



CITY OF VANCOUVER CORPORATE POLICY

SUBJECT: Corporate Purchasing Cards	
CATEGORY: Finance	POLICY NUMBER: AF-010-01

PURPOSE

This establishes a policy for use of Purchase Cards (P-Cards) as an efficient and cost effective means for the purchase of goods and services. The objectives of the policy are to ensure:

- Appropriate and authorized use of the P-Card
- Efficient administration supported by clear roles and responsibilities
- Implementation of sound internal controls to minimize corporate risk.

SCOPE

All City staff.

POLICY STATEMENTS

1 General

The purchasing card is used to purchase business related goods and services in accordance with the procedures governing the issue and use of the card as published from time to time by the Director of Finance. The purchasing card should not be used for transactions that will circumvent City Policies including:

- Travel ([AF-004-01](#))
- Training - External ([AE-017-01](#))
- Meeting Expenses - Types ([AF-007-02](#))
- Discretionary Expenses - Types ([AF-006-02](#)).

"Cardholder" is defined as:

- an individual P-Card holder
- the designated custodian/responsible manager in the case of departmental and ghost cards.

The P-Card cannot be used by anyone other than the cardholder.

1.1 Acceptable purchases made on behalf of the City include:

- single non-recurring purchase transactions not exceeding \$2,000
- purchases otherwise made using petty cash or personal funds or credit card requiring reimbursement from the City
- authorized business travel and training expenses

- emergency purchases as defined in Corporate Procurement Policy AF-015-01, Section 9.2.
- 1.2 Prohibited purchases include:
- goods and services for personal use
 - travel expenses covered under the Per Diem as per Travel Policy (meals and /or personal expenses)
 - training expenses where the course fees are reimbursed only upon satisfactory completion, e.g. BCIT Certificate courses.
 - office furniture and equipment
 - computer hardware and software, cellular phones, unless written authorization obtained from the Chief Information Officer
 - cash advances or settlement of City internal accounts
 - consulting services
 - any good or service covered by a contract established by Supply Chain Management including materials, repairs and operations supplies
 - any good/material stocked in Central Stores including safety and protective equipment

The purchase of prohibited items may be allowed, except personal use items, in emergency cases or where approved for specific cardholders by the applicable issuing authority (see section 2 below) with the concurrence of the Director of Finance or his/her designate. In the case of emergency purchases, approval prior to the purchase should be obtained when possible by the cardholder from the designated authorizing manager or supervisor. Appropriate explanation and justification must be attached to the cardholder monthly statement with receipts.

2 Card approving authority

2.1 Issuing Authority:

Cardholder	Issuing Authority
City Staff	General Manager or designate*
Corporate Management Team	City Manager
City Manager	Director of Finance
Council Members	Mayor or Deputy Mayor*

* for temporary absences.

P-Cards will only be issued after the cardholder has read and signed the P-Card Acknowledgment and Obligations for Use form. (See details in Purchasing Card Procedures)

2.2 Expenditure Authorization:

Each cardholder must submit their monthly P-Card statement to their approving authority for approval.

Card Expenditures	Approving Authority
City Staff	Manager or supervisor to whom the cardholder reports either directly or indirectly, who has authority to approve expenditures and has knowledge of the cardholder's job functions.
Corporate Management Team	City Manager
City Manager	Director of Finance
Council Members	Mayor or Deputy Mayor

3 P-Card transaction limits

3.1 Transaction limits and monthly credit limits are as follows:

- Single transaction limit - \$2,000
- Monthly transaction limit - \$7,000

3.2 Higher limits may be established at the request of the General Manager and with the concurrence of the Director of Finance.

3.3 Where the price of a purchase exceeds the cardholder transaction limit, it is unacceptable to split the purchase into multiple transactions to avoid exceeding the approved transaction limit.

4 Non-compliance

4.1 The P-Card carries corporate, not individual liability. The card is to be used only for City business related purchases of goods and services. The P-Card provider cannot accept direct payment from the individual cardholder on account. The P-Card program does not impact a cardholder's personal credit rating.

4.2 The cardholder is personally accountable for all transactions made with the P-Card issued in their name and must not allow another person to use the card.

4.3 Failure to comply with the P-Card policy and related procedures may result in the P-Card being revoked. Any violations of this policy may be reported to the appropriate General Manager and Human Resources for further actions.

4.4 Fraudulent or intentional mis-use of the P-Card for personal benefit will be considered misappropriation of City funds and will result in disciplinary action, up to and including termination of employment.

5 Travel and training expenditure

- 5.1 The City Policy on Travel ([AF-004-01](#)) outlines eligible expenses. All travel expenses may be charged to the P-Card, except expenditures covered under the Travel Per Diem (meals and personal incidental expenses). Hotel and air transportation reservations are to be handled by the City's designated travel agent and will be charged directly to the cardholder's P-Card. For staff travellers who do not have a P-Card, the travel agent will charge to a Corporate P-Card account.
- 5.2 The P-Card can be used for conference, workshop and seminar registrations, but not for training courses where the course fees are only reimbursed upon satisfactory completion ([Training External AE-017-01](#)).
- 5.3 The P-Card shall not be used for settling another employee's travel and training costs as incurred expenses will be reported on the annual Statement of Financial Information under the cardholder's name, unless prior manager approval is obtained and the cardholder advises Accounts Payable of same.

6 Roles and responsibilities

6.1 General Manager or designate (senior level manager reporting directly to the General Manager):

- Approval of cardholder applications based on operational needs.
- Approval of appropriate transaction and monthly credit limits, with the concurrence of the Director of Finance, if higher than the default limits.
- Assignment of Site Coordinator for department.

6.2 Cardholder or designated custodian in the case of a ghost or departmental purchasing card:

- Complying with the terms and conditions of the P-Card Acknowledgment of Responsibilities and Obligations for Use form.
- Maintaining card security to avoid unauthorized charges or usage.
- Ensuring all purchases is for City business and not personal use.
- Reviewing monthly statements and providing receipts and supporting documentation.
- See P-Card Procedures for more details.

6.3 Authorizing Manager or Supervisor:

- Identifying opportunities and appropriate individuals to receive and use the P-Card.
- Recommending to the General Manager the appropriate transaction and monthly credit limits for individual staff in accordance with City policy.
- Verifying that the cardholder is using the card in accordance with City policy and procedures and those transactions are related to and consistent with the job responsibilities of the cardholder.
- Reviewing and approving online each month, the cardholder's monthly transaction statements, and ensuring appropriate supporting documentation is attached for each transaction.

- Investigating any transactions which may be non-compliant with City policy and/or unusual; providing documentation to support exceptions or prohibited purchases.
- Reporting instances of non-compliance to the P-Card Administrator.

6.4 Site Coordinator:

- Designated by General Manager or Department Manager.
- Assists cardholders in P-Card application process, set up default account codes and liaise with P-Card Administrator.
- Ensures all department cardholders have reviewed monthly P-Card statements and obtained approval from Authorizing Manager/Supervisors online.
- Assists in coordinating submission of statements and receipts to P-Card Administrator each month
- Providing program-related administrative support to the cardholders and Authorizing Managers /Supervisors.

6.5 Accounts Payable Shared Services Centre:

- Reconciling the monthly invoice from the P-Card provider and processing payment to the card provider on a timely basis.

6.6 P-Card Administrator:

- Overall management and coordination of the P-Card program including maintaining cardholder files in a confidential manner, developing program materials, maintaining site coordinator contact list, processing request for credit limit changes, replacement cards, card cancellations, and blocking changes.
- Ensuring that all applications and related P-Card Acknowledgment of Responsibilities and Obligations for Use forms have been approved before submission to the card provider.
- Performs continuous monitoring to ensure compliance to the P-Card Policy and reports non-compliance to the Director of Financial Services.
- Generates standard and special reports as requested.
- Reviews credit limits with site coordinators and those responsible for departmental P-Cards on an annual basis.
- Reviews any issues with site coordinators on an annual basis, including available reports, revised procedures and/or best practices.
- Reviews inactive accounts and works to resolve inactive accounts at least biannually.
- Uploading monthly P-Card transactions SAP on a timely basis.
- Train site coordinators in Policy and procedures related to PCard administration.
- Files all P-Card statements and receipts in accordance to Corporate record retention policy

6.7 Supply Chain Management

- Works with Financial Services - Accounting Operations/APSS to determine the most efficient and effective method to procure low value, high volume goods and services.

See [P-Card Procedures](#)

APPROVAL HISTORY

ISSUED BY: Director of Finance	APPROVED BY: CMT	DATE: 2001/05/11
REVISED BY: Manager, Materials Management	APPROVED BY: Director of Finance	DATE: 2001/09
REVISED BY: Director, Financial Services	APPROVED BY: Director of Finance	DATE: 2013/10