

Purchase Card Policy

Originator name:	Colin Davies
Department:	Finance
Implementation date:	1 October 2016
Date of next review:	1 October 2019
Related policies:	Finance Regulations, Purchasing Policy, Staff Expenses Policy

Version History

Version	Author	Revisions Made	Date
2.0	Colin Davies	To Sections: 2.1.1 2.1.2 2.2.1 2.2.2	1 st July 2016

Sign Off History

Version	Committee Name	Date of Final Sign Off
1.6	Executive Board	March 2012
2.0	Executive Board	September 2016

1	Introduction
	This policy governs the use of the University's Purchase Card.
1.1	Purpose
	The purpose of this policy is to provide guidance to staff procuring goods and services. It provides information regarding when to use the Purchase Card, how to apply for one and procedures covering its use.
1.2	Scope
	This policy refers to employees of the University and its subsidiary companies.
1.3	Definitions
	The University's Purchase Card is a Nat West charge card, issued to an individual normally for use on behalf of a Department. The balance on the card is paid by the University in full each month by direct debit. A Purchase Card is similar to a credit card and can be used to buy goods and services without the need to raise a Purchase Order.
1.4	Legislative context
	The University relies upon its statutory rights when using the Purchase Card, particularly: The Sale and Supply of Goods Act 1994 http://www.opsi.gov.uk/acts/acts1994/Ukpga_19940035_en_1.htm
2	Policy
2.1	Principles
2.1.1	Use of the Purchase Card and who should have a Card
	<p>Purchase Cards work best for Departments where they are held by a departmental administrator and used to purchase goods / services on behalf of departments. These individuals are better placed to know whether the use of the Purchase Card is appropriate for the type of expenditure.</p> <p>They can also be issued to an individual who incurs a high volume of typically low value purchases.</p> <p>A Purchase Card can be used to purchase goods or services in line with this Policy, where a supplier accepts credit cards for payment.</p> <p>The University's Purchase Card has been introduced as a cost-effective way of purchasing certain types of goods and services where:-</p> <ul style="list-style-type: none"> • There is no Preferred or Approved Supplier. Please note that all e-procurement catalogue suppliers are Preferred or Approved. A list of Preferred and Approved Suppliers can be found at: https://www.surrey.ac.uk/surreynet/departments/finance/how/how_do_i_find_a_preferred_supplier.htm • The Supplier does not accept Purchase Orders. • Payments to Suppliers are made on an ad hoc basis or where the University only intends to use the Supplier one time.

- The value is normally less than £2,500
- Payment for goods or services available on reputable websites, where purchasing from these sites is appropriate and in line with this Policy
- The purchase of the goods or services does not require a formal signed contract to be in place. Formal contracts may be required to help protect the University from agreeing to unfavourable terms and conditions that may pose unacceptable financial, intellectual property, reputational or critical supply risk.
- There is a business critical and urgent purchase requirement that cannot be processed in time as a PO via Agresso. Financial approvals must be obtained beforehand.

The card should not be used off-site except where an individual has been given specific permission by Finance Support (previously known as Transaction Support Team) to use the card for particular off-site purchases.

Examples (not exhaustive) where the Purchase Card is the recommended procurement route are:

- Conference fees
- Room Hire
- Short courses and seminars
- High Street Vouchers
- Visa fees (where Preferred Travel Management Company cannot be used)
- Goods or services that are “one off” purchases under £2,500 (i.e. there is no intention to use the Supplier again)

Goods and Services for which the Purchase Card cannot be used:

The following commodities have been specifically identified as ones for which the Purchase Card should not be used as they should be procured internally from a relevant department; purchased through Agresso, or they are classified as off- site transactions and, as such, prohibited.

- Building materials (other than by Estates & Facilities Management)
- Enterprise Computer equipment and software (other than by IT Services)
- Standard Office supplies and stationery
- Car rental
- Restaurants (except for authorised group events)

Business Expenses

Under no circumstances should the Purchase Cardholder use the Purchase Card for his/her own business expenses.

The following may be purchased **on behalf of other members of the department** where quotations from the University’s preferred Travel Management Company (TMC) have proved to be uncompetitive on a “like for like” booking (where the TMC cannot offer a Price Guarantee) and where the expenditure is in accordance with the Staff Expenses Policy (https://www.surrey.ac.uk/policies/staff_expenses_policy.htm)

- Hotels
- Flights

For all overseas travel, the Budget Holder must pre approve the travel related expenditure and a Traveller Duty of Care assessment is required in accordance with Section 6 in the Travel and Pre Expenses Approval Form. This Form and Approval Process is under review (2016), so please check the web link for the latest documentation. (https://www.surrey.ac.uk/surreynet/departments/finance/how/do_i_need_preapproval.htm).

	<p>University Property</p> <p>Items purchased by the University for use by individuals are the property of the University and should remain so, even after the departure of the individual for whom they were purchased.</p>
2.1.2	<p>Financial Limits</p> <p>The standard limit per individual transaction is set at £2,500, subject to periodic review. There may be occasions where a P Card holder requires a higher limit and this will be agreed by exception with the Finance Support Team Lead and, where appropriate with the cardholders Faculty / CSAS Business Finance Manager. Any purchases in excess of this agreed amount must be made on Agresso in accordance with the University Purchasing Policy, seeking guidance from Procurement Department if required.</p> <p>Purchase Card transactions for the same or similar goods / services must not be broken down in to smaller value purchases to disaggregate a larger purchase circumventing the Finance Regulations and Purchasing Policy, and this £2,500 transaction limit.</p>
2.1.3	<p>Authority to Purchase</p> <p>The cardholder is the only person authorised to procure goods against their Purchase Card. On no account may they divulge details of their card or its security number to another person, including their manager or the person requesting the purchase.</p>
2.2	<p>Procedures</p>
2.2.1	<p>Applying for a Purchase Card</p> <p>Applicants should contact the Finance Support Team for Application and Declaration of Agreement Forms, and complete including details of any requirement to purchase specific commodity types and any requirement for 'off campus' use. The Finance Support Team Lead will consider approval of an application based on the likely usage of the card and the availability of existing cards in that Faculty or Department. Once an application has been approved, a suitable monthly expenditure limit will be assigned by the Finance Support Team Lead and the application will be forwarded on to the bank for the card to be issued.</p> <p>Requests for Increases to the Individual transaction and / or monthly expenditure limit should be referred to the Finance Support Team Lead and will be considered on their individual merit.</p>
2.2.2	<p>Using the Purchase Card to Make Approved Purchases</p> <p>Purchase Card transactions will generally be made by telephone, or on the internet. In exceptional cases the Purchase Card can be used off-campus e.g. for purchases of food for volunteers and experiments, but prior authority must be obtained from Finance Support. Note: the financial limit per individual transaction is set at £2,500</p> <p>The Purchase Card is used in the same way as an ordinary credit card but please be aware that certain commodities are blocked. Cardholders will be advised when the Card is issued which commodities may be purchased. Purchases are made on behalf of the University; the card may not be used for personal purchases under any circumstances.</p> <p>For each purchase, the cardholder should obtain and retain a VAT receipt showing details of the purchase.</p> <p>The credit card slip alone is not sufficient. The receipt will be used at the end of each month to help the Card holder reconcile purchases against the card statement, and will be submitted to the Finance Support Team for retention with completed reconciliations.</p> <p>The cardholder must keep a record of each purchase to check against his/her monthly statement.</p>

2.2.3	Disputed Items
	In cases where goods have not been received, deliveries are incomplete or goods are returned due to a fault, the cardholder should in the first instance contact the supplier who should rectify the issue either by replacing the goods or refunding the Purchase Card. If the supplier does not promptly rectify the issue to the cardholder's satisfaction, the cardholder should contact Finance Support for assistance.
2.2.4	Purchase Card Storage and Security
	<p>The Purchase Card should be treated for <u>security</u> purposes like a personal credit card. The Purchase Card must be kept under the cardholder's control at all times, which means either in the cardholder's personal possession or secured in a suitable locked container or building/room, whether or not on University premises.</p> <p>On no account should the card number be divulged to any other person except as is necessary when placing orders with suppliers. The cardholder PIN and password should not be divulged to anyone.</p>
2.2.5	Loss/Theft of a Purchase Card
	<p>In the event of the loss, theft or fraudulent usage of an individual's Purchase Card, he/she must immediately report it to:</p> <ul style="list-style-type: none"> • Nat West Loss Centre (24-7) – Telephone 0370 600 0459 (UK) or +44 1268 500813 (Overseas) • Finance Support, Telephone 01483 683400 should also be notified ASAP during office hours only.
2.2.6	Statements
	Statements are available online on the 28 th of each month. Cardholders are required to download their statement from the card issuer's website and send a reconciliation of their purchases to this statement to the Finance Support Team by the 10 th working day of the month following the statement date. If you have any queries, please contact Finance Support.
2.2.7	Cancellation of Cards
	Staff ceasing employment with the University should hand their Purchase Card to their Line Manager prior to their departure, who should return it to the Finance Support.
2.2.8	Re-issue of Cards
	Staff changing their job or department should contact Finance Support who will arrange for the return or re-issue of the Purchase Card as appropriate.
	Any other amendments to the Purchase Card such as name changes should be referred to the Finance Support.
2.2.9	Misuse of Cards
	The Head of Finance Transactions, under delegated authority of the Chief Finance Officer, will monitor the use of Purchase Cards and may withdraw a card at any time if a cardholder fails to observe the Purchase Card Policy. Specifically, where a Departmental Administrator uses the card to purchase goods / services on behalf of departments, then they must ensure the card is used strictly in adherence with this Policy and the associated University Financial Regulations. Under no circumstances can the Administrators bypass this Policy even where their direct Line Manager may inadvertently request this deviation. Any related issue should be referred to the Finance Support Team Lead.

	The Purchase Card may not be used for personal purchases even if the card holder intends to repay the cost at a later date. Use of the Purchase Card for anything other than University of Surrey business will be treated as a disciplinary offence.
	Unreasonable delays in submitting or persistent failure to send Purchase Card reconciliations will constitute a breach of the Purchase Card Policy and will render the cardholder liable to their card being withdrawn.
3	Governance & Directory Requirements
3.1	Responsibility
	The Director of Procurement has overall responsibility for this Policy and the Head of Finance Transactions has responsibility for the associated Procedures (Section 2.2).
	The Head of Finance Transactions is responsible for overseeing the effective implementation of the policy through the Finance Support Team.
	Any questions regarding this policy should in the first instance be addressed to the Head of Finance Transactions.
3.2	Supporting documentation
	Nat West Cardholders How do I Guidance: https://www.surrey.ac.uk/surreynet/departments/finance/how/how_do_i_view_my_online_statement.htm