

# BARNS GREEN PRIMARY SCHOOL

## Credit Card Policy

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## Credit Card Policy

Purchasing procedures, guidelines for claiming expenses, and other regulations when using a credit card

### 1. Introduction

#### *1.1 Purpose of this Document*

The purpose of this document is to set out the terms, process, and policy under which the School credit card will operate. This policy must be read by all cardholders and budget holders to ensure that individuals are aware of their roles and responsibilities.

#### *1.2 Definitions*

**The School** means Barns Green Primary School

**Budget holders** means individuals at the School who are responsible for budget lines in the School's budget

#### *1.3 Compliance*

The School is funded almost entirely from public funds and it is essential that the School can demonstrate high standards of probity and value for money. Failure to adhere to the guidance in this and all related governance policies is a disciplinary offence and will be taken very seriously.

#### *1.4 Principles of Use*

The principles of use of a credit card:

- That the card is individual to the cardholder who is responsible for its use and security. Although the card holder may be authorised by a Budget holder to transact on behalf of colleagues, the card holder must not allow any other employee to use the card.
- The card number must not be recorded and stored and must only be disclosed as part of a purchase transaction.
- It is the cardholder's responsibility to ensure that it is always kept secure.
- The credit card can only be used for School-related purchases and must not be used for personal expenditure.
- Types and values of purchases must be within limits agreed with the relevant Budget holders. Transactions must not be split to bypass the single transaction limit.
- The card holder is responsible for achieving best value for money
- The card holder is responsible for reporting any loss, theft, or misuse of the card
- Misuse of the card shall be regarded as a breach of contract justifying withdrawal of the card and disciplinary proceedings.

### 2. Card Issuing

#### *2.1 Application Criteria*

Card applications will be processed against several key criteria:

- Proposed use of the credit card
- Job role of the applicant
- Applicant access to the internet and individual email account

#### *2.2 Application Process*

The standard application process for opening new credit cards will apply.

#### *2.3 Standard Profiles*

The standard cardholder profile is as follows:

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Profile Description	Limit Per Transaction	Limit Per Month
Standard Cardholder	£500	£2,000

Any request for a monthly spend limit and/or a single transaction limit that is greater than as detailed above will be subject to scrutiny by a Finance Governor and will require authorisation by the Full Governing Body.

Cardholders should note that splitting transactions, i.e., making two or more payments towards a purchase to bypass their single transaction limit, will be considered as non-compliant use of the credit card and may result in suspension or cancellation of their card.

### ***2.4 Application Criteria***

Credit card applicants will be required to fulfil the following criteria prior to joining the scheme:

Applicants must be employed directly by WSCC.

Finance Governor approval is required for applications where the requested value limits (monthly or single transaction) are higher than the Standard Cardholder profile.

The cardholder will be required to sign an employee undertaking (as part of the application form) referencing this policy.

## **3. Use of the Purchase Card**

### ***3.1 General Information***

Every transaction requires both purchase and VAT evidence (where applicable) to be retained and the Credit Card Purchasing Card can be used to make the process of buying and paying for goods and services more efficient.

### ***3.2 Exclusions***

The Credit Card may not be used for the following types of transaction:

- Categories of spend covered by a mandated, corporate contract, unless otherwise stated, for which alternative Purchase to Pay methods have been identified.
- Purchase of IT or telephony for use within the School estate. Exceptions to this rule require approval from the Full Governing Body.
- Petrol
- Withdrawal of cash
- Personal spend including taxable benefits
- High Value purchases are not permissible (except where temporary higher limits have been approved by a Finance Governor).
- Consultants
- Agency Staff
- Settlement of outstanding invoices, where a purchase order has been raised
- PayPal or any other payment intermediary service except where this is demonstrably the only practical payment option available.
- Subsistence. Exceptions to this rule require approval from a Finance Governor

Please note that the Full Governing Body monitors compliance.

## **4. Compliance**

It is the cardholder's responsibility to ensure that use of the credit card is within the guidelines set out in this policy and any associated documents, where applicable. Compliance in

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this instance incorporates adherence to Policy, Process, Corporate Contract arrangements and the terms and conditions of supply of the credit card authoriser.

Failure to comply with the compliance requirements set out in the following paragraphs will result in the School undertaking disciplinary action against the cardholder under the School's disciplinary procedures.

### ***4.1 Compliant Characteristics***

The key characteristics of compliant credit card use:

- All transactions must be evidenced with receipts and VAT evidence (where applicable). Receipts must be a clear, complete and accurate record of the transaction.
- All transactions must be reviewed by the cardholder with an accurate budget code, VAT correctly entered, and a meaningful transaction description, within five working days following the end of each monthly cycle.

### ***4.2 Compliance Monitoring***

Compliance will be measured and monitored by the Full Governing Body. Compliance may be measured and monitored by Internal Audit to ensure cardholders, and their use of the scheme, are compliant with this policy.

### ***4.3 Compliance Management***

The cards must not be used for personal expenditure, cash, items not permitted under School policies or for use outside the rules specified in this policy document. If the card is used inappropriately, an investigation will take place and non-compliance will be addressed as follows:

#### **4.3.1 Fraudulent Use (including Personal Use)**

If transactions are deemed to be potentially fraudulent, compliance management will pass to Audit for further analysis and action.

Where cardholders suspect that there is suspicious or potentially fraudulent activity on their account, they should immediately notify their line manager and/or a Finance Governor, and the credit card company.

#### **4.3.2 Non-Compliant Use**

Non-compliant use of the credit card may lead to action in accordance with the Capability or Disciplinary Policy as appropriate. Consideration may also be given to suspension of the credit card with immediate effect. For personal use transactions, the Cardholder will be personally recharged to recover monies in full.

## **5.0 Frequently asked questions**

### ***5.1 Who uses the credit card?***

Designated School employees whose jobs require routine purchases of low value items, ad-hoc one-off purchases, or purchases via the internet.

### ***5.2 What is my liability***

You are authorised to use the credit card only for legitimate business purchases, in accordance with Financial Regulations, the Employee Undertaking and the User Terms & Conditions within this guide.

### ***5.3 Do I have a credit limit?***

Your card has a total credit limit built into it. This is set when you apply for your card. This limit is set inclusive of VAT.

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A. Standard Cardholder	£500	£2,000

### ***5.4 Is there a transaction limit?***

See 5.3 above.

### ***5.5 Do I need to keep my invoices/receipts?***

**Yes.** You will need to retain your invoices/receipts and provide these to the School Business Manager. You also need to ensure that where applicable the receipt includes the VAT number of the supplier if VAT is charged on the goods or service. If you misplace a receipt, try to get a duplicate from the supplier.

### ***5.6 Will my purchases be reviewed?***

The Full Governing Body will carry out an ad-hoc review of the credit card to ascertain breaches and report this accordingly.

### ***5.7 What about an unauthorised or fraudulent charge?***

You should immediately contact the credit card company to notify them of any unauthorised or fraudulent charges on the credit card. The card will likely need to be cancelled and a new card issued.

### ***5.8 What happens if my card is lost or stolen?***

You are responsible for the security of the credit card and the transactions made with your card. Cardholders must take all reasonable precautions to prevent loss or misuse.

### ***5.9 Can I vary my limit?***

Yes, if there is a specific requirement and you obtain approval from the Full Governing Body and, if the limit is greater than the standard cardholder profile, this will need to be approved.

### ***5.10 What if I forget what my transaction is for?***

By referring to the detailed receipt this should not happen. If you have numerous transactions, you may wish to keep another record to help you remember the details. You are responsible for ensuring that you can account for all transactions.

### ***5.11 What happens if I lose my receipt?***

Contact the supplier to obtain a copy if possible. Cardholders should also be mindful that, if they are unable to evidence that expenditure was for business purposes, the spend may be recharged to them personally.

### ***5.12 Examples of non-compliant transactions***

Please note these are for exemplification only and are not a full and complete list:

- Settle outstanding invoices (credit cards can only be used at the point of purchase).
- Purchase goods covered by a mandated School contract.
- Purchase flowers for a colleague.
- Purchase IT or telephony equipment unless approved exception in place.
- For subsistence unless approved exception in place.
- Purchase fuel.
- For car hire.
- For agency personnel.
- Purchase office furniture.

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- PayPal transactions.

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