



PURCHASE CARDS

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Purchase Cards

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Purchase Cards

1.0 Purpose

- 1.1 The purpose of these guidance notes is to provide schools with advice on the appropriate implementation and use of Purchase Cards





6.0 Conditions on the Use of Purchase Cards



7.2.3 Give a clear description of the goods and services required

7.2.4 Agree the price – net amount, gross amount and VAT amount. Check delivery or carriage charges

7.2.5 Obtain a delivery date and agree a delivery location

8.0 Internet Ordering

8.1 A formal request to use internet ordering should be made to the Governing Body for their approval. The request should explain why the school wishes to use this method of ordering rather than the usual method

8.2 Read the 'Internet Use Policy' and remember that internet use is monitored as part of the 'Internet Monitoring Standard'.

8.3 It is recommended that internet orders are placed only with reputable companies, ideally those with whom the school has dealt with in the past.

8.4 Where goods or services are to be purchased via the internet it is recommended that schools check supplier details before an order is placed, for example:

- The internet website should make reference to the suppliers name and address. A 'UK' internet address does not always mean that the supplier is UK based. A suppliers website will include information relating to the company's term and conditions of trading and this information should be checked by the school before placing an order
- **https** at the beginning of the web address signifies that the site is secure
- It is recommended that transactions take place under UK jurisdiction where normal forms of redress are available to solve problems or disputes regarding faulty goods or non delivery of goods
- A full description of the goods or services that are to be purchased is made available
- The prices include relevant taxes
- Delivery costs and arrangements are made clear
- How long the price will stay valid
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- If it is a service that is being procured, how long is the school committed for
- That the contract in law is between the school/authority and the supplier and not between an individual and the supplier

Once schools are happy with the details and the terms and conditions of the supplier then an order can be placed via the internet

8.5 The authorized member of staff placing orders using the internet should be aware of the relevant guidelines and certify their



Schools) **Appendix D** gives examples of VAT liability to expect for some common purchases.

- 9.2 If a VAT receipt/invoice cannot be obtained schools will not be able to recover any of the VAT incurred. Card Holders must bear in mind that even if something appears to be good value, if the VAT cannot be recovered it may prove to be more expensive.
- 9.3 When purchasing over the internet an email is often sent to confirm the purchase. This is generally not a VAT receipt or invoice. When purchasing goods over the internet, in addition to a confirmation email, Card Holders must request a VAT receipt or invoice in order to comply with HMRC VAT rules and regulations
- 9.4 A company has to be VAT registered in the UK if it has exceeded the VAT registration threshold. For UK based businesses the threshold is currently £85,000 (this generally increases in April each year).
- 9.5 Card Holders must ensure that VAT invoices obtained as a result of a purchase card transaction are not sent into the Accounts Payable Team as this significantly increases the potential for the supplier being paid twice

10.0 Purchase Card Records

- 10.1 Card Holders must obtain a receipt for all purchases
- 10.2 Delivery notes should be obtained where possible
- 10.3 All documents should be kept safe and should be attached to the Transaction Log

11.0 Purchase Card Transaction Log

- 11.1 A monthly transaction log must be kept of all transactions carried out with the Purchase Card. **Appendix C** is a template for the Transaction Log
- 11.2 The Transaction Log should be updated with relevant information as purchases are made with the Purchase Card and reviewed throughout the month
- 11.3 Nil returns should be shown on the Transaction Log every month where no transactions have been made using the Purchase Card
- 11.4 A Purchase Card Statement is produced on a monthly basis and can be downloaded from the online banking system (See Section 12). Schools must check all transactions on the Statement against those shown on the Transaction Log



- 11.5 Card Holders are advised to retain any receipts which do not appear on the Statement as they are likely to appear on the next Statement. Purchases can take up to 5 working days to appear on the Statement
- 11.6 Card Holders should query any transactions showing on the Statement for which there is no record, receipt or recollection
- 11.7 Card Holders should complete the Transaction Log, and sign and date to confirm that it has been checked and agreed to the Statement.
- 11.8 Card Holders should pass the Statement, original receipts and the Transaction Log to their Line Manager who must check that all of the receipts agree to the Statement and that all items purchased are for the benefit of the school. Having approved the authenticity and accuracy of the purchases, the Line Manager must also sign and date the Transaction Log to evidence their approval
- 11.9 If the Head Teacher is the designated card holder then the line manager for the Head's purchase card transactions should be either the Chair of Governors or the Chair of Finance. Should a school choose a member of the Senior Management Team to undertake the supervision of the Head's purchase card transactions, then either the Chair of Governors or the Chair of Finance should undertake a periodic check of the relevant purchase card records to ensure that the expenditure incurred is appropriate. The individual undertaking these periodic checks should sign and date the relevant records to demonstrate that the checks have taken place. In any event, all expenditure incurred by the Head Teacher as the card holder should be reported to the Finance Committee on a termly basis so that they can review items purchased and question any areas of concern.
- 11.10 Schools must retain all Statements, original receipts and Transaction Logs for a minimum of 6 years
- 11.11 Statements, original receipts and Transaction Log records may be subject to inspection at any time and must be provided, upon request, for inspection by Audit or Accounts Payable

12.0 Purchase Card DCAL (Online Banking System)

- 12.1 The Local Authority uses DCAL which is a web based application linked to the Royal Bank of Scotland Purchasing Scheme. This facility provides Card Holders with the ability to administer their account electronically and to view their transactions and statements online.
- 12.2 A username and password will be given to the Card Holder by the Purchase Card Administrator to allow the Card Holder to use DCAL. The first time that the Card Holder logs in they will be asked to change the password and validate it. The new password must be a combination of upper and lower case, alpha and numeric characters and must be a minimum of 8 characters. If a Card



APPENDIX A

Schools are not obligated to use contracted suppliers and therefore they can purchase from whichever supplier they chose to get the best

EXAMPLES OF THE TYPES OF EXPENDITURE ACCEPTED ON THE PURCHASE CARD INCLUDE:

- Taxis, car parking, coach, train and air travel (following BCC procedures)
- Subsistence (if paid by purchase card staff must NOT claim again through payroll). Please see BCC's new guidance on claiming subsistence – 24 hour rule – '**Payroll and Pensions**' chapter)
- Fuel for school minibuses (Please note that the card holder is required to obtain a VAT receipt for all fuel purchases in addition to the transaction receipt)
- Trips to theme parks, cinemas or theatre and works of art
- Stamps, publications, external course fees, books and subscriptions
- Vehicle tax and vehicle maintenance
- Foreign Payments
- TV Licenses

Please note that you are not obliged to use BCCs contracted suppliers



APPENDIX B

ITEMS THAT CAN NOT BE PURCHASED USING THE PURCHASE CARD

- Goods and services for the card holder's personal use
- Items from merchant categories that schools are blocked from using.



APPENDIX D

TYPICALLY SUBJECT TO VAT	TYPICALLY NOT SUBJECT TO VAT
Petrol	

