

CARDHOLDER MANUAL

**GREATER SASKATOON CATHOLIC
SCHOOLS**

Purchasing Card

Cardholder Manual

PREPARED BY ADMINISTRATIVE SERVICES

June 2006

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INTRODUCTION

Welcome to the School Division's Purchasing Card Program. The purpose of this program is to provide schools/departments with an easy, low-cost purchase and payment-processing alternative to petty cash and small dollar purchase orders within established purchasing authorization.

We recommend that you read this guide in its entirety before requesting and/or using your Purchasing Card. This manual provides a variety of information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled monthly and miscellaneous information about the program.

PROGRAM OBJECTIVE

The primary objective of the Purchasing Card Program is to provide a more convenient, efficient, cost-effective method of purchase and payment for small dollar transactions and to provide schools with a simple method for direct purchases.

The Purchasing Card Program is not intended to replace other established procedures. Instead, it is intended to provide flexibility and autonomy to the cardholder while complementing current existing purchasing and payment guidelines.

Authorized individuals may use Purchasing Cards for the purchase and payment of goods where it is efficient, economical and operationally feasible to do so.

Applications include small dollar transactions where purchase orders are issued; or where cheque requisitions or petty cash are used to acquire goods.

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BENEFITS AND EFFICIENCIES**For Cardholder and School Division:**

- Flexibility
- Improved relations with suppliers.
- More direct and efficient means of obtaining goods and services.
- Reduced petty cash/reimbursement handling and processing.
- Streamlined approval process.
- Fits in your pocket.

For Administrative Services:

- Reduced purchase order/invoice processing.
- Increased control.
- Increased management reporting.

For Suppliers:

- Increase sales.
- Improved cash flow.
- Reduce invoice cost.
- Opportunity to strengthen customer relations.
- Improve payment terms to Suppliers.
- Reduce credit risk
- Immediate payment.

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RESPONSIBILITIES**Cardholders**

- Complete and sign a Purchasing Card Program Application and a Purchasing Card Employee Agreement for each card requested and forward requests to the Plan Administrator for approval.
- Immediately sign the card upon receipt to prevent unauthorized purchases.
- Maintain card security to prevent unauthorized charges against the account.
- Use it only for the purchase of items in accordance with school division policies.
- Obtain a receipt, for every transaction, at the point of purchase.
- Retain receipts and charge slips.
- Reconcile receipts to the Monthly Cardholder Expense Report.
- Return the Cardholder Expense Report together with all relevant original receipts to Administrative Services within the timelines identified.
- Notify USBankCorp immediately regarding lost or stolen cards. Notification is required to release the school division from liability for charges incurred by someone other than the cardholder.
- Notify Customer Service representative at USBankCorp of any billing discrepancies posted on the Monthly Reconciliation Statement that cannot be resolved with the supplier. USBankCorp will place these charges in dispute status until they are resolved.
- Notify the Plan Administrator of lost/stolen cards, billing discrepancies and name, telephone, address or department changes.

Plan Administrator

- Approve/Change/Cancel Purchasing Card.
- Establish and maintain school division wide communication.
- Develop and distribute program literature and materials.
- Primary contact person for USBankCorp and school division.
- Primary contact person for questions regarding the use of purchasing cards for the division.
- Ensure division purchasing card application and cardholder agreements are completed correctly and approved accordingly.
- Forward the card application to USBankCorp for processing.
- Inform Cardholders of their responsibilities and obligations for use of the Purchasing Card.
- Maintain Purchasing Cardholder Agreements, Purchasing Card Applications, Cardholder Limits and Change Requests.

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- Assist in problem resolution.
- Audit program compliance and receipt retention.
- Notify appropriate managers of non-compliance issues and assist them in enforcing non-compliance measures.
- Ensure cardholders confidentiality.
- Identify future Purchasing Card Program applications/enhancements.
- Develop and provide cardholder training.
- Work with cardholders to identify appropriate suppliers.

Accounts Department:

- Processes the monthly Purchasing Card payments to bank;
- Stores and files all Cardholder original receipts and monthly statements as per Canada Revenue Agency guidelines;
- Interface transactions with General Leger;
- Audit appropriateness of GL account numbers.

Customer Service

- Offer individual cardholders a full range of telephone information services.
- Provide 24 hour service, seven days per week.
- Take orders for replacement of damaged card(s).
- Provide account balances.
- Answer credit limit inquiries.
- Provide general account information
- Take duplicate statement request.
- Receive lost/stolen card reports.
- Process disputes.
- Receive name and address changes.
- Resolve problems.
- Activate new cards.

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HOW DO I GET A PURCHASING CARD?

Any employee who has completed the 90 day probation period and holds a full time permanent position, has the responsibility for making purchases on behalf of his/her school/department and has approval of his/her school principal or department supervisor is eligible for a purchase card.

PROCESS OF ISSUING A PURCHASING CARD**STEP 1**

An individual who wishes to receive a Purchasing Card must complete the Purchasing Card Program Application and a Purchasing Card Employee Agreement. Forms are available from the Plan Administrator.

STEP 2

All Purchasing Card applications are to be directed for approval to the authorized Budget Manager. Subsequent changes must follow the same approval process.

STEP 3

Once approved, the application is forwarded to the Plan Administrator for processing.

STEP 4

The Plan Administrator is responsible for ensuring that every Cardholder is informed of the transaction and credit limits of their Purchasing Card as well as their responsibilities and the restrictions regarding the use of the Purchasing Card. Each Cardholder will be provided with a copy of the completed Purchasing Card Employee Agreement.

STEP 5

A Purchasing Card will be available within two weeks but will not be released until the Cardholder signs the Cardholder Agreement. A copy of the signed Cardholder Agreement will be sent to the Cardholder.

Note: A separate Purchasing Card Application Form and Cardholder Agreement must be signed for each Purchasing Card issued.

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HOW DOES THE PURCHASING CARD WORK?**The Purchasing Card is for business use only!**

The Purchasing Card is a commercial credit card. It works similarly to your personal credit card except that there are specific merchant limitations and monthly or annual transaction limits. Each time you use your Purchasing Card, an electronic process verifies that your purchase is within the predetermined limits. If your purchase violates these limits, the supplier will not be able to process your order.

ORDERING

When placing an order by phone or mail

1. Inform the Supplier that you are ordering on your School Division Purchasing Card.
2. Give your name as it appears on the card, the VISA Purchasing Card number and expire date
3. Give accurate delivery information, including:
 - School/Work Place
 - Contact Name
 - Street Address
 - Phone Number
4. Request that:
 - "Credit Card Purchase" be marked on the outside of the package, and
 - A priced packing slip or a detailed sales receipt be enclosed

When purchasing goods or services in person:

1. Give the Supplier your Purchasing Card for processing.
2. Obtain the itemized receipt and the VISA transaction slip from the Supplier at the time of the purchase.

RECEIPTS

Get a receipt from the supplier for each transaction. Save your receipts! Receipts will be used to reconcile your monthly Purchasing Card Statement. Receipts that do not clearly list the items purchased are not considered adequate

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documentation. If you lose a receipt, attempt to get a copy from your supplier. If it is impossible to get a copy then create one detailing the information required on a receipt and have your supervisor/manager sign it as an authorized proof of purchase.

Receipts include charge slips, cash register receipts or priced packing slips. For subscriptions, a copy of the renewal notice or initial subscription request is a receipt.

All receipts must include the following information:

Purchasing Card #
Itemized description of goods or service purchased
Supplier name
Transaction date
Transaction total
GST
GST Registration Number
GL Code (provided by Cardholder)

SUPPLIER REJECTS CARD

If the Supplier rejects the Purchasing Card it will be for one of the following reasons:

- The Purchasing Card has reached its individual or monthly transaction limit.
- The Supplier has been purposely excluded from the Purchasing Card Program (For more information about specific exclusions contact the Plan Administrator).
- The Supplier is not currently a VISA Merchant. In this case, the Cardholder should contact the Plan Administrator if they feel the supplier should be in the program or, have the supplier contact the Plan Administrator directly.
- The person presenting the card is not the registered cardholder.

RECEIPT and RETURN OF GOODS

It is the Cardholder's responsibility to ensure receipt of goods and to follow up with Suppliers to resolve any delivery problems, discrepancies and/or claims for damaged goods.

If goods need to be returned, the Cardholder is responsible for coordinating returns directly with the Supplier, as well as securing the appropriate credit. The Supplier may require the use of a Returned Material Authorization Number

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(RMA). This number should be clearly marked on the package label when returning goods.

CASH REFUNDS ARE PROHIBITED!

At the time of return, request that the Supplier issue and send a VISA credit transaction slip to verify that credit was given. *The Cardholder will be required to attach this transaction slip to their monthly statement as supporting documentation.*

If more information regarding the return of goods is required, refer to the Purchasing Manual or contact the Plan Administrator.

CUSTOMS and EXCISE

If an order is from out of country, applicable duty and/or taxes will be incurred in one of three ways:

1. Through the school division's customs brokers, Percy H. Davis Limited
2. Via courier, the courier will request payment of these charges at the time of delivery:
 - School Division contracted couriers will invoice for their services.
 - Non-contracted couriers can issue an invoice for payment that will be sent to Administrative Services.
 - You can also pay for these charges with your Purchasing Card.
3. Through Canada Post:
 - Canada Post will require your Customer Account Number or cash before the package is released.

CARDHOLDER RECONCILIATION PROCESS

Reviewing and reconciling cycle statements are handled through "AccessDirect (Web) Cardholder", an internet-based cardholder program designed to deliver Visa transactions to cardholders so cardholders can review and edit your transaction data. AccessDirect contains transactions as far back as six months. Access to this program is through the Saskatoon Catholic Schools Web Portal.

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For the purpose of this section the following definitions are necessary:

Statement Billing Period: The monthly billing period. “Cycle Date” indicates the last complete billing cycle. A custom billing period covers all complete billing cycles whose cycle date falls between the “Start” and “End” dates. Saskatoon Catholic Schools Start date is the 15th day of the month and the End date is the 14th of the following month.

Cycle Date: The date the monthly cycle was created. The cycle includes all transactions posted to the account from the cycle date back to (but not including) the previous cycle date.

Accessing AccessDirect (Web) Cardholder First Time Access

The first time you log into AccessDirect (Web) Cardholder, you will enter:

Company Number: SCS Company Number is 1491

User ID: Each user ID will be assigned by the Program Administrator and will be 6 to 12 characters in length. (The user ID is case sensitive and can only be letters and numbers)

Password: Your default password. Your password can be 6 to 12 characters in length. When a cardholder logs on to the site for the first time, the password is 123456. Once in the program the user will be prompted to change this password to a unique permanent password. On this first attempt, the user will not be able to advance until the password has been changed.

Monthly Procedure:

On or shortly following the 15th of each month you will receive an e-mail advising you that transactions for the latest transaction billing cycle are available for cardholders to open and edit transactions. This e-mail will also provide a return date by which time each cardholder’s “Cardholder Activity” Report along with supporting receipts are to be submitted to Administrative Services. Upon receipt of this e-mail, it is your responsibility as a cardholder to access the program as soon as possible, edit the transactions, print the cardholder activity report, attach appropriate receipts and submit the package to Administrative Services by the due date identified.

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Monthly Procedure to log into AccessDirect:

1. Launch internet browser, go to the Saskatoon Catholic Schools Web Portal and select "Financial Management". From the drop down window select "Purchase Card"
2. Select the Cardholder link for your language of preference. The Login screen displays.
3. In the Company Number field, type your company number = 1491
4. In the User ID field, type your user I D. = (provided by the Plan Administrator)
5. In the Password field, enter your password.
6. Click the Login link. The Select Cardholder Account screen displays.

Viewing and Printing Activity Reports:

Viewing a Cardholder Activity Report

To view your statement

7. You will see your name on the screen
8. Ensure that the Cycle Date check box is selected.
9. The cycle date you want to view will be the date appearing in the Cycle Date drop-down menu.
10. Click the Review Transaction button. (The Transaction Summary report displays.) Identify transaction to be reconciled and click on the Details link to the left of the transaction
11. To edit the Allocation Codes, click the "List" link to the right of GL Account Number box and choose the appropriate G/L code from the drop down box. Ensure the appropriate Budget Manager code is identified and if there is a Program Number place it in the appropriate box. If there is no Program Number leave the box blank
12. When appropriate Allocation Codes and Comments have been entered change the Status of the transaction to "Reviewed" then click on "Submit".
13. Once each transaction has been reviewed and submitted, "Refresh" and close the Transaction Summary" window.
14. Click the "View Activity" window. This will open the "Cardholder Activity" report. Check to ensure all relevant information is included for each transaction. Print the report by selecting the Print link
15. When you are finished viewing the report, click the close link to close the screen and return to the main screen
16. Logout
17. Submit your Cardholder Activity Report together with all receipts to Administrative Services.

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INCORRECT CHARGES

If you find a discrepancy between your quote and statement, call the supplier immediately to resolve the discrepancy. If the matter remains unresolved contact the Plan Administrator at 659-7023. If a transaction on the monthly statement does not belong to you contact USBankCorp Purchasing Card Customer Service at 1-800-588-8065 and advise your Plan Administrator.

LOST OR STOLEN CARDS

The Cardholder must notify USBankCorp VISA and the Plan Administrator immediately of any lost or stolen cards. The lost or stolen card will be cancelled and a replacement card will be issued. USBankCorp Visa Customer Service representatives are available 24 hours a day, 365 days a year at 1-800-588-8065.

PRODUCT QUALITY/SERVICE

If you receive a product that is either incorrect or defective allow the supplier a reasonable amount of time to either replace the product, resolve the service issue or issue you a credit before you turn the matter over to the Program Administrator.

SPENDING CONTROLS**Cardholder Single Transaction Limit**

This is the maximum dollar amount authorized per transaction. Unless advised otherwise, the single transaction limit per card (including all taxes/shipping/handling etc.) is \$1,500.00.

Cardholder Monthly Credit Limit

This limit is the maximum dollar amount authorized for a cardholder within a 30 day billing cycle. Unless advised otherwise, the monthly credit limit per card (including all taxes/shipping/handling etc.) is \$5,250.00.

Spending limits for each cardholder may vary per card and have been set based on discussions with the School Principal or Supervisor in conjunction with the Plan Administrator. To allow for ongoing use of each Purchasing Card, cardholder monthly spending limits are replenished automatically by the bank on the day following the issue of statements. The statement day is set for the 15th of each month. Cardholder balances are cleared at midnight on the 14th of each month.

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To request an adjustment to your credit limit, a written request approved by the School Principal or Supervisor must be forwarded to the Plan Administrator. Each request received will be reviewed to determine the viability of the request.

AUDITS

The Plan Administrator will periodically audit the program for compliance with Purchasing Card policies and procedures.

You are responsible for the transactions identified on your statement. If an audit is conducted on your account, you must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, you are responsible to show that the error or dispute resolution process has been invoked.

PURCHASING CARD CANCELLATIONS

If it is necessary to cancel a Purchasing Card, the Cardholder must return the Purchasing Card to the Plan Administrator. The Plan Administrator will contact the USBankCorp to immediately cancel the card.

Reasons for cancellation:

- Cardholder is no longer employed by the School Division.
- Cardholder goes on leave without pay.
- Cardholder is requested to surrender the Purchasing Card due to violation of policies.
- Cardholder elects to discontinue participation in the program.

DEFAULT G/L ACCOUNT

Each Purchasing Card is associated with a General Leger expense account number. Expenses not re-allocated by the cardholder before the cut-off date will be charged to the default G/L account and it will be the cardholder's responsibility to initiate journal entries to charge it to the appropriate account.

YEAR END

Special accommodations will be made for year-end activities. A memo will be sent out on an annual basis to inform Cardholders of cut off dates for processing Purchasing Card transactions in order to have charges appear on the current year's final monthly account report.

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TAX

Taxes and rebates will be calculated using the following basic assumptions:

- Saskatchewan purchases have been charged both GST and PST
- Out of province Canadian purchases have been charged GST, but not PST
- Out of country purchases will not have been charged either GST or PST

In all instances, both taxes are payable by the school division and will be debited against the cardholder's account accordingly.

The GST on any imported goods is being charged separately by Canada Post or the Courier handling the delivery, or by Percy H. Davis Limited, the School Division's contracted customs brokers.

DOCUMENTING TRANSACTIONS

Every charged transaction and credit transaction made using the Purchasing Card must be supported by valid and complete documentation. Not providing supporting documentation for all transactions is a Cardholder violation. Below is an explanation of what is considered acceptable supporting documentation and an explanation of what information must be included on each piece of documentation.

Acceptable supporting documentation

Acceptable supporting documentation is defined as:

- Receipt together with VISA transaction slip from the Supplier
- Priced (including taxes) packing slip
- Order forms, or a copy of the form, for dues, subscriptions, registrations and similar items
- Invoice showing "Credit Card Payment"
- Copies of VISA transaction records sent directly from the Bank in place of lost documentation.

Information that must be on the documentation

The documentation for every transaction made on the Purchasing Card must include the following information. If this information is not included in the supporting documentation then it can be written directly in the "Comments" field of the "Transaction Detail" screen.

- Supplier identification (Merchant Name)

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- Date purchase was made
- Description and quantity of each item purchased
- Per item cost if available
- Cardholder identification - Name and Number
- Supplier's GST number

If original supporting documentation is lost

Contact the Supplier to provide a copy of the original documentation. If the Supplier is unable to provide documentation, contact USBankCorp directly at 1-800-588-8065 to provide a copy of the transaction slip. Ask that the documentation be faxed directly to the Plan Administrator in Purchasing.

RESTRICTED PURCHASES

The Purchasing Card must NOT be used for the following:

- 1) PERSONAL AND PRIVATE USE
- 2) INAPPROPRIATE PURCHASES
 - Purchase of gasoline or other petroleum products
 - Cash advances
 - Donations
 - Purchase of alcohol and/or alcoholic beverages
 - Controlled items such as hazardous material
 - Centrally controlled budget items such as – Furniture, Audiovisual Equipment, and Caretaking Equipment etc.
 - Contracted Goods and Services
 - Maintenance Contracts
 - Extended Rentals or Leasing
 - Direct employment of individuals

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VIOLATIONS AND CONSEQUENCES**Personal Purchases**

Violation:

It is against School Division policy to use School Division funds to purchase items for personal use. Personal purchases could jeopardize the School Division's tax status, permits and Supplier contracts. Additionally, the School Division is burdened with the cost of processing non-School Division purchases and reimbursements.

Consequence:

The School Division must be reimbursed immediately for the amount of the personal purchase. Use of the Purchasing Card will be revoked and the Purchasing Card canceled. Any violation of this policy may be investigated and could result in termination and/or criminal prosecution.

Inappropriate Purchases

Violation:

Purchase of any inappropriate items or services on the Purchasing Card. See list of restricted items under RESTRICTED PURCHASES #2.

Consequence:

The cardholder will be cautioned the first time. Continued violations will result in use of the Purchasing Card being revoked and the Purchasing Card canceled.

Failure to Provide Required Documentation

Violation:

Lack of required supporting documentation is a Cardholder violation. Transactions where the Supplier does not provide original documentation are not considered a violation; however, this must be substantiated by notifying the Plan Administrator that a request for documentation from USBankCorp has been issued (see Acceptable Supporting Documentation).

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Consequence:

The cardholder will be cautioned the first time. A repeat violation will result in an audit being carried out and cancellation of the card.

Failure To Reconcile Monthly Statement**Violation:**

Failure to reconcile the monthly statement and forward the Cardholder Activity Report to Administrative Services, with all supporting documentation attached, within the time period identified.

Consequence:

The account will be paid as presented in the monthly Cardholder Activity Report with a warning issued to the cardholder. Repeated violation will result in an audit being carried out and, use of the Purchasing Card revoked and the Purchasing Card canceled.

In the event of willful or negligent default of the above, the School Division shall take any action deemed appropriate, that is permitted by law.

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CARDHOLDER KEY CONTACTS

USBankCorp Customer Service

Hours of Service: 8:00 a.m. – 8:00 p.m.

1-800-588-8065

(Please note, this number
is on the back of your card)

USBankCorp Lost/Stolen Reporting

24 hours/day/7 days/week

1-800-588-8067

(Keep this number in your home
phone book and your wallet as well)

School Division VISA Administration

Buyer

E-mail

659-7018 (phone)

659-2011 (fax)

rhickey@scs.sk.ca

Purchase Card Program Administrator

Supervisor of Purchasing

E-mail

659-7023 (phone)

659-2011 (fax)

aevoy@scs.sk.ca