



**City of
Lloydminster**

Policy

Policy Title:	Purchasing Card Policy	Policy Number:	134-16
Date of Adoption:		Motion Number:	
Date of Amendment:		Motion Number:	

1. Purpose:

- 1.1. To ensure that Purchasing Cards are used for appropriate purposes and adequate controls are established.

2. Definitions:

Cardholder	Any person who has been issued a Purchasing Card.
Cardholder Activity Summary	Summary of all transactions in the period including transaction amount, sales tax amount, account coding, and allocation comment. Required to be signed by both the Cardholder and the transaction approver.
Cardholder Agreement	Details the Cardholder’s responsibilities and is signed by the Cardholder prior to taking possession of the Purchasing Card.
Itemized Transaction Receipt	Detailed itemized listing of individual products and services purchased which must include the product description, unit price, subtotal, taxes and extended total.
Merchant Category Code	Merchant Category Codes (MCC) are classifications of merchants by credit card institutions based upon Standard Industry Classification (SIC) codes.
Monthly Reconciled Summary	Package containing the approved Cardholder Activity Summary and all itemized receipts and documentation related to the transactions.
Monthly Transaction Limit	Collective total of all transactions to a stipulated maximum dollar value on a monthly basis including all taxes.
OneCard	A subset of Purchasing Cards, reserved for Supervisors, Managers, Senior Managers, Directors, and the Executive Leadership Team.
Purchasing Card (PCard)	A credit card provided by a recognized financial institution imprinted with the Cardholder’s name, City of Lloydminster, credit card number and validity period.

Single Transaction Limit	Stipulated maximum dollar value that can be applied to the Purchasing Card on a per transaction basis.
---------------------------------	--

3. Scope:

- 3.1. This Policy applies to all employees who have been issued a Purchasing Card and their respective supervisors.

4. Responsibilities

4.1. Cardholder

- 4.1.1. Sign and adhere to the Cardholder Agreement.
- 4.1.2. Utilize the Purchasing Card for transactions in which it is advantageous for the City to do so, as described in Section 5, and in accordance with all relevant laws, bylaws, regulations, policies, and procedures.
- 4.1.3. Maintain complete records for all transactions (Itemized Transaction Receipts) in accordance with the City's "*Records Management Bylaw*" for accounting purposes.
- 4.1.4. Prepare a Monthly Reconciled Summary for every cycle they have transactions.
 - i. A cardholder may receive administrative support for preparing their Monthly Reconciled Summary. However, the Cardholder is ultimately responsible for the accuracy and completeness of the Monthly Reconciled Summary.
- 4.1.5. Ensure Monthly Reconciled Summaries are submitted to Finance within specified deadlines.
- 4.1.6. All Cardholders must receive training by Finance at a minimum of every two (2) years.

4.2. Supervisors

- 4.2.1. Continually assess the need for Purchasing Cards within their areas, including whether previously issued cards are still necessary based on the requirements of the role.
- 4.2.2. Be the primary monitor to ensure that Cardholder(s) under their management adhere to all policies and procedures.

4.2.3. Approve Cardholder's Monthly Reconciled Summaries within specified deadlines.

- i. If a supervisor is unable to approve the Monthly Reconciled Summary for the Cardholder(s) under their management, the supervisor's manager will act as delegate.

4.3. Finance

4.3.1. The overall administration and compliance monitoring of this Policy.

4.3.2. Develop and provide training.

4.3.3. Ensure the timely recognition of Purchasing Card transactions into the financial system.

5. Purchasing Card Usage and Limits

5.1. The Purchasing Card is the City's preferred method of payment for transactions of \$5,000 or less, subject to the City's procurement policies.

5.2. Notwithstanding 5.1, Purchasing Cards must not be used to purchase computer software or hardware with the exception of IT.

5.3. The Purchasing Card must only be used for, or while, conducting official business on behalf of the City. Ineligible or non-compliant expenses will be invoiced back to the Cardholder.

5.4. The Purchasing Card must only be used by the Cardholder to whom the card is issued.

5.5. The Executive Coordinator can make a purchase on behalf of Council, if approved by the City Manager and Mayor.

5.6. Executive Assistants and administrative assistants can make purchases on behalf of their respective Manager. If the Manager is a direct beneficiary of the expense, the Monthly Reconciled Summaries will be approved by a direct manager at least one level higher.

5.7. The Cardholder must be responsible for the physical and virtual protection and custody of the card. Lost or stolen cards must be reported as soon as discovered, either to Finance or directly to the Financial Institution.

5.8. The Purchasing Card shall not be used for cash advances, cash back, money orders, or bank drafts.

5.9. When one expense is incurred for several members of Council and/or Administration, it should be paid for by the most senior staff member in attendance.

5.10. All Purchasing Cards must have a single transaction limit and a monthly credit limit. Limits must not be circumvented. Credit limits may be temporarily extended on a case-by-case basis if approved by the Cardholder's manager.

5.10.1. Limits are set per the attached Schedule A.

5.11. All Purchasing Cards must have appropriate Merchant Category Code restrictions depending on card type and Cardholder. Merchant Category Code restrictions must be reviewed by the Chief Financial Officer or delegate on a routine basis.

6. Card Issuance

6.1. Supervisors will assess the need for Purchasing Cards within their areas and initiate requests by completing a Purchasing Card Application and submitting it to Finance. Applications must also be approved by the Executive Leadership Team member.

6.2. Finance will process all Purchasing Card requests.

6.3. Finance will provide training to all Cardholders before they are issued a Purchasing Card.

7. Card Deactivation

7.1. When a Cardholder is taking a leave of absence for an extended period their card will be deactivated for the term of the leave.

7.2. When a Cardholder's employment with the City ends, their card will be deactivated as of their last day of employment.

7.3. A Purchasing Card must be deactivated if the Cardholder becomes ineligible for continued card usage and may be deactivated at any time at the request of the Cardholder, supervisor, Chief Financial Officer, City Manager or delegate.

7.4. When a card is permanently deactivated, it will be immediately destroyed.

8. Audit

8.1. The Chief Financial Officer or delegate is responsible for selecting transactions each month for further audit and review as a preventative control to mitigate the risk of error or fraud to the City.

8.2. Cardholders may be audited at any time and must provide requested information.

9. Accountability

- 9.1. All transactions processed by Purchasing Cards will be summarized and reported to the Executive Leadership Team on a regular basis.

10. Compliance Program

- 10.1. Incidents of non-compliance are those that contravene this Policy.
- 10.2. Incidents of non-compliance will have an escalating response, as follows:

Response	First Incident	Second Incident	Third Incident
Notify Cardholder and Supervisor	X	X	X
Notify ELT		X	X
Retrain Cardholder		X	
12 Month Cardholder Suspension			X
Disciplinary Action Recommended			X

- 10.3. Notwithstanding 10.2, the Chief Financial Officer or delegate can recommend an alternative response to non-compliance depending on the severity and business need.
- 10.4. Tracking of non-compliance shall be cleared after a period of two (2) years.
- 10.5. In the case of any disputes, the Chief Financial Officer or delegate shall make the final decision.

11. Penalty

- 11.1. Any member of Administration found to be in violation of this policy may be subjected to a disciplinary action. Such action may be dependent upon the nature of the breach of this policy; discipline may range from a written warning to dismissal with cause.
- 11.2. Any Member of Council found to be in violation of this policy may be dealt with utilizing the "*Council Code of Ethics Bylaw*" or provisions of "*The Lloydminster Charter*."

Schedule A

Card Type		Single Transaction Limit	Monthly Transaction Limit
PCards – In Scope Employees		\$500	\$1,000
OneCards – Out of Scope Employees	<ul style="list-style-type: none">• Supervisors• Managers• Executive Assistants	\$2,500	\$5,000
	<ul style="list-style-type: none">• Senior Managers• Directors• ELT	\$5,000	\$10,000

DRAFT

Schedule B

Merchant Category Code Control Groups – PCards and OneCards

Code	Description	PCard	OneCard
0742	Veterinary Services	X	X
4011	Railroads	X	X
4411	Steamship/Cruise Lines	X	X
4457	Boat Rentals & Leases	X	X
4722	Travel Agencies	X	X
4723	Other Travel/Pkg Tour Operators Germany Only	X	X
4789	Travel Service	X	X
4829	Money Orders – Wire Transfer	X	X
5094	Precious Stones & Metals	X	X
5681	Furriers and Fur Shops	X	X
5921	Pkg Stores/Beer/Wine/Liquor	X	X
5932	Antique Shops	X	X
5933	Pawn Shops	X	X
5937	Antique Reproductions	X	X
5944	Jewelry Stores	X	X
5960	Direct Market Insurance	X	X
5962	Telemarketing Travel-Related	X	X
5963	Direct Sell/Door-To-Door	X	X
5966	Outbound Telemarketing	X	X
5967	Inbound Teleservices	X	X
5977	Cosmetic Stores	X	X
5993	Cigar Stores/Stands	X	X
6010	Financial Institutions - Manual Cash Disbursements	X	X
6011	Financial Institutions - Manual Cash Disbursements	X	X
6012	Financial Institutions - Merchandise and Services	X	X
6050	Quasi Cash-Member Financial Institution	X	X
6051	Non - Financial Institutions - Foreign Currency, Money Orders (not wire transfer) and Travelers Cheques	X	X
6211	Security Brokers/Dealers	X	
6300	Insurance Sales/Underwrite	X	
6381	Insurance Premiums	X	
6399	Insurance	X	
7230	Barber/Beauty Shops	X	X
7261	Funeral Service/Crematories	X	X
7273	Dating and Escort Services	X	X
7276	Tax Preparation Service	X	X
7277	Counseling Service - All	X	X
7278	Buying/Shopping Services	X	X
7297	Massage Parlors	X	X
7631	Watch/Clock/Jewelry Repair	X	X
7829	Motion Picture & Video Distributing	X	X
7832	Motion Picture Theatres	X	X

7841	Video Tape Rental Stores	X	X
7911	Dance Halls/Studios/Schools	X	
7922	Theatrical Producers	X	
7929	Bands/Orchestras/Entertain	X	
7932	Billiard/Pool Establishment	X	
7933	Bowling Alleys	X	
7941	Commercial/Pro Sports	X	
7991	Tourist Attractions and XHB	X	
7993	Video Amusement Game Supply	X	
7994	Video Game Arcades/Establishments	X	
7995	Betting/Track/Casino/Lotto	X	X
7996	Amusement Parks/Circus	X	
7998	Aquariums/Rec Serv	X	
7999	Amusement/Rec Serv	X	
8011	Doctors	X	X
8021	Dentists/Orthodontist	X	X
8031	Osteopaths	X	X
8041	Chiropractors	X	X
8042	Optometrists/Ophthalmologist	X	X
8043	Opticians	X	X
8044	Optical Goods & Glasses	X	X
8049	Chiropodists Podiatrists	X	X
8050	Nursing/Personal Care Fac	X	X
8351	Child Day Care Services	X	X
9211	Court Costs/Alimony/Support	X	X
9222	Fines	X	X
9223	Bail And Bond Payments	X	X