Nicola Similkameen School District

Administrative Procedure 607

PURCHASE CARD

Purpose

The purpose of this procedure is to establish consistent administrative controls for the issuance, use, security, reconciliation, and return of School District BMO Purchasing Cards.

Purchase cards are provided to authorized employees to facilitate School District purchases required in the course of their regular duties. Cardholders are responsible for ensuring that all purchases comply with School District policy, applicable spending limits, and the requirements of this procedure.

Scope

This procedure applies to all School District employees who are issued or authorized to use a BMO Purchasing Card.

A purchase card is issued to an individual cardholder and is for that cardholder's use only. It must not be shared with another employee.

1. Requesting a Purchase Card

Request for a BMO purchase card can be made by a school principal or department administrator to the Assistant Secretary Treasurer.

Issuance of a card is not automatic but needs to be weighed in the context of the individual's responsibility for purchasing goods and services. The Finance department will determine whether a purchase card is the appropriate procurement channel for the individual or whether other purchasing methods are more appropriate.

2. Card Issuance and Acknowledgement

Before receiving a purchasing card, the employee shall complete and sign the *Employee Purchasing Card Acknowledgement of Responsibilities and Obligations.*

- The acknowledgement confirms that:
- The card is issued by the Bank of Montreal for School District purchases.
- The cardholder understands that purchases must be authorized.
- Unauthorized and personal purchases are prohibited.
- Receipts must be submitted immediately/in a timely manner for reconciliation.
- The card and its security information must be protected.
- The cardholder is responsible for preventing unauthorized use.
- The card must be returned when requested and upon transfer or termination of employment.

The acknowledgement also records the cardholder, school/location, employee number, card information, default GL, and applicable card limitations.

3. Card Activation

Purchasing cards may be activated online.

During activation:

1. The cardholder uses their School District email account associated with the purchasing card.
2. BMO sends an activation code to that email account.
3. The cardholder completes the activation process as instructed by BMO.

4. PIN and Card Security

The purchasing card does not have a tap/contactless payment option. The cardholder must use their PIN for in-person purchases.

The cardholder shall:

- Keep the PIN confidential.
- Never share the PIN with another person.
- Never write the PIN on the purchasing card.
- Prevent other individuals from using the card.
- Protect the card number, expiry date, CSV/security code, and other card information.

The cardholder must understand that failure to protect the PIN may expose the School District to liability for fraudulent purchases.

If the cardholder forgets their PIN, they must contact BMO directly to obtain a new one.

5. Authorized Purchases

Purchasing cards shall be used only for legitimate School District business purchases made in connection with the cardholder's regular duties.

Before making a purchase, the cardholder shall:

1. Confirm that the purchase is permitted under School District policy.
2. Obtain authorization from the appropriate school principal or department administrator.
3. Confirm that sufficient purchasing-card limits are available.
4. Confirm that the purchase does not fall within a prohibited category.
5. Retain the detailed receipt after completing the transaction.

6. Spending Limits

The Assistant Secretary Treasurer will set a card spending limit for each user based on their demonstrated purchasing needs and position within the District. As school administrators are budget managers, their card limits would typically be set at a higher limit.

7. Prohibited Purchases

The following purchases shall not be made using the District BMO purchasing card:

7.1 **Personal Purchases**

Personal purchases are prohibited.

If a cardholder accidentally uses the purchasing card for a personal purchase, the cardholder must pay for the purchase as soon as the error is identified. The School Administrator will advise the cardholder of the available payment options.

7.2 **Age Restricted Products**

Items such as alcohol, gambling sites and lottery tickets are prohibited to be purchased with a District purchasing card.

8. Receipts and Documentation

A detailed receipt must be retained for every purchasing-card transaction.

A Mastercard/payment authorization slip by itself is not sufficient documentation.

The cardholder shall:

1. Retain the detailed receipt.
2. Ensure the receipt clearly identifies what was purchased.
3. Submit the receipt to the school secretary/coding secretary immediately or otherwise in a timely manner.
4. Ensure documentation is available for account reconciliation.

Failure to submit receipts may result in loss of purchasing-card privileges.

9. Monthly Reconciliation

Purchasing-card transactions must be reconciled using the supporting detailed receipts.

The monthly billing cutoff date identified in the BMO guidance is the **20th of each month**.

Cardholders should therefore submit all receipts promptly and should not wait until the billing cutoff date.

For those supervising staff who hold purchase cards, a review of individual receipts (with sign off) is expected as part of the monthly reconciliation.

To adhere to effective oversight, school administrators are expected to forward their reconciled statements and attached receipts to the Finance department for final review.

10. Lost, Stolen, or Compromised Card

If a purchasing card is lost, misplaced, stolen, suspended, or compromised, the cardholder must immediately notify BMO.

The cardholder must **not wait until returning to the school or workplace** to report a lost or stolen card.

The cardholder must also immediately notify the Assistant Secretary-Treasurer where the card is lost, stolen, suspended, or compromised.

When contacting BMO for security verification, the address associated with the card is:

1550 Chapman Drive, PO Box 4100
Merritt, BC V1K 1B8

11. Unauthorized or Fraudulent Transactions

Cardholders shall take all reasonable measures to prevent unauthorized use of their purchasing card.

If fraudulent or unauthorized activity is suspected, the cardholder must immediately contact BMO and notify the Assistant Secretary-Treasurer.

Cardholders must be able to confirm that they did not share their PIN. The BMO guidance specifically warns that failure to protect the PIN may result in School District liability for fraudulent purchases.

12. Card Renewal, Replacement, and Cancellation

When a replacement or renewed card is issued:

1. The cardholder shall sign the back of the new card.
2. The old card shall be destroyed or returned to the Assistant Secretary Treasurer.
3. The cardholder shall continue to protect the new card and PIN in accordance with this procedure.

13. Employment Termination or Change of Job Responsibilities

When a cardholder terminates employment with the School District the cardholder must:

1. Reconcile the outstanding balance on the account; and
2. Immediately return the purchasing card to the Assistant Secretary-Treasurer.

Purchase cards must also be returned to the School Board office immediately when requested by the Assistant Secretary-Treasurer if it is determined that the employee's role no longer requires them to use a purchase card for means of procurement.

14. Non-Compliance

Failure to comply with this procedure, the cardholder acknowledgement, School District policy, or applicable spending limits may result in suspension or removal of purchasing-card privileges.

Where a cardholder willfully or negligently defaults on their obligations, the School District may take recovery action deemed appropriate and permitted by law.

15. Related Documents

- Employee Purchasing Card Acknowledgement of Responsibilities and Obligations

Superintendent Approval Date: September 16, 2026