



# SCHOOL PURCHASING CARD POLICY

## RATIONALE

The use of purchasing cards in schools can result in better cash flow management, reduced level of documentation, enhanced purchasing processes and improved internal controls. An obvious area of advantage is that of external or remote access to funds e.g. camps.

Westpac Institutional Banking Corporation has been awarded the Whole of Government contract for the provision of Cash and Banking Services. This contract includes the Department's Schools Purchasing Card facility that is endorsed as the Westpac Visa Card.<sup>1</sup>

The Purchasing Card Facility has been approved by the Minister as an addition to the Department's endorsed purchasing practices in place in schools.

A purchasing card is an enhancement to current methods, to assist with flexibility, time saving and convenience.

## IMPLEMENTATION

The three groups in schools who are responsible for the purchasing card are:

- the school council,
- the authorisation officer and
- the cardholder

School council has formally adopted procedures in order to ensure card implementation and usage is maintained under 'best practice' conditions to ensure financial accountability and optimum internal control.

The financial delegation traditionally held by the principal to incur and pay for school related expenditure is extended to the **cardholder**.

Financial accountability and responsibility for school transactions remains with the principal.

Reporting requirements will enable the principal, as authorisation officer, to oversee all **cardholder** spending.

Where the principal is the **cardholder**, the school council president **is the authorisation officer** for that card.

- The maximum monthly limit of \$15,000 placed on each purchasing card is mandated under Ministerial Guidelines and Directions 1-6 of 2008 [2.4(a)(i)]
- School council will ensure that each identified cardholder who agrees to be issued with a purchasing card, completes "Undertaking by Cardholder" proforma which forms part of Ministerial Guidelines and Directions 1-6 of 2008.
- A merchant category limit can be determined for each cardholder, varying from limits related to actual supplier/s to expenditure areas.
- An Annual Statement of Assurance regarding appropriate usage of the school purchasing card will be required under provisions of a "Finance Code of Practice" (Standing Directions of the Minister for Finance under the Financial Management Act 1994)
- The school purchasing card carries a liability for school council – not an individual liability for the cardholder. Therefore the school purchasing card does not impact on a cardholder's personal credit rating.
- If the purchasing card is found to have been used by an unauthorised person, the school council is not liable for those costs, provided Westpac is immediately notified of its loss or theft of the card.

### No Card Fees

- Each school purchasing card held will not attract card fees as the card is exempt from government charges. Department schools will be provided with access to the web based IntelliLink platform for monthly and yearly reporting and management purposes.

<sup>1</sup> Government legislation and Department policy prohibits the use of any Purchasing Card alternatives, including credit cards from other financial institutions

**School Purchasing Card Statement**

- All schools will receive a monthly statement per card. Westpac has an enhanced web-based reporting facility, Visa IntelliLink. Schools will be provided with access to this reporting function for monthly and yearly reporting and management purposes.

**EVALUATION**

This policy is required to be reviewed annually by School Council to confirm or enhance internal control procedures.

**REVIEW CYCLE**

This policy was last updated in **February 2019** and is scheduled for review in **February 2020**.

**Endorsed by School Council in February 2019.**