

## 10.2 Purchase Card Policy (PCard)

### Objective

The objective is to establish a policy to maximize purchasing and payment efficiencies through the use of PCards. The PCard is intended to provide a simplified purchasing/ payment tool for the acquisition of low dollar value goods, services and construction directly from suppliers. The PCard will replace the Direct Purchase Order (DPO) in most, if not all, small dollar purchases.

### Responsibilities

#### **GOVERNMENT ACCOUNTING**

Responsible for the management of the PCard Program.

#### **FINANCIAL SERVICES**

- Appointing Card Coordinator(s)
- Establishing and communicating department specific procedures
- Issue enrollment forms
- Establishing control procedures to ensure that appropriate authorization and payment processes are being adhered to
- Ensuring that Card Coordinators are discharging all of their responsibilities
- Ensuring that Cost Centre Managers are aware of the PCard Policy
- Certifying that their department is adhering to the PCard Policy and Procurement Guidelines defined for the use of the PCard

#### **COST CENTRE MANAGER**

- Approving cardholders
- Approving cardholder limits
- Adhering to the PCard Policy and Procurement Guidelines
- Approval of cardholder monthly purchasing statements

*A cardholder that is a cost centre manager must refer these duties to his/her immediate superior in relation to his/her card.*

#### **CARDHOLDER**

- The safe keeping of the PCard issued in their name
- Ensuring receipt of monthly e-statement
- Following established purchasing practices
- Following accounting processes and deadlines
- Reporting lost or stolen PCard

## Enrolment

Cardholders must complete an enrolment form and sign a cardholder agreement. Each cardholder is given a monthly purchase limit based on their expected monthly usage.

## Usage

PCards can be used to acquire goods, services and construction while on site at the point of sale, over the telephone, by fax and via Internet. The Cardholder is the only person entitled to use their card and is responsible for all charges made against it. The Cardholder must retain receipts for all purchases.

The PCard is provided based upon the need to purchase business-related goods, services and construction in the course of employment with the Province. The PCard may be revoked at any time based on a change of assignment or location. The PCard is not an entitlement nor is it reflective of your title or position.

Any unauthorized use of the PCard will be considered an improper use of government funds and will be subject to appropriate disciplinary action.

PCards are only issued to individuals, not organizational units.

## Statements

PCard statements cover purchases posted by Vendors between the 16<sup>th</sup> of one month to the 15<sup>th</sup> of the next month.

Statements are e-mailed to the Cardholder (no hard copies are produced)

Cardholder can view online transactions and print statements by visiting: <<http://iweb.gov.ns.ca>> (Select Department of Finance—Government Accounting—Corporate Credit Cards—Cardholder Training Guide for steps to get ID and link to Scotiabank Web Site at <<https://pwnet.procard.com/pns>>).

## What Cannot be Purchased

- Goods, Services and Construction greater than \$1000.00. The use of multiple transactions to circumvent this stipulation is a violation of Procurement Policies and Procedures and will be dealt with during the monthly Post Audit Review.
- Goods, Services and Construction on Standing Offers. For guidance, please contact your Procurement Technician and/or visit <<http://www.gov.ns.ca/econ/>>, select Procurement and then select Standing Offers.

The PCard is not to be used as a payment tool for paying regular monthly invoices where normal invoice payment processes should be followed (i.e., lease or rental payments.)

### **What Can be Purchased**

- Goods, Services and Construction, equal to or less than \$1000.00 in value per transaction (including Harmonized Sales Tax and freight).
- The PCard is for business-related purchases only.

### **Purchasing Procedures**

Departments may obtain good, services or construction from a single source in the local area provided the price is considered fair and reasonable.

### **Restrictions**

Unless otherwise approved by Government Accounting, a PCard cannot be used to acquire the following:

- Meals, accommodations and other travel expenses (use Travel Card)
- Gasoline for Provincial Fleet Vehicles (use Fleet Card)

Any use of the PCard for purchases of a personal nature is strictly prohibited.

### **Dispute Process**

Cardholders will advise their Card Coordinators of any charges on their statements which are incorrect and decide what course of action is to be taken.

### **Lost or Stolen Cards**

Cardholders must notify the PCard financial institution and their departmental card coordinator immediately if their card is lost or stolen.

### **Post Audit**

Financial Services are required to monitor card use to ensure compliance with department and government policy. This includes conducting a monthly post audit of approximately 5% of cardholder purchases, per department. Financial Services are required to keep monthly reviews on file for future audits. Where inappropriate card usage has occurred, a letter will be forwarded to the cardholder and copied to their supervisor informing them of the breach in policy and any further misuse will result in

card privileges being revoked. Government Accounting conducts monthly post audits of all card transactions and where seemingly inappropriate usage has occurred, a letter will be forwarded to the appropriate Financial Services Manager for follow up with the Cardholder.

### **Audits**

Procurement Branch, Government Accounting, Corporate Internal Audit or the Office of the Auditor General may carry out audits of any transaction regardless of value.

### **Enquiries**

Manager, Operational Accounting, Government Accounting  
Department of Finance  
(902) 424-6626

---

*Approval date: July 31, 2008*

*Manual release date: August 21, 2008*

*Approved by: Executive Council*

*Most recent review: March 18, 2009*

---