

OTAGO POLYTECHNIC MANAGEMENT POLICY		Number: MP0352.03	
Title:	Otago Polytechnic Credit and Purchasing Cards		
Baldrige Criteria:	6 Operations		
Policies Committee:	Approval Date: 1 November 2017	Effective Date:	1 November 2017
Previous Policy Number	N/A	Review Date:	Annually
Contact Authority:	Deputy Chief Executive Corporate Services/Chief Operating Officer	Status:	Current

Purpose

To provide guidelines and procedures for staff who hold credit or purchasing cards for use in limited procurement of goods and services. Credit or purchasing cards have the same meaning in this policy.

Policy

1. A staff member in conjunction with their manager may apply for a purchasing card, on demonstration of a business need. This includes regular travel off campus and other valid expenditure payable by purchasing card that is not covered by the purchase order process.
 - 1.1. New cardholders will be required to complete a Card holder Agreement form (Conditions of use) – *Appendix 1* – this will then be authorised by either the Chief Operating Officer, or the Director Business Services and by one of the Senior Financial Analysts.
 - 1.2. A quick reference guide will also be provided to give further guidance. – *Appendix 2*.
2. The Deputy Chief Executive Corporate Services/Chief Operating Officer, Director Business Services and Senior Financial Analysts are responsible for authorising card issue. Individual card limits are set by the Chief Operating Officer, and Director Business Services in conjunction with the staff member and their manager and will be the minimum necessary to enable the card holder to undertake their duties for the Polytechnic.
 - 2.1. The card holder is responsible for adhering to the Purchasing Card parameters, including the individual billing cycle limit as applicable.
3. Each card is issued in the name of the card holder and they (the card holder) must abide by the terms and conditions of card use advised by the bank at the time of issue and any subsequent amendment.
4. Card holders have a responsibility to be prudent when using the card for internet purchases. This should be done only when necessary and credit card details should not be saved online unless required for regular subscription/service provision.
5. The card is to be used only for business-related purchases of an approved type, as detailed in the Purchasing Card Quick Reference Guide. Personal charges must not be made against the card.
6. Where improper use of a purchasing card is suspected the purchase record will be discussed and verified with the card holder's manager. This will alleviate the issues that may arise from emergency or inadvertent misuse. However, if proven to be improper use this will be considered as misappropriation of the organisation's funds and is likely to result in disciplinary action and/or revocation of the card. Fraudulent use may result in the instigation of legal proceedings.



7. The card holder may not use the card to obtain cash, either directly or indirectly, from ATM's, EFTPOS terminals and bank branches.
8. The card holder is responsible for adequately securing the card from loss and theft. However if this occurs, you must immediately notify your Card Provider to indemnify the organisation from further debt, then advise a Senior Financial Analyst and/or the Director Business Services.
9. The card holder is responsible for timely notification of disputed transactions appearing on your cardholder statement, in accordance with Westpac's timelines.
10. The card holder is the only person entitled to use the card and is responsible for all changes made against the card while it is in their possession. The card holder may not use the card, nor permit it to be used, for any reason other than official purposes.
11. The card holder is required to immediately surrender their purchasing card upon resignation or termination of employment with the Polytechnic.
12. Transactions in merchant category group Adult Entertainment are disallowed. This category includes but is not limited to gambling transactions, casino gambling chips, adult movies, massage parlours and dating and escort services.
13. Card expenditure must be approved by a staff member senior to the card holder and should be given before the expenditure is incurred wherever practical.
14. Expenditure at a function must be approved by a staff member who is not at the function.
15. The use of the Chief Executive's card must be reviewed and authorised by the Chair of Council.
16. In approving any expenditure on any Otago Polytechnic card the individual approving must be satisfied that it has been used for a justified business purpose.
17. The Director Business Services is responsible for:
 - 17.1. Monitoring and reporting on card use
 - 17.2. Ensuring that cards are cancelled with the bank when they are no longer required
 - 17.3. Ensuring that cards are physically destroyed when they are no longer required
 - 17.4. Maintaining a register of card holders
 - 17.5. Applying standard card limits for each area of responsibility
 - 17.6. Recording on the register any variation to the agreed card limit
 - 17.7. Reporting the list of card holders and limits annually to the Finance and Audit Committee
 - 17.8. Holding the corporate card.
 - 17.9. The Director Business Services may delegate these responsibilities to a Senior Financial Analyst.

18. Card reconciliations and documentation

- 18.1. The cardholder, is required to reconcile the monthly card holder statement within the nominated time frame in Westpac's Expense Management Systems (Smart Data). This includes uploading copies of supporting documentation to verify the transactions recorded against the purchasing card and allocating a General Ledger code for each transaction, thereby enabling your designated approver to verify and authorise the billing cycle transactions. Authorisation is to be completed within two weeks of the end of the billing period.
- 18.2. Documentation requirements are no different to normal procurement processes involving invoices and purchase orders. This is to provide a valid audit trail and evidence for subsequent review and GST claims. The documentation needs to be a valid tax invoice not just an EFTPOS docket.
- 18.3. If any of the supporting documentation is missing the card holder must note the explanation for this in the Smart Data transaction narrative field and this must be signed off by the delegated authoriser. Reoccurring instances of missing documentation will result in the card being cancelled.

19. Corporate card

- 19.1. A card is held by a Senior Financial Analyst for use by staff members who do not hold a Polytechnic purchasing card to purchase relatively low value items, generally internet based or overseas goods or services.
- 19.2. The value of each individual transaction allowed on this card should not generally exceed NZ\$500 in order to ensure that the card is available to staff at all times in a month.
- 19.3. To utilise the card, a staff member should contact the Senior Financial Analyst and complete the Electronic Payment Request form available from the Finance homepage of the polytechnic's intranet. Appropriate documentation to support the payment including pro-forma invoices, order forms or website screenshots must be attached and forwarded to the Senior Financial Analyst.
- 19.4. The form will be checked and signed by the Senior Financial Analyst, the card details added and the form returned to the purchasing staff member to provide to the supplier.
- 19.5. Additional invoices, receipts or other documentation received by the purchasing staff member from the supplier on shipping of goods or receipt of goods/service must be forwarded to the Senior Financial Analyst.

Related Policy, Forms and Documents

MP0303 Chief Executive Financial Authorities and Delegations
MP0304 Specific Financial Authorities and Delegations

Approved by Chief Executive

Date: 1 November 2017





CARDHOLDER AGREEMENT CONDITIONS OF USE

CARDHOLDER DETAILS
Full name of Cardholder
Position
Business Address
Department

Your participation in the Westpac MasterCard Purchasing Card Program carries the responsibility of complying with the general and special Conditions of Use detailed on the following page. Although the card is issued in your name, it should be considered Polytechnic property and used with good judgment. Your signature on this Cardholder Agreement signifies your acceptance of the Conditions of Use and your agreement to comply with these conditions and the policy *MP0352 Otago Polytechnic Credit and Purchasing Cards*.

CARDHOLDER CERTIFICATION

I, _____, have read and agree to comply with policy *MP0352 Otago Polytechnic Credit and Purchasing Cards* and Conditions of Use (overleaf) or the Westpac MasterCard Purchasing Card.

Signature _____ Date _____

Designation

AUTHORISED SIGNATORY CERTIFICATION

We, _____, as Authorised Signatories of the Otago Polytechnic Purchasing Card Program hereby authorise the issue of Westpac MasterCard Purchasing Card to the card holder nominated above.

Signature _____ Date _____

Designation

Signature _____ Date _____

Designation



CONDITIONS OF USE

1. The Westpac MasterCard Purchasing Card is provided to you based on your need to purchase business-related goods and services. The card may be revoked at any time based on a change of position or location, or when otherwise deemed appropriate by the organisation. The card is not an entitlement nor is it reflective of title or standing.
2. You are responsible for adhering to your Purchasing Card parameters, including the individual billing cycle credit limit.
3. The card is to be used only for business-related purchases of an approved type, as detailed in the Purchasing Card Quick Reference Guide (*MP0352 Otago Polytechnic Credit and Purchasing Cards*, Appendix 2).
Personal charges are not to be made against the card.
4. You may not use the card to obtain cash, either directly or indirectly, from ATMs, EFTPOS terminals and bank branches.
5. You are responsible for retaining receipts and/or other documentation that supports transactions made with the Purchasing Card.
6. As a cardholder, you are required to reconcile your monthly cardholder statement within the nominated time frame in Westpac's Expense Management System (SmartData). This includes uploading copies of supporting documentation to verify the transactions recorded against the Purchasing Card and allocating a General Ledger code for each transaction, thereby enabling your designated approver to verify and authorise the billing cycle transactions. Authorisation is to be completed within two weeks of the end of the billing period.
7. You are responsible for timely notification of disputed transactions appearing on your cardholder statement, in accordance with Westpac's timelines.
8. You are the only person entitled to use the card and are responsible for all charges made against the card while it is in your possession. You may not use the card, nor permit it to be used, for any reason other than official purposes.
9. You are responsible for adequately securing the card from loss and theft. However if this occurs, you must immediately notify your Card Provider to indemnify the organisation from further debt, then advise the Senior Financial Analyst and/or the Director Business Services.
10. Where improper use of the Purchasing Card is suspected the purchase record will be discussed and verified with the card holder's manager. This will alleviate the issues that may arise from emergency or inadvertent misuse. However, if proven to be improper use this will be considered as a misappropriation of the organisation's funds and is likely to result in disciplinary actions and/or revocation of the card. Fraudulent use may result in the instigation of legal proceedings.
11. You are required to immediately surrender your Purchasing Card upon resignation or termination of employment with the Polytechnic.

SPECIAL CONDITIONS

Transactions in merchant category group Adult Entertainment are disallowed. This category includes but is not limited to Gambling transactions, Casino transactions, Casino Gambling Chips, Adult Movies, Massage Parlours and Dating and Escort Services.





Purchasing Card Usage - Quick Reference Guide

You have been provided with a Purchasing Card (P-Card) to allow for the efficient and timely cost processing of one-off purchases of goods and services, nuisance purchases, accommodation and entertainment. Otago Polytechnic's banking provider Westpac New Zealand have made available an online expense management system known as SmartData in order to manage the recording and reconciliation of card use.

What are Nuisance Purchases?

Nuisance purchases include small value items such as milk, tea and coffee, postage, etc.

This P-Card must NOT be used for the following types of purchases:

- Cash withdrawals
- Expenditure subject to an insurance claim (e.g. medical bills associated with an incident)
- Private purchases or payment of private accounts, including payment of accounts not in the name of Otago Polytechnic
- Employee reimbursement type expenses
- Expenditure already provided for by an allowance (e.g. payroll, per diem or other allowances)
- Fuel or oil procurement for Otago Polytechnic fleet vehicles, unless an emergency situation arises (note: this does not apply to fuel for rental cars)
- Purchases of Fixed Assets, ie. an item capital in nature that is over \$2,000 and has a usual life of over 12 months
- Any operating expenses great that \$2,500, in these cases an electronic purchase order against an approved supplier should be raised
- Any IT related expenses – hardware and software
- Booking of airline flights, these should be undertaken through the Polytechnic's travel management company.

TAX INVOICES

GST Tax Invoices MUST be uploaded to SmartData for ALL purchases – merchant or EFTPOS receipts are not sufficient evidence for audit purposes. When a tax invoice for over \$50 (GST inclusive) is missing Otago Polytechnic is not entitled to claim the GST and therefore the full value of the expense (GST inclusive) must be coded to the programme or activity. If Tax Invoices are continually missing, disciplinary action against the cardholder may result, and the use of the card suspended or cancelled.

BY USING THE P-CARD YOU AGREE TO COMPLY WITH THE P-CARD USAGE POLICIES AS SET OUT BY OTAGO POLYTECHNIC.

ANY BREACH OF THESE GUIDELINES MAY RESULT IN DISCIPLINARY ACTION.