



Commercial Cards Policy and Procedures

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| Trust Board Approval Date | 3 June 2015 |
| Effective Date | 1 July 2015 |
| Planned Review Date | 1 July 2016 |
| Web Access | Intranet |
| Owner | Director of Finance, Business & Operations |

1.0 Introduction

1.0 Commercial Cards are a facility to pay for goods and services more efficiently. They do not give an automatic approval to spend budget and therefore approvals for spending on a commercial card within delegated limits should always be sought prior to the undertaking of spending. Where corporate contracts are in place the Commercial Card should not be used as there is a risk Value For Money will not be obtained. Commercial cards should never be used for payment of fuel, energy bills or withdrawal of cash.

Commercial Card Statements should always be paid in full on receipt and therefore the School Business Manager is responsible for ensuring that arrangements are made for the payment to be made automatically by direct debit each month.

This guide covers the Commercial Card Policy for use of cards, and also the instructions for recording of transactions on the Trust's Financial Information System – PS Financials.

1.1 In accordance with the Trust Financial Regulations, each school is permitted to have up to three holders of commercial cards.

1.2 Monthly spend limits for each card held are:

- Primary School Limits £1,000
- Secondary School Limits £2,500

1.3 The Director of Finance Business and Operations will maintain a register of all cardholders and limits. The School Business Manager will be responsible for ensuring that relevant paperwork for each cardholder is submitted in a timely manner to the Director of Finance Business and Operations so that the register is up to date and accurate at all times.

2.0 Roles and Responsibilities

- 2.1 When a cardholder collects their Commercial Card they are required to sign an Employee Agreement confirming they agree to abide by the Terms & Conditions of the Commercial Card (Appendix A).

Where a cardholder is moving to another establishment, or leaving the Trust, it is essential that the card is obtained, destroyed and a Destruction Form completed (Appendix B).

All paperwork and the destroyed card must be forwarded to the School Business Manager in order that all relevant systems can be updated.

- 2.2 When ordering goods on behalf of other budget holders the cardholder should obtain an approved requisition or order from the other officer to confirm this request. This evidence should be stored with the transaction information.

At the point of sale the cardholder should request a VAT receipt showing any VAT as a separate amount. This will enable the VAT to be reclaimed. All receipts and supporting documentation should be passed to the School Business Manager or School Finance Manager at the earliest opportunity.

Each month the cardholder is responsible for checking the monthly statement for their card and after all transactions have been checked the Cardholder must sign and date the commercial card statement and forward the School Business Manager or School Finance Manager for review.

If the cardholder does not provide receipts or other documentation to support the transaction then this may be viewed as misuse of the card. This could result in disciplinary procedures being followed and the cardholder may also become personally liable. In this instance the cardholder would be required to reimburse the School / Trust.

- 2.2 The School Business Manager or School Finance Manager will review the charges, sign and date the statement. If the card holder is the School Finance Manager, the monthly statement and supporting documentation should be forwarded to the School Business Manager for review. If the card holder is the School Business Manager, the monthly statement and supporting documentation should be forwarded to the Headteacher for review.

The School Business Manager, School Finance Manager, or Headteacher (as appropriate) has the responsibility for ensuring that on receiving the Commercial Card Statement they have the following documentation to support every transaction and verify payment:

- ✓ Signed requisition / order giving approval to spend
- ✓ Signature for receipt of goods / Signed Delivery note
- ✓ VAT Receipt / Electronic printed receipt if internet purchase, which agrees with the credit card statement

2.0 Roles and Responsibilities

- ✓ Cardholder signed and dated their monthly statement which signifies that the cardholder has checked and agreed their statement

2.3 The School Business Manager has the responsibility to ensure that all Commercial Cards are set up on PS Financials Credit Card Ledger in liaison with the Director of Finance, Business and Operations and that all transactions are accurately recorded at the earliest opportunity.

The process for doing this is set out in Appendix C

3.0 Card Misuse

3.1 Misuse is the non-compliance with the terms and conditions of the Employee Agreement and any associated procedures / guidance.

If there is misuse of a card, following an investigation, the cardholder (and any other suspected of being party to the misuse) may be subject to the Trust's disciplinary procedures and sanctions, including permanent or temporary withdrawal of the Commercial Card.

a) Any goods acquired through the misuse of a Commercial Card will be dealt with by one of the following methods:

The goods will become the property of the cardholder (if in the opinion of the School / Trust the goods cannot be used in current operations).

At this point, all risks and associated costs such as storage and handling become the responsibility of the cardholder. The Trust must be reimbursed within five days.

Reimbursement will be made by way of a cheque payable to the School or the Trust. The cardholder will not be allowed to remove the goods until receipt of payment has been confirmed (i.e. any cheques have cleared).

Goods will then be removed by the cardholder within three working days, after which the Trust reserves the right to make charges for their storage and to dispose of any goods not removed within thirty days, retaining the proceeds to offset any costs incurred by the Trust.

If this results in a loss to the Trust, the employee will be required to make this good within five working days of notification. If full payment is not made within this period, the Trust may at its discretion make the appropriate deduction from the employee's next salary payment.

b) The goods will be returned to the supplier for full credit.

The employee must cover any restocking charges or other return fees by reimbursing the Trust by cheque within five working days.

c) The Trust may, at its sole discretion, retain the goods if they can be used in normal operations.

The imposition of sanctions and disposal of goods will be determined by agreement between the relevant School Headteachers in accordance with the Trust's disciplinary procedures.

Commercial Card Declaration

I agree that I, (name) will adhere to the following terms connected with the use of the Commercial Card (CC) on behalf ofSchool.

I agree:-

To sign my CC immediately on receipt.

- 1) That the CC is only for my use to make approved academy school -related purchases on behalf of Pontefract Academies Trust and remains the property of Pontefract Academies Trust. I understand any unauthorised use will be considered as a breach of contract and will consequently terminate the Trust's Commercial Card agreement with the Lloyds Bank.
- 2) That I will not allow anyone else to use my CC nor will I share my password / PIN. I will also ensure my card and related details are kept secure at all times.
- 3) That I will ensure that the CC is held in the School safe out of school hours and when the card is not in use during school hours.
- 4) That I understand that the CC does not replace corporate contracts or authority to spend outside approved spending limits previously advised in the Trust Financial Regulations and Scheme of Delegation.
- 5) That I shall not use the card for:
 - I. Personal use
 - II. Non School / Trust use
 - III. Normal supplies and services which should be undertaken through the Trust Purchase Order / Invoice process
 - IV. Cash advances / withdrawals
 - V. Petrol, meals or beverages which should be paid for separately and reclaimed in accordance with the Trust Travel and Subsistence Policy.
- 6) That I should not personally benefit where I make purchases on behalf of the Trust.
- 7) That when making Internet purchases I will ensure that the website has a secure payment site before entering any purchase card details.
- 8) On receipt of collection / delivery notes and supplier VAT receipts I will pass to the relevant School Business Manager or School Finance Manager, in order that transactions can be dealt with and loaded to the Trust financial system (PS Financials) in a timely manner. I understand that if I fail to do so this may result in the CC being withdrawn.
- 9) That I will be responsible for checking my statement on a monthly basis and confirming by signature and date that all transactions have been made in accordance with the Trust Credit Card Policy and Procedures.
- 10) To surrender my CC immediately, by hand delivery, to my Line Manager/Approver on termination of employment or if I move to other duties or establishment within the Trust.
- 11) That I should contact the Lloyds Bank, at any time, to query transactions or confirm available credit. I understand that I should quote my name and card number and provide any other security details

Commercial Card Declaration

previously provided. If I do not have this Authority I should request it to be undertaken by the Authorised person.

- 12) That my spending limits will only change by prior agreement with the School Headteacher or Chief Executive Officer (in the case of Headteachers) and within permitted thresholds set out in the Trusts Financial Regulations.
- 13) That should my CC be lost or stolen I will immediately report this by telephone to the Lloyds Bank and the School Headteacher.
- 14) That should I become aware that there has been a fraudulent transaction on my CC I must immediately contact the Lloyds Bank and the School Headteacher to ensure the card is stopped to ensure there is no further fraudulent activity.
- 15) That should my role/responsibilities change with the School/Trust I should ensure that I liaise with the Headteacher and School Business Manager to review whether my authority to hold a card is to continue.
- 16) That should my employment with the School/ Trust cease I will surrender my card to the Headteacher or School Business Manager with immediate effect and provide all paperwork to support final transactions undertaken on my card.

I have read and understand the above Responsibilities / Guidelines, including the Trust Commercial Card Policy and Procedures and agree to use my Commercial Card accordingly.

Please complete in block capitals:

| | |
|----------------------------------|--|
| Card Holders Name: | |
| Card Holders Signature: | |
| Date: | |
| Last Four Digits of Card: | |

| | |
|---|--|
| School Business Manager Name: | |
| School Business Manager Signature: | |
| Date: | |

| | | |
|--------------------------------------|----------|--|
| Monthly Allowable Spend Limit | £ | *NB Maximum level for Primary Schools = £1,000 *NB Maximum level for Secondary Schools = £2,500 |
|--------------------------------------|----------|--|

| Copy to: | Employee | Headteacher/SBM | Director of Finance Business & Operations |
|-----------------|----------|-----------------|---|
| | | | |

Commercial Card Destruction Form

| | |
|---------------------------|--|
| School: | |
| Card Holders Name: | |
| Card Holders Signature: | |
| Date: | |
| Last Four Digits of Card: | |
| Reason for Destruction: | |

Confirmation of Card Destruction witnessed by:

| | |
|------------------------------------|--|
| School Business Manager Name: | |
| School Business Manager Signature: | |
| Date: | |

The School Business Manager MUST ensure all the following are completed:

| | Date Completed | Signature |
|--|----------------|-----------|
| All documentation to support up to date transactions are received | | |
| All transactions processed on PS Financials | | |
| The Bank has been notified | | |
| The Director of Finance Business and Operations has been notified with a copy of this form submitted. | | |
| The credit card ledger a/c on the finance system is closed in liaison with the Director of Finance Business and Operations | | |

Commercial Card Transaction Processing

1. SETTING UP A NEW COMMERCIAL CARD

Select:

- Masters
- Accounts
- xxxxxx_CCARD
- Add

Enter:

- Account – use the last four digit of card number for the card holder
- Account Title – Name of the Card holder

2. PROCESSING SPENDING AND PAYMENTS

2.1 RECORDING CREDIT CARD PAYMENTS / EXPENDITURE ON PS FINANCIALS

Expenditure should be recorded on PS Financials as soon as possible. The School Business Manager is responsible for ensuring that a clear process is in place to facilitate this and that the commercial card user (s) understand and comply with this process.

(a) Purchase Invoice (Document type POIN or xxPI)

The card user should provide an approved requisition or order along with the receipt for goods or invoice. The SBM/SFO should process this on PSFinancials in accordance with the normal process for supplier invoices.

The ledger entries which will be made through this process are

Debit: Income and Expenditure Account amount before VAT

Debit: XXX9521 VAT Input Tax paid at relevant rate

Credit: xxx9500 Purchase Ledger control account amount after VAT.

(b) Credit Card Expenditure

The SBM/SFO should process the payment of the invoice as a credit card expense at the same time as processing the invoice in (a) above.

The ledger entries which will be made through this process are

Debit: xxx9500 Purchase Ledger Control Account xxx Supplier Cost Centre Account
amount after VAT

Credit: xxx9410 Credit Card Control Account.

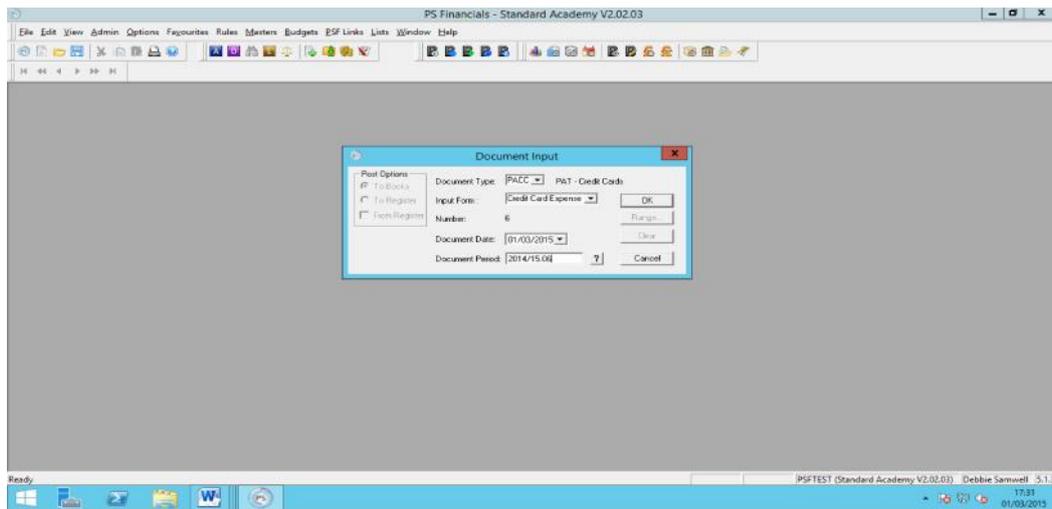
Once processed the SBM/SFO should be able to allocate the credit card payment against the purchase invoice on the purchase ledger and file source documents in accordance with filing arrangements for other purchase invoice payments.

Commercial Card Transaction Processing

In the PS Accounting Module:

- Select : Options
- Select: Document Input

You will then see your normal document input pop-up screen. Select Document Type : Credit Card (xxCC), Input Form Credit Card Expenditure:



Once the above screen is completed, select ok. The screen overleaf should now appear:

Insert credit card user ledger code or double click question mark to select from list.

Enter supplier and purch order no.

Enter Gross amount of spend.

Nominal: enter relevant Purchase ledger nominal (xxx9500)

Account: enter relevant supplier account code (eg AMA001xxx Amazon) or double click question mark to select

Value: Enter gross value.

VAT Rate: ZERO

Description: Enter date of purchase(xx.xx.xx) and description of goods or purchase order number.

Commercial Card Transaction Processing

2.2 RECORDING THE STATEMENT RECEIVED DUE FOR PAYMENT

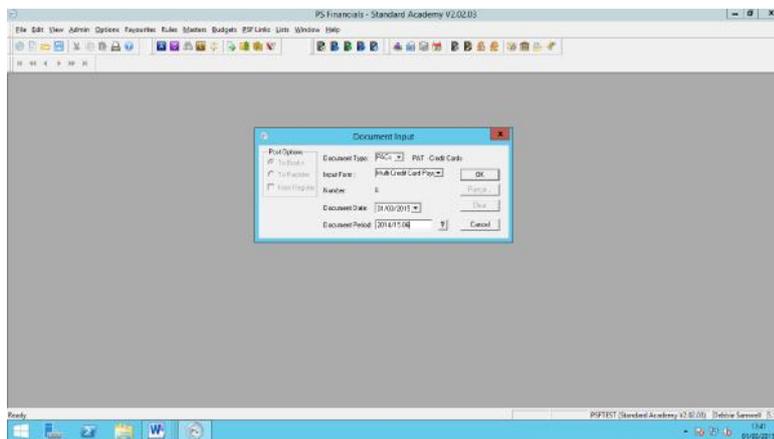
On receipt of a statement it should be recorded immediately on PS Financials so that it can be reconciled off against the Direct Debit when undertaking the Bank Reconciliation. The ledger entries which will be made through this process are:

Debit xxx9410 Credit Card Control Account
Credit xxx9400 Bank Account)

In the PS Accounting Module:

- Select : Options
- Select: Document Input

You will then see your normal document input pop-up screen. Select Document Type : Credit Card (xxCC), Input Form Credit Card Payments.



Double click for list of bank accounts to select from or enter you bank account number.

Enter statement date

Enter total amount of statement.

Enter Card holder ref. or double click on question mark to select from drop down list.

Enter amount for user.

Enter "Credit Card Statement dated xxxx"

Commercial Card Transaction Processing

2.3 MONITORING YOUR CREDIT CARD CONTROL ACCOUNT (XXX9410)

Once you have input your commercial card statement payment you are able to allocate the commercial card statement payment against the corresponding expenditure items which have been undertaken on it on your control account. This is done in the Accounting Module:

- Select: Account Enquiry
- Nominal Code Values: xxx9410

Match your statement payment off against statement expenditure items by clicking on the payment line and selecting the Allocation option from the menu options. This should turn the line green. Do the same process for the expenditure lines. Once all lines highlighted in green balance to nil you can confirm the allocation by selecting the confirm menu option.

The Credit Card Control account should be reconciled at least monthly to ensure that it either balances to zero or that any balances relate to expenditure which has taken place after the last statement date.