANNER ID # (9 DIGITS)
EMAIL ADDRESS:	@mohawkcollege.ca	
SIGNIFICANT DATE (<i>Reference instruction 5 above</i>)	MONTH: _____ MM	DAY: _____ DD
		YEAR: _____ YYYY

DEPARTMENT NAME & INTERNAL MAIL ADDRESS (CAMPUS & RM.#)	DEFAULT FOAPAL ELEMENTS			
	FUND	ORGANIZATION	ACTIVITY	LOCATION

COORDINATOR NAME (PERSON DESIGNATED TO ACCESS MILLENNIUM PURCHASING CARD ON CARDHOLDER'S BEHALF)	BANNER USER ID (i.e. Smithj)
EMAIL ADDRESS:	@mohawkcollege.ca

APPROVAL OF REQUEST
SUPERVISOR NAME (PRINT):
<div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 60%; border-top: 1px solid black; text-align: center;">SUPERVISOR SIGNATURE</div> <div style="width: 35%; border-top: 1px solid black; text-align: center;">DATE</div> </div>

THIS PORTION TO BE COMPLETED BY PLAN ADMINISTRATOR		
CARD LIMIT PER MONTH	PER TRANSACTION LIMIT	REASON FOR HIGHER LIMIT IF APPLICABLE (<i>Reference instruction 3 above</i>)
PLAN ADMINISTRATOR SIGNATURE		DATE

AGREEMENT TO ACCEPT THE SCOTIABANK COMMERCIAL PURCHASING CARD

The Scotiabank commercial purchasing card represents Mohawk's trust in you as a responsible employee to safeguard the College's assets. Your signature below is verification that you have read and agree to abide by the policies and procedures outlined in the [Purchasing Card Policy CS-1002-2009](#). It also acknowledges that you have read and understand the following:

1. The card is issued in my name. I understand that I cannot allow any other person to use the card. I am considered responsible for any and all charges against the card.
2. I will protect the account number at all times to prevent its misuse.
3. As the card is College property, I understand that I am required to comply with internal control procedures designed to protect company assets. This includes obtaining and submitting appropriate receipts for all purchases charged against the card.
4. I will receive a monthly statement which will report all activity during the statement period. Since I am responsible for all charges (but not for payment) on the card, I will resolve any discrepancies by either contacting the supplier or the bank directly to resolve them.
5. I understand that the Scotiabank Commercial Purchasing Card is not necessarily provided to all employees. Assignment is based on my need to purchase materials for the College. My card may be revoked based on change of assignment or department. I understand the card is not an entitlement nor reflective of title or position.
6. If the card is lost or stolen, I will immediately notify Scotiabank by telephone. I will confirm the telephone call by mail or fax with a copy of the notification to the Plan Administrator.
7. I agree to surrender the card to Human Resources immediately upon termination of employment, whether for retirement, voluntary or involuntary reasons.
8. I understand the Card is for College approved purchases only, and I agree not to charge personal purchases. I further agree that should any personal charges appear on my card, after appropriate discussion and agreement the College will recover these costs from my salary or any monies owed to me and the purchasing card privilege may be revoked.
9. I understand that improper use of this card can be considered misappropriation of College funds and that if the College has reason to believe that I have used the card inappropriately, the matter will be forwarded to Human Resources for review. Following the review and subject to the appropriate terms and conditions of employment and/or the respective collective agreement requirements, I understand that I may be subject to disciplinary action up to and including dismissal.
10. All charges will be billed directly to and paid by the College. The bank cannot accept any monies from me directly, therefore, any personal charges billed to the College could be considered misappropriation of College funds.

Cardholder signature

Plan Administrator signature

Cardholder name (Print)

Plan Administrator name (Print)

Date

Date