



## **Birchwood Junior School, The Lancaster School & Woodlands Infant and Nursery School**

### **Procurement Card Policy**

This document outlines the Councils' policy and process for the effective and correct use of corporate procurement cards. It also details instances where the use is not appropriate. All cards must be used in line with the Council's [Financial Procedures](#) and this policy which frames the operational remit of card usage.

#### **1. Who does this policy apply to?**

1.1 The policy outlines the roles and responsibilities for those deemed as requiring a corporate procurement card, Spend Managers whose spend is incurred on a card, staff administering the scheme and the Business Support procurement card team, who manage the contract.

#### **2. What is a Procurement Card?**

2.1 A corporate procurement card is a payment method, similar to a personal credit card, where spend is incurred and paid at the end of the period via bank transfer.

2.2 A corporate procurement card should only be used for making business purchases that cannot be made on BW.

2.3 A corporate procurement card must not be used for personal purchases (in line with the [Code of Conduct](#)).

2.4 A corporate procurement card must not be used by anyone other than the named officer.

2.5 Using the procurement card simplifies the purchasing process, reduces internal costs and results in lower imprest and petty cash claims.

2.6 It is unacceptable for any corporate procurement card holder to use their own, a relative's or a friend's personal loyalty card, while making purchases on behalf of the Council or service users (in line with the [Code of Conduct](#)).

2.7 The use of a corporate procurement card is subject to the normal Audit and Financial protocols.

### 3. When should they be used?

3.1 There are limited instances where payment by corporate procurement credit card is a necessary operational need. These include:

Corporate	Schools
<ul style="list-style-type: none"> <li>For purchases that are under the value of £1000, where the supplier is unable to provide the service through the normal requisitioning process on Business World.</li> </ul>	<ul style="list-style-type: none"> <li>For purchases that are under the value of £1000, where the supplier is unable to provide the service through the normal requisitioning process on Business World.</li> </ul>
<ul style="list-style-type: none"> <li>Purchases on the internet such as Amazon.</li> </ul>	<ul style="list-style-type: none"> <li>Purchases on the internet such as Amazon.</li> </ul>
<ul style="list-style-type: none"> <li>TV licences.</li> </ul>	<ul style="list-style-type: none"> <li>TV licences.</li> </ul>
<ul style="list-style-type: none"> <li>Purchases in shops such as clothes for a child.</li> </ul>	<ul style="list-style-type: none"> <li>Train fares, hotel and conference fees.</li> </ul>
<ul style="list-style-type: none"> <li>Train fares, hotel and conference fees.</li> </ul>	<ul style="list-style-type: none"> <li>Long Service Awards - any gifts must be purchased within 12 months of the award date.</li> </ul>
<ul style="list-style-type: none"> <li>Long Service Awards - any gifts must be purchased within 12 months of the award date.</li> </ul>	<ul style="list-style-type: none"> <li>Refreshments and food for pupils (including for breakfast and after school clubs).</li> </ul>
<ul style="list-style-type: none"> <li>Refreshments and sundries for clients at Business Centres as well as Children's Centres/ Children's Homes.</li> </ul>	<ul style="list-style-type: none"> <li>Pupil trips including travel arrangements.</li> </ul>
	<ul style="list-style-type: none"> <li>Emergency clothing for pupils.</li> </ul>
	<ul style="list-style-type: none"> <li>Postage costs.</li> </ul>
	<ul style="list-style-type: none"> <li>Ad hoc purchases for caretakers such as fuel.</li> </ul>
	<ul style="list-style-type: none"> <li>Ad hoc cleaning products / services</li> </ul>

3.2 It should be noted that regular "urgent" payments due to lack of planning are not considered acceptable use.

### 4. When should they not be used?

4.1 The following are examples of where it is **not** appropriate to use a procurement card to purchase items for both corporate and schools:

- Gift cards and vouchers; as they are deemed a "payment in kind" and can result in tax implications.

- To pay invoices or statements which are on BW including utility bills.
- Staff lunches, celebrations or Christmas lunches, Gifts for staff or for special occasions.
- Meals, snacks, refreshments or food in general, other than what is permitted as outlined above.
- Alcohol, tobacco products, legal/recreational drugs and cash withdrawals are strictly prohibited.
- Car parking fees and fuel costs. These should be claimed back via payroll as travel and subsistence to obtain Line Manager Approval.

## 5. Card holders role and responsibilities

- 5.1 All corporate procurement card holders must read and understand the requirements under this Policy and refresh annually.
- 5.2 Card holders are responsible for any spend on the card and **only** the card holder must use their card.
- 5.3 The card holder should keep their card and PIN number secure and not allow anyone else to access it and use it. If the card holder allows colleagues to use their card this will be considered a disciplinary matter and it could give rise to fraud.
- 5.4 Procurement cards should not be used for personal use. Card holders must only use the card in accordance with the Council's financial procedures.
- 5.5 Card holders must obtain a valid VAT receipt each time they make a purchase on the card and complete a transaction log and cross-reference the two, for audit purposes.
- 5.6 All VAT receipts should be sent to the card administrator to upload to BW, along with the transaction log.
- 5.7 Card holders must not purchase goods or services using their card where other arrangements or specific contracts are in place e.g. ESPO for stationery as doing so will contradict any arrangements already in place.
- 5.8 The card must be surrendered immediately on termination of employment and a cancellation form completed (or if the card holder moves to other duties where use of the card is not necessary).
- 5.9 The Council regularly receives Freedom of Information requests regarding spend, it is the card holders responsibility to ensure that all information is available, and meets the criteria of Council spend.
- 5.10 The Council requires Spend Managers to undertake regular projection exercises to establish likely spends; it is therefore integral to that process that corporate procurement card transactions are accounted for as part of this process. It is the responsibility of the card holder to furnish these managers with appropriate transactional information.
- 5.11 Card holders should not have reciprocal arrangements for administering each other's cards ensuring transparency when purchasing and coding.

## **6. Card Administrators role and responsibilities**

6.1 All administrators must read and understand the requirements under this Policy annually.

6.2 It is the administrator's responsibility to code the card holder's transactions on BW and file the transaction logs/VAT receipts. These will be coded, ideally, within two weeks of the administrator receiving the information and all receipts uploaded to the relevant transactions as part of the mandatory process.

6.3 If there is a requirement to change the administrator of a card, an amendment form must be completed. The previous administrator must hand over all filed documents such as transaction logs and receipts.

6.4 Card Administrators should not be of a Management or Budget Manager level. This helps maintain an important financial control, i.e. segregation of duties.

## **7. Suspected Fraudulent Transaction**

7.1 If the card holder has not made their administrator aware of a transaction, which has appeared in the task list on BW, the administrator may suspect this to be fraudulent. The administrator must contact the card holder to discuss the transaction and clarify whether it is genuine.

7.2 If it is determined to be fraudulent, the card holder is required to contact Lloyds Bank for appropriate support and to notify the Business Support procurement card team.

7.3 A block will be placed on the card whilst investigation is undertaken.

## **8. Monthly Statements**

8.1 Monthly statements should be checked within two weeks and retained by procurement card holders and are available online.

8.2 The Council also receives an electronic composite statement. This undergoes scrutiny to ensure compliance against the Financial Regulations.

8.3 Where non-compliance is identified, the procurement card team will contact the card holder or the administrator to understand if an exemption has been applied.

8.4 Where the procurement card team has concerns, they will escalate the details directly to the Councils Counter Fraud Team for further investigation.

## 9. Card Limits and card management

9.1 Card holders can request temporary or permanent increases to their procurement card limits, via an amendment form.

9.2 The amendment form must be authorised by the appropriate Line Manager or for schools the Head Teacher or Chair of Governors.

9.3 The single transaction limit amount should not, in most cases, exceed £1,000. Any purchases above this should be processed through BW.

9.4 The Pcard team will manage inactivity of cards not used for at least 12 months and they will be closed accordingly (with the exception of the emergency planning team).

### Purchase Card Limits

Name	Single Transaction Limit	Monthly Credit Limit
Mr M Davies	£2,000	£10,000
Miss N Haughton	£500	£1,000
Miss J Bingwa	£500	£1,400

## 10. Changes to Holder/ Administrators details

10.1 As required within the Councils Financial Regulations, any changes to the card holder or administrator details require immediate action and the procurement card team should be informed.

10.2 Changes to cost codes, addresses and details as provided within the original application form should be changed by completing the correct form including management authorisation and sent to the procurement card team immediately.

## 11. Card holder and Administrator Sanctions

11.1 Should a cardholder be identified as using their card inappropriately and not in line with the requirements of this policy, a formal warning will be given. Where abuse or fraudulent transactions are suspected, we shall refer to the Counter Fraud and Investigation Team in accordance with the Council's [Counter Fraud Policy](#).

11.2 Any administrator found to be processing claims which do not meet the requirements of this policy will have their administration status removed.

11.3 Failure to comply with this policy will result in the card being withdrawn and may lead to disciplinary action.

## 12. Important info for Procurement Card Team

[Procurementcard@lincolnshire.gov.uk](mailto:Procurementcard@lincolnshire.gov.uk)

Tel: 01522 554231

**For Corporate and LFR – Pcard forms:**

[Pcard forms](#)

**For Schools – Pcard forms - please see Perspective Lite:**

LA Documents > HR & Employment Policy > 11 Schools Finance > 11-16 Procurement Cards, Guidance and Forms.

Policy considered and accepted at the Finance Committee Meeting 13<sup>th</sup> May 2024.

Signature Chair of Finance Committee .....

Date .....

Signature Chair of Governor .....

Date .....