

## Purchasing Card (P-card) Policy

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<b>Mana Whakaae   Approval Authority</b>	Kaihautū Matua Kōahu   Executive Director – Planning, Finance and Digital Services
<b>Āpiha Whakapā   Contact Officer</b>	Finance Shared Services Manager – Financial Services

### Introduction

The Purchasing Card (P-card) is the University's credit card, which is administered by Financial Services. The University P-card programme is well established and significantly reduces the indirect costs of purchasing across a wide range of goods and services for the University. In conjunction with FlexiPurchase, the P-card programme provides greater levels of control and spend visibility, and captures more spend under management than alternative low value purchase methods.

### Definitions

**Bank** – the University's card issuer, currently the BNZ.

**Contracted Supplier** – a Supplier that has been awarded a contract with the University; also referred to as a Preferred Supplier.

**FlexiPurchase** – the University's P-card and Travel Card expense management system.

**P-card** – University Purchasing Card.

**University Purposes** – shall mean those purposes which relate solely to expenditure incurred by the P-card holder in the normal course of their employment or contractual relationship with the University, or are authorised by a Manager or some other person with due authority and comply with University policy. Refer to the University's [Sensitive Expenditure Policy \(PDF, 300KB\)](#) for further guidance.

## Ethics and Over-Arching Framework

The University is responsible for the prudent spending of public or taxpayers' money.

The University has systems of internal control<sup>1</sup> to maintain

- a. legislative compliance<sup>2</sup>,
- b. safe stewardship of assets, and
- c. protection of staff<sup>3</sup>.

The University P-card is a University credit card as opposed to a personal credit card and is to be used only for the purchase of goods and services which support legitimate University Purposes.

Each P-card is issued to one named P-Card holder. It must be solely used by that person and cannot be transferred or delegated to anyone else.

## Policy Statement

### 1. P-card Use

P-cards may be used for routine purchases, exceptional purchases, emergency purchases and low value items, i.e. less than \$2,000, where the University has no Contracted Supplier arrangement, or when dealing with a specialised vendor, or when the purchase method requires it. Where practicable, P-cards will remove the need for Per Diem, or use of personal funds which would require subsequent reimbursement.

This policy applies to all purchases transacted by P-card, regardless of the source of funding.

### 2. Issuance

P-cards may be issued to Council members and person/s engaged for paid employment with the University by way of an employment agreement, personal contract, or through official arrangements with another organisation (staff member)

P-cards will be issued if one of the following first two criteria, plus criteria three and four, are met:

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<sup>1</sup> A process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

<sup>2</sup> GST Act 1985 (documentation of purchases), Education Act 1989 (prudent financial management); Crown Entities Act 2004 (internal control)

<sup>3</sup> In the event of an error or misunderstanding, proper adherence to systems of internal control protects staff members from false accusations.

- i. The staff member or Council member is required to purchase goods and services on behalf of the University in order to carry out the tasks and responsibilities assigned to him/her in accordance with his/her position description.
- ii. The staff member or Council member is travelling on behalf of the University.
- iii. The HOD/HOS/Director and College Manager/College Finance Manager/ Business Manager approves the issue of the P-card.
- iv. The application is approved by the Chief Financial Officer or delegated authority within Financial Services.

*Note: Staff that are on an employment agreement on a continuing basis (including full and part-time), or a fixed term contract on a term of greater than three (3) months are eligible, subject to the issuance criteria above. Staff on other employment terms would be considered, with approval required from the Chief Financial Officer.*

### **3. Credit Limit**

The limit represents the maximum aggregate value for goods and services.

### **4. Governance**

- 4.1. The non-observance of any rules, procedures or guidelines as set out in this policy, or referenced policies, may be classified as misconduct, or serious misconduct as defined within the relevant employment agreement, and can result in any of the below listed consequences at the sole discretion of the Chief Financial Officer:
  - i. The cancellation of the P-card; and/or
  - ii. The P-card holder being held liable for any loss incurred by the University; and/or
  - iii. A breach of the University's [Staff Code of Conduct \(406KB, PDF\)](#).

The P-card is an efficient tool for low value, low risk purchases. Influencing behavioural change is preferred to P-card cancellation.

Financial Services has a process for non-compliance.

### **5. Records Compliance**

- 5.1. In accordance with Inland Revenue requirements, University P-card holders must obtain GST tax invoices as defined and described by Inland Revenue.
- 5.2. Legislation relating to tax invoices requires certain 'standards' to be met for these documents. Refer to the [Inland Revenue \(Inland Revenue website\)](#) for more information regarding what a tax invoice is required to show.
- 5.3. The University is required to keep tax invoices for a period of seven years.

5.4. The University's sole method of archiving P-card receipts and invoices is through uploading a scanned image to Fraedom and linking it to the relevant transaction (see [FlexiPurchase \(University Financial Services Intranet\) \(Staff only\)](#) for instructions). The P-card holder is expected to scan and upload these documents to FlexiPurchase, or arrange within the College/Service Unit for this to be administered on their behalf as per the P-card Acknowledgment – Terms and Conditions of Use (see [Appendix 2](#)).

The overarching expectation is that appropriate documentation will be provided for all purchases that clearly show what the money has been spent on, however the guidelines below are to be followed should the wording on the documentation not comply with Inland Revenue criteria or the documentation has been lost.

Amount	Documentation Provided by P-card Holder	Action
<\$50	Receipt, tax invoice, or nothing	Ok, claim GST
>\$50 <\$250	Receipt or tax invoice	Ok, claim GST
	Nothing	Fill in missing tax invoice form, do not claim GST
>\$250	Tax invoice	Ok, claim GST
	Receipt	Ok, don't claim GST
	Nothing	Fill in missing tax invoice form, do not claim GST

In circumstances where GST can't be claimed this will be a cost to your department. Attempts should be made to get a copy where appropriate, particularly for larger dollar value items.

## 6. Approvers

All P-card transactions need to be approved by a delegated authoriser within FlexiPurchase. Should there be any reason to question a transaction the approver should discuss this directly with the P-card holder in the first instance. P-card transaction approvers have ultimate responsibility and accountability for transactions approved by them.

## Related Documents and Information

### Legislation

- [Crown Entities Act 2004 \(New Zealand Legislation website\)](#)
- [Education Act 1989 \(New Zealand legislation website\)](#)
- [Goods and Service Tax \(GST\) Act 1985 \(New Zealand Legislation website\)](#)

## UC Policy Library

- [Campus Drug and Alcohol Policy \(PDF, 315KB\)](#)
- [Gifts Policy \(PDF, 286KB\)](#)
- [Protected Disclosures Act: Internal Procedures and Code of Conduct \(PDF, 416KB\)](#)
- [Sensitive Expenditure Policy \(PDF, 300KB\) \(Staff only\)](#)
- [Staff Code of Conduct \(PDF, 406KB\)](#)
- [Travel Policy \(PDF, 721KB\)](#)
- [Procurement Policy \(PDF, 194KB\)](#)

## UC Website and Intranet

- [FlexiPurchase \(Financial Services Intranet\) \(Staff only\)](#)
- [Guest List Form \(Financial Services Intranet\) \(Staff only\)](#)
- [Unimarket \(Financial Services Intranet\) \(Staff only\)](#)

## External

- [Inland Revenue \(Inland Revenue website\)](#)

## Appendices

- [Appendix 1](#): P-card – Rules and Guidelines of Use
- [Appendix 2](#): P-card – Terms and Conditions of Use
- [Appendix 3](#): Acknowledgement of University of Canterbury Form (P-card Policy, Guidelines and Terms of Use)

Document History and Version Control Table			
Version	Action	Approval Authority	Action Date
<i>For document history and versioning prior to 2013 contact <a href="mailto:ucpolicy@canterbury.ac.nz">ucpolicy@canterbury.ac.nz</a></i>			
1.00	Major review of document, conversion into new format and document library and document pushed out. Updated contact officer and approval authority.	Chief Financial Officer	Aug 2013
1.01	Minor review of document. Purchase of NZ domestic flights by P-card prohibited.	Chief Financial Officer	Sep 2013
1.02	Updated hyperlinks.	Policy Unit	Nov 2013
2.00	Major review of document including: <ul style="list-style-type: none"> <li>• Addition of sections 6.2 and 8.2</li> <li>• Minor changes to definitions</li> <li>• Addition of scope of policy</li> </ul>	Chair, SMT	Nov 2013

	• Changes to appendices		
2.01	Review date pushed out.	Policy Unit	Sep 2014
2.02	Minor unscheduled changes by Contact Officer.	Policy Unit	Jan 2015
3.00	Schedule review by Contact Officer – minor changes	Policy Unit	Dec 2015
4.00	Scheduled review by Contact Officer – <ul style="list-style-type: none"> <li>• Minor layout changes, hyperlinks to appendices</li> <li>• Minor wording changes throughout</li> </ul>	CFO/Executive Director Financial Services	April 2018
4.01	Updated review date to reflect a three year review period, hyperlinks updated	Policy Unit	Jan 2019
4.02	Minor changes to content under <i>Appendix 2</i> .	Policy Unit	April 2020
4.03	Minor addition to content	Policy Unit	April 2020
4.04	Minor changes, hyperlinks updated ahead of scheduled review.	Policy Unit	April 2022
4.05	Hyperlinks updated	Policy Unit	Aug 2023

**This policy remains in force until it is updated**

## Appendix 1

### P-card – Rules and Guidelines for Use

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#### RULES

- If a grant-in-aid or a set budget is approved for a set amount the P-card holder must not exceed this amount without prior approval. If the amount is exceeded the P-card holder must reimburse the University for the excess.
- The P-card holder is responsible for the collection of a GST tax invoice. If mislaid, the responsibility for obtaining a copy of the invoice rests with the P-card holder.
- The P-card holder is responsible for ensuring that invoices and supporting documentation is legibly scanned into FlexiPurchase and linked to the relevant transaction within FlexiPurchase. This process must be completed within the timeframes stated within the [P-card Timetable \(Financial Services Intranet\)](#).
- The P-card holder must provide a [Guest List Form \(Financial Services Intranet\)](#) for all transactions including guests (internal or external).
- Detailed and itemised tax invoices should be obtained (e.g. from a café, restaurant, hotel, supermarket).
- It is expected that the most senior person present will charge costs (such as meals) to their P-card.

**The University of Canterbury P-card Programme is strictly enforced and audited. The programme prohibits P-card use for the following Goods and/or Services:**

#### 1. Where a Procurement Contract Exists

Where a Supply Agreement exists between the University and a Supplier the likely platform for purchase will be by Purchase Order through UC Unimarket. If you are in doubt whether an Agreement exists, please contact your department administrator or Procurement ([procurement@canterbury.ac.nz](mailto:procurement@canterbury.ac.nz)).

The following are items that you **cannot** buy using your P-card:

- a) Purchase of NZ domestic flights (see [Travel Policy \(PDF, 721KB\)](#) for guidelines around purchasing international travel);
- b) Personal purchases;
- c) Cash advances;
- d) Cash refunds;

- e) Transferring credit to a personal account held with payment service providers;
- f) Lease agreements;
- g) Mobile devices (including tablets), phone bills, sim cards, top-ups (unless the sim card is integrated with the University equipment for data monitoring/systems communication), and data-use charges'
- h) Desktop/laptop computers (including monitors, keyboards and mouse devices);
- i) Software on physical media or electronic i.e. downloaded from a website;
- j) Software-as-a-Service (SaaS) licence / subscription;
- k) Apps for mobile devices from but not limited to Apple store, Google Play store;
- l) File storage including but not limited to iCloud, DropBox, virtual machine hosting;
- m) Internet (ISP) charges;
- n) Payment for work attracting PAYE or with-holding tax;
- o) Internal payments within the University, this includes the purchase of UC parking coupons from campus outlets;
- p) Alcohol – unless pre-approved, or as per the [Sensitive Expenditure Policy \(PDF, 300KB\) \(Staff only\)](#);
- q) Print devices.

## **GUIDELINES**

**In some instances, P-card use may be acceptable. The following section offers additional guidance to the purchaser for particular categories of expenditure:**

### 1. Air Travel

Domestic (within New Zealand) air travel must be purchased through the online booking tool provided by the preferred Travel Management Company (TMC), or directly with the TMC where you cannot access the online booking tool. Use of P-card to purchase domestic flights is by exception only, such as to make emergency travel arrangements as defined by the [Travel Policy \(PDF, 721KB\)](#).

International travel arranged with the preferred TMC will be charged to the relevant Travel Card, not P-card (accommodation and car hire will be secured against a P-card). Please refer to the [Travel Policy \(PDF, 721KB\)](#) for further detail and guidance.

### 2. Alcohol



The purchase of alcohol should be the exception rather than the norm at UC. Alcohol can only be provided for official University functions where approved in advance by the relevant SMT member.

When entertaining guests of UC on or off campus (including recruitment) for a meal then a glass of wine, or equivalent, can be purchased at UC's expense.

Reimbursements can be made using internet banking, or directly with Financial Services Cashiers. Refer to the [Reimbursement to P-Card \(Financial Services Intranet\) \(Staff only\)](#) page for more details on how to reimburse for personal purchases.

### 3. Business Meetings

P-card purchase of food & drink for meetings between a P-Card Holder and staff or other Council members is not permitted, e.g. coffees, lunches. Purchase of business lunches and teas should be transacted through Preferred Suppliers within [UC UniMarket \(Financial Services Intranet\) \(Staff only\)](#) or, 'self-catered' with food and drink purchased from a grocery store if it is appropriate (cost-effective) to do so.

Food and drink for meetings including visitors can be charged to P-card. As a general rule there should be a ratio of no more than 2 staff or Council members to each visitor.

### 4. Electronic Devices

Purchase of computers (including readers, iPads, iPods, PDAs, tablets, netbooks, laptops and any similar device), should not be transacted by P-card. The purchaser must first consult with ICT Services prior to requesting quotations, plus seek approval from PVC/Director or delegate. Such purchases shall be made by **Purchase Order** only.

### 5. Software and file storage – Note, a campus licence may exist. Ask ICT Service desk.

Purchase of software (mobile apps, SaaS) or file storage from online suppliers must have the approval of the Executive Director, Planning, Finance and ITS or delegate. Any purchase that is not supported by written pre-approval will result in that staff member concerned being asked to reimburse the University. Mobile device 'Apps' where possible will be purchased by ITS on the UC store(s) account so that these are owned by the University and not the individual.

### 6. Meals and drinks when entertaining and/or travelling – please complete [Guest List Form \(Financial Services Intranet\) \(Staff only\)](#).

From time to time, p-card holders will need to take visitors to dinner. As a general rule there should be a ratio of no more than 2 staff members to each visitor. That is 2 visitors may be taken to dinner by up to 4 staff/Council members. Where the partner of a visitor is included in the dinner, staff/Council member partners are to be counted as staff for the purposes of calculating the ratio. For example an Erskine visitor and his/her partner could be taken to dinner by 2 University staff/Councilmembers and their partners.

As a general guide, the following amounts (inclusive of GST, excluding card surcharges) are deemed reasonable for breakfast, lunch and dinner for both staff/Council members and guest:

- Breakfast/brunch – NZ\$ 30 per person (inc. drinks, excludes alcohol)
- Lunch – NZ\$ 30 per person (inc. drinks, excludes alcohol)
- Dinner/evening meal – NZ\$ 70 per person (inc. drinks, excludes alcohol)

P-card holders should select a restaurant/café knowing its menu prices to ensure this guideline is achieved, and should seek to minimise expenditure whenever possible.

P-card holders should seek approval (email preferred) from their Senior Manager if dinner/evening meal is likely to exceed the guideline amount.

## 7. Meals and drinks when travelling on University business

P-card is the preferred method for meal expenses whilst on University business. P-card should only be used to purchase breakfast (unless included with accommodation), lunch and dinner. P-card should not be used for morning/afternoon tea, snacks (drinks/food), or purchase of beverages in the evening. Common-sense exceptions exist, such as the purchase of water.

When travelling on University business, P-Card holders, who attend events, conferences etc., where meals and beverages are provided by the host, may only use the P-Card to purchase additional food if dietary requirements dictate their purchase. Common sense exceptions exist, such as the purchase of water.

The “per person” guide for meals above should be applied to domestic and foreign travel expenses. In some countries the price of meals may exceed the guideline, in these instances core principles of reasonableness and value for money should be applied.

## 8. Fuel

Fuel purchases for University vehicles must **NOT** be made on P-card. Fuel cards exist within each vehicle for this purpose.

Fuel for rental vehicles must be purchased on P-card prior to vehicle drop-off.

P-card purchase of fuel for private vehicles is not permitted. The University reimburses fuel purchased when using personal vehicles for University business. When claiming reimbursement the following information must be supplied:

- i. Date of travel
- ii. Destination
- iii. Distance travelled
- iv. Purpose of the travel

When claiming for multiple trips each trip must be itemised.

**You SHOULD use a UC fleet vehicle where possible.**

## 9. Gift Vouchers

The purchase of gift vouchers is discouraged.

A gift must be just that and not a substitute for compensation or payment. Gift vouchers can be subject to tax which would add a further cost to the transaction.

The University recognises that in many research projects, payments are made to volunteers. Researchers may choose to give participants a token of appreciation, such as a voucher, for taking part in their research. These payments are a gesture of goodwill for the individual's voluntary participation and reimbursement for any incidental expenses, and in any advertisement for research volunteers, these words should be used. Note if vouchers are used for research participants the researcher will keep their own records of who received vouchers. It would be a breach of research ethics to provide the participants' details to financial administrators as supporting documentation.

Approval to purchase gift vouchers, of any value, must be sought from the relevant PVC/Director or delegate prior to the purchase.

## 10. Stationery

Stationery must only be purchased from the preferred supplier through [UC Unimarket \(Financial Services Intranet\)](#) (Staff only).

## Appendix 2

### Purchasing Card – Terms and Conditions of Use

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1. In this document:
  - 1.1. “you” shall mean the P-card holder.
  - 1.2. “University” shall mean University of Canterbury.
  - 1.3. “Bank” shall mean the card issuer.
  - 1.4. “Terms and Conditions” shall mean the Purchasing Card Terms and Conditions of Use.
  - 1.5. “University purposes” shall mean those purposes which relate solely to expenditure incurred by the P-card holder in the normal course of their employment or contractual relationship with the University, or are authorised by a Manager or some other person with due authority and comply with University policy and the [Staff Code of Conduct \(PDF, 406KB\)](#). Refer to the University’s [Sensitive Expenditure Policy \(PDF, 300KB\) \(Staff only\)](#) for further guidance.
2. The University considers the issuance of the P-card to be a positive means of enabling you, solely for University purposes to purchase a wide range of goods and services in an efficient manner with minimum administrative effort. In return for being issued with a P-card, you agree to use the P-card responsibly and in accordance with these Terms and Conditions.
3. If there is any doubt about whether any expenditure is appropriate for University purposes, you must clarify the anticipated expenditure with your manager before transacting.
4. The P-card must not be used for personal or unauthorised expenditure.
5. Upon being issued with the P-card, you must sign these Terms and Conditions acknowledging your agreement to abide by these Terms and Conditions.
6. You must sign the P-card immediately upon receipt.
7. A Personal Identification Number (PIN) for the P-card will be issued to you by visiting a branch of the P-card issuer. The PIN must not be disclosed to a third party.
8. The P-card shall be personalised in the names of both the University and you.
9. The P-card remains the property of the Bank.

10. The University reserves the right to vary these Terms and Conditions from time to time. It is your responsibility to ensure you are aware of the most current policy.
11. If requested to do so, you will return the P-card to the University immediately. Financial Services reserves the right for the P-card to be returned at any time.

It is a mandatory requirement that all receipts and tax invoices for P-card transactions equal to or greater than \$50 (inclusive of GST) are obtained for scanning and upload to FlexiPurchase. It is recommended good practise that the same is done for those transactions less than \$50. You, as the P-card holder, are responsible for ensuring this happens.

An audit process will be in place to investigate any 'unusual' transactions and inquiries made of the P-card holder if deemed necessary.

12. Every effort should be made to ensure that all receipts and tax invoices for P-Card transactions are obtained for scanning and upload to FlexiPurchase. In the event of a lost or missing receipt / tax invoice then refer to the table as per clause 5.4.

### **TRANSACTION LIMITS**

13. The P-card has a credit limit of either \$5,000 or \$10,000.
14. Any requests by you for changes to the monthly limit on your P-card must be approved by your manager, or delegate, and sent to [purchasing-support@canterbury.ac.nz](mailto:purchasing-support@canterbury.ac.nz) for approval by the Chief Financial Officer.

### **LOST OR STOLEN CARDS**

15. You are responsible for immediately reporting a P-card that is lost or stolen to the Bank, via the 24 hour Hotline telephone number 0800 800 667.
16. If your P-card has been lost or stolen, you may be liable to the University for any loss if it is proven you have impaired the integrity of the P-card by
  - 16.1. leaving a written record of your PIN on, or with, your P-card, or if your PIN has been left in a form which can readily be identified as being a PIN;
  - 16.2. disclosing your PIN to anyone, whether family or those in apparent authority, including Bank staff, or allowing such people to use the P-card;  
or
  - 16.3. having unreasonably delayed notifying the Bank of the loss or theft of your P-card.

17. Replacement of a lost or stolen P-card must be arranged by Purchasing Support [purchasing-support@canterbury.ac.nz](mailto:purchasing-support@canterbury.ac.nz). It cannot be arranged by P-card holders and the Bank.

## **MONTHLY PROCEDURES**

18. Statements can be viewed on [FlexiPurchase \(Financial Services Intranet\) \(Staff only\)](#).
19. Any dispute concerning the validity of a charge should be taken up with the Bank through the Fraedom dispute process; refer to [FlexiPurchase \(Financial Services Intranet\) \(Staff only\)](#).
20. GST tax invoices should be scanned, uploaded and accurately linked to transactions in Fraedom by you or your College/Department administrator before the scheduled deadline. Refer to the [P-card Timetable \(Financial Services Intranet\) \(Staff only\)](#).
21. Images should be scanned to such a quality that they can be legibly printed if required. The University's multifunction devices default scan settings are sufficient to produce a legible image.

Your manager or delegated authoriser will review all your account activity for the month. Your manager or delegated authoriser must approve or decline all transactions made with your P-card.

## **NON-COMPLIANCE**

22. You must comply fully with these Terms and Conditions. A failure to do so could:
  - i. Result in the cancellation of your P-card, and/or
  - ii. Result in you being held liable for any loss incurred by the University, and/or
  - iii. Constitute a breach of the University's [Staff Code of Conduct \(PDF, 406KB\)](#).

## Appendix 3

### Acknowledgement of University of Canterbury:

1. Purchasing Card Policy
  2. P-card – Rules and Guidelines for Use
  3. P-card Terms and Conditions of Use
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#### P-card holder Details

**Full Name:** \_\_\_\_\_

**Dept/Service Unit:** \_\_\_\_\_

**Email address:** \_\_\_\_\_

I acknowledge I have read and understood the University of Canterbury P-Card policy, rules and guidelines and terms and conditions of use (a copy of which has been provided to me to retain for future reference), and I agree to abide by these at all times.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

#### Witness Details

**Witnessed by:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_