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1.0 Purpose

The purpose of the Program is to establish a more efficient, cost-effective method of procuring and paying for goods and services from suppliers who accept payment by Visa. It is designed to replace a variety of processes including petty cash, certain purchase requisitions, purchase orders, payment requisitions, and cheque writing.

2.0 Applicability

- 2.1 This Policy and Procedure covers the use and administration of the Visa Procurement Card Program by the University of New Brunswick and is University wide.
- 2.2 The Program provides an efficient and effective method of procuring and paying for goods and services. The Program consists of Visa charge accounts listed in the name of participating employees (Cardholders) and the University. Charges to these Visa accounts are a liability of the University and not the individual account holders.
- 2.3 It is University policy to use Procurement Cards for departmental purchase and payment of goods and services (within the levels of procurement authority delegated) where it is efficient, economical and operationally feasible to do so.
- 2.4 Exceptions to this policy must have prior approval by the Comptroller or the Director of Financial Services & Assistant Comptroller.

3.0 Definitions

- 3.1 **Procurement Card (P-Card):** A Visa charge card issued to an employee participating in the Procurement Card Program.
- 3.2 **Procurement Card Administrator:** A person in Financial Services (Manager of Procurement Services) responsible for the review and approval of requests generated for Procurement cards.
- 3.3 **Procurement Card Administrator Assistant:** A person in Procurement Services, designated by the Procurement Card Administrator, to assist with the general administration of the Program.
- 3.4 **Cardholder:** A designated participant in the Procurement Card Program who holds a Visa charge card issued under the Program.
- 3.5 **Cardholder's Assistant:** A person designated by the Cardholder to assist them with the monthly mandatory monthly accounting and reconciliation processes.



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3.6 Card Issuing Bank: For purposes of this Policy and Procedure

Canadian Visa Procurement Card Program:

Royal Bank of Canada
Commercial Card Program
1 Place Ville-Marie
4th Floor, South Wing
Montreal, Quebec H3C 3A9
Attention: Program Manager
Fax: (514) 874-5615

Royal Bank Customer Service and Support:

Royal Bank of Canada
320 Front St. West
Toronto, Ontario M5V 3C8

Customer Service:

Toll Free: 1-800-588-8065 (8:00AM - 8:00PM, Mon - Fri)
1-416-974-4711 (Fax)

Lost/Stolen Reporting and card Activation

Toll Free: 1-800-588-8067 (24 hours a day)

4.0 Program Benefits

- 4.1 Simplified procedures for requisitioners, enabling employees to focus on the value added aspects of their jobs.
- 4.2 Reduced number of purchase requisitions, purchase orders, invoices, and cheques.
- 4.3 Expedited payments for suppliers and enhanced supplier relations.

5.0 Procedures

5.1 Card Issuance

- 5.1.1 The Department Head (Director, Chair, etc.) may designate one or more full time employees to be Cardholders. To obtain a Procurement Card account, the Department Head must submit the following to the Procurement Card Administrator:
 - a) Visa Procurement Card Program Application Form
 - b) Cardholder Agreement (upon receipt of Card by the Procurement Card Administrator)

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- 5.1.2 By signing a Cardholder Agreement, the employee and the Department head acknowledge their understanding of the terms and conditions and guidelines for use of the Procurement Card account as defined in this Policy and Procedure. The Procurement Card account may only be used by the individual in whose name the account is issued.
 - 5.1.3 The Procurement Card Administrator will arrange for issuance of cards as required. Procurement cards take approximately two (2) to three (3) weeks to be issued and are sent directly to Procurement Services.
 - 5.1.4 The Procurement Card Account will be issued in the name of the University and the individual designated to be the cardholder. Valid charges to the card are the liability of the University and not the Cardholder.
 - 5.1.5 Each card is assigned an individual prescribed transaction limit (varies by cardholder responsibilities and requirements), and an individual monthly credit limit (varies by cardholder responsibilities and requirements). The monthly limit cannot be exceeded in any thirty day statement cycle period. If either of the individual transaction limit or monthly credit limit is exceeded by a transaction, the transaction will be refused by Visa. Requests for changes to the limits on any account must be submitted to the Department Head. If a change is warranted, the Department Head will submit a change request to the Procurement Card Administrator.
 - 5.1.6 The Procurement Card is the property of the University. Cardholders are responsible for the security of the plastic card issued to them and for the validity of all transactions on the card. Cardholders must sign the back of their cards and keep them secured.
 - 5.1.7 Before receiving a Procurement Card, the cardholder is responsible to complete the Procurement Card Application Form and to read and sign the Procurement Card Program Cardholder Agreement upon receipt of Card by the Procurement Card Administrator.
- 5.2 Card Cancellation**
- 5.2.1 The Cardholder shall return the Procurement Card to the Department Head when (s)he no longer requires use of a card or status changes i.e., transfer to a new department, expiry of term, resignation, retirement, termination, expired funding, etc. The Procurement Card must not be transferred by the Cardholder to any other staff member.
 - 5.2.2 The Procurement Card Administrator will immediately notify the US Bank Commercial Center by phone and in writing. The card will be delivered to the Procurement Card Administrator who will destroy it, and/or return it to the Bank.



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5.2.3 Misuse of the card or failure to comply with the terms of this Policy and Procedure may result in the card cancellation and/or other disciplinary action including possible termination of employment.

5.3 Card Use

5.3.1 Each Cardholder's Procurement Card has a unique Visa account number and will be linked to one (1) assigned default UNB General Ledger account code identified on the Application Form.

5.3.2 Only the Cardholder can use the Procurement Card.

5.3.3 The card can only be used for valid authorized expenditures within prescribed transaction limits for each card. Listings of valid and prohibited purchase categories are included in this document. The card itself incorporates controls over specific types of expenditures, suppliers, transactions and total dollar limits. However, each Cardholder is responsible for ensuring that the card is used only for valid purchases as set out in this Policy and Procedure.

5.3.4 The Procurement Card may be used for valid U.S. or international purchases up to \$1,000 equivalent Canadian dollars. NOTE: U.S. and International shipments must be addressed as follows to avoid payment of unnecessary duties:

University of New Brunswick
Department of _____
University address
Attention: _____

5.3.5 The Procurement Card may be used for valid purchases in-store or by mail, phone, fax, or Internet.

5.3.6 The Procurement Card may not be used for any purchase with a total value exceeding the individual transaction limit including all sales taxes and other charges such as postage, courier, freight, installation fee, and handling. Under **NO** circumstances will a transaction be "split" into two or more transactions to bypass the single transaction dollar limit and circumvent this Policy. Cardholders found splitting transactions will have their cards cancelled. Cancelled cards are to be returned to Procurement Services.

5.3.7 Some supplies, some categories of supplies and some suppliers are excluded from the Visa Procurement Card Program. Visa transactions at excluded suppliers will be automatically declined by Visa at the time the card is presented. If there is any question about why the transaction was declined, the Cardholder should contact the US Bank Commercial Card Center @ 1-800-588-8065. If the supplier was improperly excluded, contact the Procurement Card Administrator.

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- 5.3.8 The Cardholder is responsible for obtaining from the supplier a Visa receipt, packing slip and other documentation marked “Paid by Visa” for all in-store purchases. The Visa receipt or other documentation must show separately the applicable taxes included in the transaction. ALL transaction slips must be legibly signed by the Cardholder.
- 5.3.9 The Cardholder is responsible for instructing the supplier of all mail, telephone, fax, or Internet transactions to include a Visa transaction slip, packing slip or invoice with each shipment clearly marked “Paid by Visa” and the account number. The shipment should be properly addressed as to Cardholder name and department. The shipping label is NOT to include the Visa account number.
- 5.3.10 When ordering materials, Cardholders should attempt to have the supplier absorb any freight costs (order FOB destination, freight included). However, if freight costs are to be borne by the University, the Cardholder shall arrange for the supplier to prepay the freight and charge the costs on their billing. Freight bills received in Accounts Payable without sufficient information to identify the purchase shall be returned unpaid.
- 5.3.11 Proof of purchase (i.e. supplier receipt/invoice/itemized sales slip, packing slips, or any other documentation) shall be obtained for each purchase. (see Accounting procedures 5.7).
- 5.3.12 Cardholders should advise suppliers that full billing cannot occur until full shipment is made. If partial shipment is made, billing for that portion of the order may be processed.
- 5.3.13 The Cardholder is responsible to ensure there is adequate funding available to pay the transaction prior to making the purchase. The transaction may not be charged to the University General Ledger account for up to 6 weeks following the purchase.

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5.4 Purchase Categories

5.4.1 Valid Purchases:

- office supplies
- packaging supplies
- small tools
- consumable supplies, i.e. fasteners, etc.
- subscriptions
- memberships
- registrations
- periodicals
- books
- safety and first aid supplies
- lab supplies
- recorded audio video tapes
- reprints
- electrical supplies
- plumbing supplies
- minor vehicle repairs
- small tool rentals
- inter-library loans

5.4.2 Prohibited Purchases:

- purchases over prescribed transaction limits
- personal use
- goods and services from any employee of the University
- cash advances
- travel expenses, including, but not limited to: transportation, accommodations, vehicle rentals, fuel, and meals
- material for resale
- liquor
- narcotics, alcohol and other hazardous chemicals or materials
- laboratory or research animals
- maintenance contracts
- radioactive materials
- computer hardware, software and peripheral equipment
- salaries, wages, or consulting fees
- vehicle rentals
- hospitality gifts, including, but not limited to: - flowers, retirement, baby, Christmas, birthday, gift cards, prizes, etc.
- hospitality food/decorations for department parties, Christmas, retirement, etc.

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- 5.4.3 Procurement Card purchases for general ledger funds 15, 21, 40 - 59 are **strictly prohibited**. Continued violations involving the use of these accounts will result in the cancellation of the violator's Visa Procurement Card.

5.5 Returning Goods and Dispute Resolution

- 5.5.1 The Cardholder is responsible for the return of goods, and for obtaining a credit against the card. **The Cardholder must NOT accept a cash refund under any circumstances!** The Visa credit slip and other vendor documentation pertaining to the return must be retained and attached to the Monthly Activity Statement. The return must be included with the Monthly Activity Statement in the period in which the goods are returned.
- 5.5.2 Every month Cardholders will receive a detailed Visa activity statement directly from the bank. The statement is cut-off on the 27th of each month. Procedures for verification and reconciliation of the statement are provided in Section 6.7 of this document.
- 5.5.3 In the event that the item on the activity statement does not correlate with the Monthly Activity Statement, the Cardholder must immediately contact the supplier and try to resolve the difference. If a credit is required, and the supplier agrees to credit the Cardholder account, the Cardholder should record the credit in the current month activity log (i.e. in the month that the credit is being issued.)
- 5.5.4 If the supplier declines to issue a credit to the account, the Cardholder should immediately notify the Royal Bank Commercial Card Centre of any unauthorized charges at 1-800-588-8065 and confirm the notification by facsimile using the Cardholder Dispute Form (Attached).
- 5.5.5 Disputed charges must be identified and notified to the bank within 30 days of the date of the activity statement. **The Procurement Card Administrator must be copied on all correspondence with the bank.**

5.6 Lost or Stolen Cards

- 5.6.1 If the card is lost or stolen, contact the bank's customer service number at 1-800-588-8067 immediately. Advise the Procurement Card Administrator as soon as the bank has been notified.
- 5.6.2 Each Cardholder is responsible for the security of his or her card and all transactions on the card. Cardholders must ensure that all cards in their in possession are signed and secured.

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5.7 Accounting

- 5.7.1 The Cardholder or the Cardholder's Assistant must retain the original receipt and other supplier documentation available at the time of each purchase transaction. These receipts and other supplier documentation are to be held and will be used for the reconciliation of the Monthly Activity Statement to the Cardholder Activity Report and must be sent to Procurement Services monthly.
- 5.7.2 The Procurement Card Administrator will receive a central billing statement from the issuing bank and forward it to Accounts Payable to be paid. Statements are cut-off on the 27th of each month. If the 27th falls on a weekend or holiday, the statement cut-off date is the next business day after the 27th.
- 5.7.3 Each Cardholder will receive a monthly reminder email from Procurement Services to complete the monthly reconciliation with a deadline date provided (normally 8 calendar days after the 27th). The Cardholder or the Cardholder's Assistant will:
- Ensure there is a transaction slip for each item that appears on the on-line Cardholder Activity Report.
 - Ensure that the default UNB General Ledger account code is changed on the on-line system to the appropriate code for each transaction on the Cardholder Activity Report.
 - Ensure that in cases where transactions may be classified as Hospitality (Object code 61130) or Employee Hospitality (Object code 61131), or Hospitality - Liquor purchase (Object code 61132) an approved Hospitality Details Form must accompany the Cardholder Activity Report.
- 5.7.4 Each Cardholder will receive a paper Visa Statement directly from the bank. Immediately upon receipt of the paper Visa Statement, the Cardholder or the Cardholder's Assistant will:
- Ensure that all transaction items are on the paper statement and the on-line Cardholder Activity Report.
 - if there are discrepancies between any transactions in the Cardholder Activity Report and the paper statement, the Cardholder will resolve in accordance with Section 5.5 of this document.
- 5.7.5 Once the reconciliation is complete, the Cardholder Activity Report must be signed by the Cardholder and approved by the Cardholder's one-over-one signing authority.
- 5.7.6 The reconciliation of the Cardholder Activity Report must be forwarded to Procurement Services **by the date indicated in the monthly email**. It is mandatory to have all original receipts and other supplier documentation attached.

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- 5.7.7 Cardholders who continue to submit monthly Cardholder Activity Reports that are not signed and approved or have missing documentation will have their cards cancelled.
- 5.7.8 After the deadline for reconciliation and submission to Procurement Services, the charges will be posted to the Department General Ledger accounts.

5.8 Audit

- 5.8.1 The Procurement Card Administrator and Cardholder/Departmental designate will conduct audits, as required, to ensure that the card use complies with these Policies and Procedures, as well as to gather data on how, where, and for what purposes cards are used.
- 5.8.2 Periodic audits of the University's books and records are conducted by both internal and external auditors as well as various government agencies. Transactions under the Visa Procurement Card Program may be reviewed during these audits.

6.0 Compliance with University Procurement Policies

- 6.1 Except as expressly provided in this document, use of the Visa Procurement Card is not intended to override current applicable UNB procurement policies and procedures.
- 6.2 Cardholders must be aware of goods and supplies that have been tendered and are subject to UNB agreements/contracts, or Interuniversity Services Inc. agreements/contracts that UNB participates in.
- 6.3 Except in special circumstances, such goods and supplies must be purchased from the **contracted supplier**. **If the contracted supplier accepts payments by Visa** and subject to these Policies and Procedures, such purchases may be affected by means of the Procurement Card.