



Windsor Academy Trust

Purchase Card (Multi-Pay) Policy

Responsible Committee:	Finance & Audit Committee
Policy Coordinating Officer:	Chief Operating Officer
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Review date:	September 2020

PURCHASE CARD (MULTI-PAY) POLICY

1. Introduction

This policy is part of the Trust's Financial Policy Manual. For the purpose of this policy the term Purchase Card is used as this is the terminology used within the Trust. The Trust use a Multi-Pay Card and this is provided by the Trust's main bankers – Lloyds Bank.

2. Responsibilities

This policy statement applies to all employees authorised to use a Purchase Card at Windsor Academy Trust and to Headteachers.

The overall Purchase Card system is managed within the WAT Central Finance Team.

The Finance and Audit Committee will review this policy annually.

3. Background

Purchase cards (often referred to as “credit cards”, “business case” or multi-pay cards”) have been used in the Trust since 2017. Purchase Cards are held by authorised staff to enable certain transactions to be procured more effectively and efficiently or because the supplier will only accept payment by this means.

The administration of the Multi-Card Portal in Lloyds is carried out under the direction of the Head of Finance as the Primary Administrator with the day-to-day support carried out by the Senior Finance Officer.

CONDITIONS OF USE

4. Authorisation to use

Headteachers or the Chief Executive (for WAT Central staff) are responsible for authorising which employees can use a Purchase Card. The Purchase Card is in the name of the employee and all correspondence for the Purchase Card will be to the academy or business centre address. Correspondence address should never be to the Card Holders home address.

Monthly purchase card limits per Card Holder will be set by the Headteacher in line with the needs of the academy. For limits of over £2,500 authorisation will be required by the Head of Finance and by the Chief Operating Officer for limits over £5,000.

5. Temporary increases to credit limits

At times for business reasons there will be a need to authorise a temporary increase to the credit limit of between 1-2 months. In this event the temporary increase can be actioned by the Senior Finance Officer and by keeping a record on the purchasing system of the reason for the increase. For temporary increases where a credit limit is over £5,000 authorisation is required by the Head of Finance.

6. Usage

Purchase Cards are a different method by which the Trust can purchase and pay for goods or services compared to the more traditional route of receiving an invoice from a supplier and paying the supplier through a BACS payment.

Purchasing goods and services through the more traditional route of purchase order-invoice-payment is the main method by which goods and services should be purchased by the Trust. Transactions through this process ensures that there is a greater chance VAT can be reclaimed in full, ensures that a spending profile by supplier is maintained within the purchase ledger and there is a greater chance that good financial control can be maintained.

However, it is acknowledged that in order to achieve better Value for Money across the Trust then the use of Purchase Cards has many advantages in particular the access provided to online purchasing; offering more competitive prices than from suppliers offering invoicing arrangements.

Purchase Cards can therefore be used by the Trust in the following situations:

- To enable staff to purchase goods on-line where either the supplier would not normally allow a supplier account to be set up and value for money for the Trust can be achieved. (E.g. Online only vendors).
- To enable staff to purchase goods more effectively and at better prices.
- To prevent employees from having to use their own credit cards to make a business purchase and then seek to reclaim the funds through staff expenses.
- To facilitate the booking of travel and accommodation (e.g. incurred by Headteachers and the Executive Team).
- To facilitate an emergency purchase where the supplier requires immediate payment.
- To facilitate an urgent payment where delaying the payment (through a BACS payment) will result in the Trust incurring late payment fees and/or face legal action.

Purchase Cards should not be used to bypass the purchase order/ invoicing route.

The Purchase cards should not normally have the ability to obtain cash from a cash machine. Specific access for cash may be granted to an individual but only following approval by the Head of Finance, the limits are up to £100 and the business need for this is due to petty cash top-up.

7. Financial Control – Use of purchase orders

A Purchase Card enables the whole process of ordering. Invoicing and payment to be wrapped up into one process and transaction. For this reason, the use of Purchase Cards is attractive to staff.

However, there are some limited risks presented to the Trust if one person is able to both order goods and services and make payment which is therefore not in line with the

segregation of duties that would be in place for a BACS payment. Purchase Cards are one payment and therefore the same controls and purchase ordering processes should be followed.

For this reason (and unless the expenditure falls within an exception below) prior to use of a Purchase Card a manual Purchase Order requisition should be completed by the relevant Budget Holder.

At a local level (and depending on the number and range of transactions) the academy may decide to create an automated authorised purchase order within the accounting system.

Purchase Order requisitions are not required where:

- the nature of expenditure means that it is impractical to introduce an additional process of a purchase order (e.g. hotel accommodation and travel for Executive/Headteachers);
- there are other authorisations built into the approval process where the completion of a Purchase Order requisition is simply duplicating the workload;
- the value of the item purchased is less than £100 (exc VAT)

At a local level the Headteacher and Finance Manager may insist that all purchases must be covered by a purchase order requisition and therefore follow a standard that is higher than the above.

Any expenditure which is over £500 (exc Vat) must always have an authorised PO requisition attached or an authorised purchase card expense form completed.

8. Financial Control – Authorisation of business card statement

The Card Holder is responsible for ensuring that the purchase has been fully documented and an invoice or business receipt has been received in a format that allows the VAT to be fully reclaimed by the Trust.

The Card Holder, on a monthly basis is responsible for collating all their documents and complete a monthly authorisation sheet that lists the expenditure and coded the expenditure to the relevant cost code. This sheet must be authorised by the Line Manager to the Card Holder and returned immediately to the Finance Department for processing.

9. Card holder responsibilities

Card Holders are responsible for complying with this policy and using the Purchase Card in accordance with the “WAT Purchase Card Conditions of use” that is provided to the employee on receipt of the Purchase Card and following section 6 and section 7.

10. Central Finance Team responsibilities

The Head of Finance (Central) is responsible for overseeing the overall management of the Purchase Card system by being responsible for the ordering of the purchase cards following the completion of a declaration form by the member of staff through the Lloyds Bank online portal and for changing user details (e.g. deleting the user after

he/she has left the employment of the Trust). Finance will also provide the temporary credit limit changes as the need arises.

11. Issue and Safekeeping

It is the responsibility of the Card Holder to keep the card safe and secure at all times. For most of the time it is likely that the card will be kept in a locked drawer or safe at the academy. Offsite additional sensible safekeeping practices should be followed.

12. Loss or theft of a Multi-Pay Card

If the Purchase Card is lost or stolen the cardholder must:

- Contact Lloyds Bank immediately. If your Card is lost, stolen or the PIN becomes known to any person other than you, or the Card or the PIN are for any reason liable to misuse, you must notify the Bank without undue delay by telephone on 0800 096 4496 (24 hours) (if abroad +44 1908 544059).
- Inform the Head of Finance and Senior Finance Officer at WAT Centre immediately.
- Inform the police if the loss is a result of theft and obtain a report number and report this to either the Head of Finance or Chief Operating Officer.

EMPLOYEE DECLARATION

13. Purchase Card (Multi- Pay) Declaration

The following declaration must be signed by the employee before the card is passed to that employee. A copy of the signed declaration will be kept at the Academy and a copy also held by the Central Finance Team.

WAT Purchase Card (Multi-Pay) User Declaration

Introduction

In receiving a Windsor Academy Trust Purchase you are contractually committed to adhere to the Trust's Purchase Card Terms and Conditions.

Before signing this declaration you should read the terms and conditions carefully and make yourself aware of your responsibilities as a card holder.

The terms and conditions are summarised below:

Card Security

- On receipt of your card you will sign it immediately.
- You will not allow anyone else to use your card.
- You will keep your card and PIN safe at all times.
- In the event you lose your card you will contact the card administrator (WAT - Senior Finance Officer – Vidhu Sharma) immediately and your local academy finance team.

Acceptable Usage

- The card is for approved business use only.
- Continuing payment authorities (CPAS) are not permitted.
- The card is to be used in accordance with the Lloyds Bank terms and conditions, available on Lloyd's commercial card portal.

Monthly Statements

- You will retain all documentation relating to purchases made on your card, including receipts, invoices and delivery notes.
- You will monitor your card balance using Lloyds online portal to ensure you will not exceed your credit limit.
- You will submit a copy of your card's statement along with documentary evidence to your line manager/Headteacher for authorisation each month

Failure to meet any of the terms and conditions may result in a disciplinary and/or dismissal.

Cardholder Declaration

Print Name:	
Signed:	
Date:	