



PURPOSE:

The Town of Conception Bay South will use a purchasing card (also known as a procurement card) program is to provide an efficient, cost-effective method of purchasing and paying for small –dollar as well as high volume purchases. This type of program is used as an alternative to the traditional purchasing process and can result in a significant reduction in the volume of purchase orders, invoices, and cheques processed.

AUTHORITY:

- *Municipalities Act, 1999*
- Council Discretion

PROCEDURE:

Purchasing cards can be used whenever a purchase order, cheque request or petty cash would have been processed and with any vendor that accepts credit cards. There are numerous benefits to a purchasing card program. Benefits to the municipality include:

- Simplified purchasing and payment process
- Lower overall transaction processing costs per purchase
- Increased management information on purchasing histories
- Convenience of purchasing without a purchase order
- Expedited delivery of goods
- Better pricing on goods possibly
- Longer use of cash resources to invest
- Avoidance of late payment penalties
- Expanded list of merchants from whom purchases can be made
- Reduced paperwork
- Decentralized procurement function
- The ability to set and control purchasing dollar limits
- The ability to control purchases to specific merchant categories
- Receipt of rebates from the bank based upon dollar volumes

All purchase made using a procurement card must adhere to the Town's procurement policy. Purchase orders are not required for procurement card purchases.



Restrictions:

Procurement cards:

- Shall not be used for personal purchases of any nature;
- Shall not be used when the costs of goods or services would be significantly increased as a result of using the card and an alternative method of payment is available;
- Cash advances/withdrawals are prohibited;
- Credit card transactions should not exceed the approval authority of the individual cardholder unless expenditure has been previously approved by council;
- Card shall only be used by the individual card holder. Any use by other staff members must be approved by the cardholder's director.

Cardholder Responsibilities:

- Safekeeping of the procurement card;
- Immediately notify the Director of Finance of lost/stolen cards;
- Retaining all procurement receipts and identifying the purpose of the purchase;
- Reviewing the monthly statement (accessed online) for accuracy of charges;
- Completion of the monthly reporting to indicate account distribution and tax breakdown;
- Forwarding the statement along with all receipts and other supporting documentation to the accounting department NO LATER THAN THE 5th DAY of the month following the statement date.

Approval:

All statements must be approved by the Director or designate of the applicable department unless the Director is the cardholder. Director's statements must be approved by the Chief Administrative Officer, Director of Finance or another Director. The Chief Administrative Officer's statement must be approved by the Town Clerk or the Director of Finance.



Title: Procurement Card Policy
Policy Number: 079

Resolution Number: #22-454
Date Approved: December 6, 2022

Termination of Employment:

The procurement card must be surrendered to the Director of Finance immediately upon termination of employment.

REVISION HISTORY:

Revision:	Author:	Change Made:	Date:
001	Director of Finance	details in procedure	December 6, 2022