

## **PURCHASING CARD POLICY**

### **PURPOSE**

Credit cards are issued to full time permanent staff of the KCCS and /or Vancouver Board of Parks and Recreation staff posted to the Kerrisdale Community Centre. The cards are intended only for business use conducted on behalf of the KCCS. Park Board business shall be conducted by use of regular Park Board purchasing methods, which does not include use of this credit card.

The card was recommended by the finance committee as an effective method of purchasing goods and services, the price of which could not be easily estimated and paid through direct billing. It is intended to alleviate the handling of large amounts of petty cash.

### **RESPONSIBILITY**

All cards are issued under the auspices of the Finance committee of the KCCS board of directors, whose authority is extended via the society accountant to selected staff on an as needed basis. Card usage will regularly be audited by KCCS officials and its auditors, and may be rescinded at any time. Only the individual named on the card may make purchases with the card. The assumption will be that all purchases made with the card were done by the individual on the card.

### **POLICY SCOPE AND LIMITS**

1. The cardholder must sign a cardholder agreement indicating the Policy and Procedures have been read and understood.
2. The purchasing card is intended for the purchase of program supplies, admissions, program transportation, telephone purchases and deposits where a credit card is required and for unexpected expenses which cannot be pre-ordered.
3. The purchasing card holder may not use a KCCS card for personal business. There is no provision to arrange repayment of personal items. Failure to adhere to these guidelines may result in suspension of card privileges or more serious consequences, up to and including dismissal by the relevant employer.
4. The cardholder must sign the back of the card, and should be made aware of the importance of keeping the card safe and ready at all times.
5. The card is NOT to be used to bypass other preferred methods of supply ordering, but is simply intended to replace the necessity of carrying cash or having staff use personal purchasing cards for society business. The purchasing card is designed to complement the other forms of purchasing procedures already in place, including agreements the KCCS may have with new and existing suppliers and cheques for precise amounts which can be predicted, prepared and sent in advance.
6. Purchasing cards cannot be used for the following:
  - Non-budgeted items without prior approval from the society
  - Cellular phones
  - Computer materials such as toner, repairs or rentals (approved software okay)
  - Hiring of employees or contractors
  - Personal travel or entertainment items
  - Legal expenses

- Taxi fares (except in the case of emergency with full follow-up report)
- Alcohol or tobacco products
- Cash withdrawals
- Personal items
- Goods that are not in stock (even if vendor says they will have them soon!) - The bill will not be paid until we receive product so the society is at risk of interest charges on unpaid statement.

### **LOST OR STOLEN CARDS**

If a card has been lost or stolen, the card holder should notify the society accountant or in his absence, the Recreation Supervisor immediately. The card will be cancelled and written confirmation will be provided. Prompt action is required to reduce the KCCS's liability for unauthorized use.

### **MANAGEMENT REVIEW PROCESS AND CONTROLS**

#### Card Issuance

- Copies of the Purchasing Card Agreement signed by the credit card holder AND two KCCS board members (upon issuance of the credit cards) are to be retained on file by KCCS.
- Society purchasing credit cards issued will NOT have "Interac Flash" (method without having to swipe or insert the credit card).
- Purchasing cards will be authorized by the Finance Committee at a maximum value of \$3,000 per billing period for each card, to be adjusted as needed from time to time, to the following: two to recreation programmers, one to the food services coordinator, and one to the Society administrative assistant.
- A secure PIN is used for each credit card; the PIN is required to be changed every 6 months.
- To prevent unauthorized scanning of the card, each card will be stored in a card protector with RFID blocking.

#### Monthly Review

- The Society's Accountant will review the monthly credit card statement and cross-check each item (transaction) against the submitted receipts and invoices by the credit card holder; items without receipts or invoices, or irregular transactions, will be followed up with by the Accountant. Credit card holders may be held personally responsible for items without receipts and invoices.
- A Purchasing Card Monthly Summary is to be completed by the Society's Accountant for review by the Finance Committee. The summary will indicate the date of transaction (purchase), the name of the vendor / supplier, a brief description of the expense incurred, the general ledger account number for which the expense will be posted to, the net amount (i.e., without GST), the GST amount, and the gross amount.
- The Society's Accountant will reconcile the cheque payment as part of the monthly bank reconciliation.
- The use of purchase cards, the number of cards issued, and the overall compliance with card policy will be reviewed annually by the Finance Committee which will act to correct deficiencies or authorize ongoing use of the cards.