

Fort McMurray Catholic Schools Operating Policies and Procedures

OP 521 – Purchasing

Policy

The purpose of this policy is to outline the policies and procedures for purchasing goods and services including expenditure approval limits and internal controls.

The Secretary-Treasurer is delegated the authority and accountability to ensure purchasing in the District is done in accordance with generally accepted purchasing and accounting procedures and the use of public and non-public funds entrusted to the Board is protected.

authorized to issue Corporate Purchasing Cards to facilitate the purchase of low value goods and services as an alternative method of purchase and payment consistent with the Board's Signing Authority policy.

Definitions

“Low Value Purchase” is defined as the purchase of goods and/or services required by the district, which are less than \$1,000 per transaction, and are not associated with a capital project, restricted or prohibited card-use category.

A **“Corporate Purchasing Card” (Card)** is a purchasing and payment instrument which allows staff whose positions have been delegated expenditure and purchasing authority to use a Board's authorized charge card for making eligible purchases under the low value threshold.

Purchase means the purchase of goods, equipment or services. It excludes the payment of salary and benefit to staff.

Cost Centre Managers means staff delegated the authority make purchases on their allocated budget. It includes School Principals and the Director of Plant Operations and Maintenance.

RFO means a Request for Offer that is a competitive process for an intended expenditure by a cost centre of normally not more than \$10,000;

RFP means a Request for Proposal that is a competitive process for an intended expenditure by the District of more than \$10,000 for which only sealed proposals are invited and accepted but are not opened publicly;

Tender means a competitive process for an intended expenditure by the District of more than \$25,000 for which only sealed offers are invited, accepted and publicly opened.

Operating guidelines and procedures

PURCHASE ORDERS

1. All schools and district orders for goods and services shall be authorized by the appropriate cost centre manager using a Purchase Order form. Purchase orders shall be entered in the financial information system at each school/centre and authorized by the Cost Centre Manager. Approved Purchase Orders will then be reviewed for the Finance Department and processed at the end of the business day.
2. Purchase orders are, in effect, Board contracts on which are listed the conditions of purchase. The approval of a purchase order is a commitment funds from the budget manager. Such authorization implies that the purchase is in accordance with policies and procedures and that sufficient funds are available in the budget.
3. The Board also offers the flexibility to schools to purchase, on their own, low cost supply items below a predetermined unit cost limit, using petty cash, impress cheque or purchasing card.

STANDARDIZATION OF EQUIPMENT AND SUPPLIES

In connection with the provision and replacement of equipment for new schools or schools already in operation and, also, the provision of the necessary supplies for the educational program, it is highly desirable and, in some cases, essential that the Director of Finance & Administration have the advice and assistance of members of the educational staff; such advice and assistance may pertain to the nature and quantity of equipment or supplies required not only for schools of different sizes and types but also for classrooms in which varied educational programs are conducted.

To prevent charges of favouritism or discrimination in matters of equipment and supplies as they relate to school programs, the Board considers it desirable that there should be a high degree of standardization and that standardized lists of equipment and supplies should be approved by a representative group from the educational staff working with the Director of Finance & Administration.

In all possible cases, it is required that complete specifications be prepared and kept as relating to items of equipment to be purchased from outside vendors or be fabricated in the Board workshop.

4. The Director of Finance & Administration will have the responsibility for the Board's Purchasing Card program. An intended purchase for a school must be authorized by:

- a. A purchase order prepared by the Business Manager or Office Manager, and
 - b. The Secretary-Treasurer must approve all applications for Cardholders. The
 - c. application will include limitations on the amount of credit, the number of daily transactions, the amount per transaction, spending limits and , daily any blocking of Merchant Categories.
5. The cardholders will:
- a. complete a Corporate Purchasing Card Application (Appendix A), attend a training session and sign the Cardholder Agreement (Appendix B) stipulating use, limits, and blocking prior to being issued a Corporate Purchasing Card;
 - b. reconcile their monthly purchases to the monthly statements (Appendix C). Cardholders should contact the Finance Department if they need assistance;
 - c. sign a Cardholder Agreement before being issued a Corporate Purchasing Card;
 - d. obtain “best value” for their purchases;
 - e. resolve disputes with Merchants;
 - f. request and obtain discounts from Merchants where available under Corporate Supply Agreements;
 - g. request Merchants to apply appropriate Federal, Provincial, or Local taxes for each respective transaction. Taxes paid must be clearly identified on monthly transaction registers;
6. The reconciled monthly statements must be approved by the Cost Centre Manager, and with the original receipts and other required documentation, submitted to the Finance Department promptly after the monthly cut-off date.
7. In cases where a Cardholder misuses a Card, the Secretary-Treasurer may suspend or permanently revoke the Card. Any misused of the cards will be referred to the Superintendent of School who may take disciplinary action is deemed necessary.
8. The Finance Department will perform random and spot audits of transactions and Card activities to ensure compliance to stated policy and procedures.
9. The Secretary-Treasurer may impose limits on the number of cards per site.
10. The Corporate Purchasing Card is only to be used to purchase goods and/or services within the limits established for the individual Cardholder and in compliance with the Board Purchasing Policy and the Corporate Purchasing Card Program.

11. When purchases are made over the telephone, the Cardholder must take precautions to avoid the risk of unauthorized use of the Card number. Only established, reliable suppliers should be given Card numbers by phone. The Card number should not be quoted within hearing distance of another person or in a public place. Cardholders must request that the Supplier or Merchant fax/mail sales invoices and/or CHARGE receipt immediately upon making a transaction.
12. Only the person whose name appears on the Card may use it. Cardholders must not allow another person to use their card.
13. It is not acceptable to request a Merchant to split a single transaction into multiple purchases when the total purchase price would exceed the transaction limit on the card and is grounds for revoking the Card.
14. The Card may be used to make purchases or payments over the Internet; however, the Cardholder will be responsible for all charges made to their respective Card through e-Net purchases.
15. When a card is lost or stolen, the Cardholder must notify ATB Financial MasterCard® Global Service™ 1-800-MC-ASSIST (1-800-62-27747) immediately 24 hours per day, 7 days per week. This is the only time when Cardholders should contact Master Card directly. The Secretary-Treasurer must also be notified during normal business hours.
16. Corporate Purchasing Cards are to be kept on the Cardholder's person or locked in a secure place at all times. Any receipts and/or other documents where the card number and Cardholder's name appear should also be kept in a secure location.
17. Canadian legislation and regulations stipulate that all electrical and electronic goods sold or imported into Canada must be CSA approved. It is the Cardholder's responsibility to ensure compliance with this requirement.
18. It is the Cardholder's responsibility to comply with all Occupational Health and Safety legislation and regulations (OHIS) including Material Safety Data Sheets (MSDS) requirements.

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