# Purchase Card Procedural Guidelines

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<td>Associate Director of Purchasing &amp; Head of Financial Accounts</td>
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## PROCEDURE SUMMARY

The Procedure details:
- The circumstances in which Purchase Cards can be issued
- The application process
- How they should be used
- Checking & Approval processes

The Trust monitors the implementation of and compliance with this procedure in the following ways:
- Monthly checking of transaction logs against statements
- Annual Audits

### Services

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The Director responsible for monitoring and reviewing this procedure is
Executive Director of Finance
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1.0 INTRODUCTION

1.1 This procedure document should be read in conjunction with the Trust’s Standing Financial Instructions (SFI) and nothing contained herein is intended to override that information.

1.2 Due to the Trust merger there are currently two separate Purchase Card Accounts:
   North Essex: NatWest (currently 20 cards)
   South Essex & Bedfordshire: Barclaycard (currently 11 cards)

1.3 There are three categories of Purchasing Cards:
   Category 1: Cards for areas only where a specific need is identified
   Category 2: Cards kept with the Purchasing Department
   Category 3: Contingency Cards (for business continuity use)

1.4 An up to date list of Purchase Cards issued is maintained by the Accounts Payable Manager within North Essex & the Finance Procurement Manager for South Essex & Bedfordshire.

2.0 CARD CATEGORIES

2.1 Category 1 Purchase Cards

Category 1 Purchase cards are issued **only where a specific need is identified** and are used for the purchase of low value items for which it would not be cost efficient to raise an order. Where Purchase cards are used for items greater than £500 in value, the normal ordering process should be followed.

2.1.1 Please note that a purchase card should **NEVER be used to purchase**
- Electrical Equipment
- Medical Equipment or Consumables
- Furniture or Soft Furnishings
- Computer Equipment or Software
- Mobile Phones or Telephones
- Agency Staff or Consultants
- Trust Branded Items (unless authorised by the Trust Communications Department)
- Estates items (unless authorised by the Trust Estates Department)

2.1.2 This is as there are Health and Safety as well as other regulations which need to be considered before purchasing such items.

2.1.3 For further clarification of what can be purchased via a purchase card please refer to the categories of spend in Appendix 3.
2.2 **Category 2 Purchase Cards – For Procurement Department Use**

2.2.1 The Procurement Department have purchase cards which can incur costs on other budget codes. Therefore any team which does not have a card is able to access the use of a card by following the usual requisitioning procedure. A non-stock / eproc requisition must be completed and authorised by the relevant authorised signatory.

2.2.2 The Procurement Department will then process the request on their centrally-held card. The details of the card use will be annotated on the requisition header so a full audit trail is in place & a local transaction log maintained for checking against the monthly statement.

2.2.3 The Purchasing Card will only be used to make purchases against authorised requisitions

2.3 **Category 3 Purchase Cards – Contingency Cards**

2.3.1 These cards have higher limits & are only to be used in emergency circumstances in instances for Business Continuity.

2.3.2 If the use of a contingency purchase card is required in an emergency please refer to the Trust intranet Major Incidents page.

3. **APPLYING FOR A PURCHASE CARD**

3.1 Purchase card applications must be made on the form ‘Application for Purchase Card Issue’ (Appendix 1). The form requires details of the individual requesting the card, reason for the request, and budget code of the individual. There is a standard card set up, which gives a limit per transaction, a card limit, and restricted categories of spend (See Appendix 3). If the application is successful, a standard card set up will be issued unless sufficient justification is given on the form for a non-standard set up.

3.2 The form must be authorised by the applicant’s Budget Holder & Director and then submitted to the Head of Financial Accounts (North Essex) / Head of Procurement (South Essex & Bedfordshire) for approval. Any requests for a card by an individual at Director Level must be authorised by the Executive Director of Finance.

3.3 If approved, a bank application form will be sent to the individual applying for the card. The bank form requires personal details and a signature. This form is then to be returned to the Head of Financial Accounts (North Essex) / Head of Procurement (South Essex & Bedfordshire).

3.4 Receipt of the card following the application is within 28 days.
4. CARD LIMITS

4.1 Each new card will be issued with a card limit of £1,000 per month and a transaction limit of £500. It is possible to request an amendment to this limit on initial application for a card. To request lower limits, simply enter the required limits on the form. For higher limits, sufficient justification must be provided.

4.2 It is possible for limits to be temporarily increased for a specific purpose, and therefore card limits should be based on expected usual spend rather than possible one-offs.

4.3 Amendments to card limits can also be applied for once a card is operational. To request an increase to either a card limit or a transaction limit (or both), the form Application for Card Limit Amendment (Appendix 2) must be completed and authorised by the applicant’s Director. This form asks whether the increase is permanent or temporary. All requests for an increase to card limits must be authorised by the Associate Director of Finance (North Essex) / Head of Procurement (South Essex & Bedfordshire).

4.4 Please note that at least eight working days’ notice is required to amend a limit.

4.5 Procurement & contingency cards have higher limits as these are supported by other internal processes.

5. BLOCKED CATEGORIES

5.1 There are standard blocked categories of spend. It is possible to request an amendment to the categories of blocked spend. This can be done on initial set up of the card, or once the card is operational. To request amendment once the card is operational, form ‘Application for Amendment to blocked Categories’ (Appendix 3) must be completed and signed by the cardholder’s Director.

5.2 Sufficient justification must be provided for the restriction to be lifted on any category, it may be decided that the block is lifted on a one off basis.

6. ACCOUNT LIMIT

6.1 As well as a limit for each individual card, there is an overall limit for the account. Therefore any amendments to individual card limits will have to take into account of the total limits of the current cards in issue. The sum limit of cards in issue must not be higher than the total value of the overall account.

6.2 If the Trust’s limit is reached, requests maybe declined.

6.3 To increase the limit on the overall account, authorisation must be given by the Executive Director of Finance and the Chief Executive.
7. AUTHORISERS AND AMENDMENTS

7.1 See attached schedule (Appendix 4) of registered authorisers and their rights. Any amendment to Authorisers must be authorised by any two of the Associate Director of Finance, Head of Financial Accounts, Head of Procurement and Finance Officer.

7.2 All amendments should usually be processed by written confirmation to the bank.

7.3 The Finance Officer and Head of Financial Accounts have telephone authority. Any amendments made by telephone must still have the relevant signed paperwork in place before a call is made. The telephone indemnity is only for urgent amendments where it is not possible to wait several days for the amendment to be processed by the bank.

8. WHO CAN USE A CARD

8.1 Purchase cards are the responsibility of the individual cardholder, **under no circumstances should you give your card to anyone else to use.**

8.2 It is the responsibility of the cardholder to incur expenditure only on the budget code the card was originally authorised for and for which they have the appropriate authority to spend against.

8.3 Any misuse of the purchase card will be considered as serious misconduct and may lead to disciplinary action.

8.4 If a cardholder moves department, a form ‘Application to Transfer Purchasing Card’ (Appendix 5) must be completed. This would need to be authorised by the new budget holder and Director. (Please note that the card cannot be transferred to another team member in the original team. Instead, a new card must be applied for.)

8.5 A register of cardholders is maintained by centrally and checks will be carried out by the to verify that cards are still in the cardholder’s possession.

8.6 Cardholders will be notified when their cards are about to expire, all new purchase cards are sent centrally to Finance/Procurement who will contact the card holder and arrange with them when they can collect their new card.

9. TRANSACTION LOGS

9.1 In South Essex & Bedfordshire card holders receive their own statement.

9.2 In North Essex the Finance Officer emails each individual card holder their statement for the month.

9.3 The card holder is responsible for checking and is required to complete their transaction log (Appendix 6) which agrees to their statement.
9.4 The log details each transaction, including the supplier, transaction, date, budget code and amount.

9.5 A valid receipt/invoice must be attached for ALL transactions.

9.6 All logs must be authorised by the card holders Manager.

9.7 Transaction logs and statements must be returned via email to the Finance Officer with the authorised hard copy including receipts/invoices being returned via Internal Post to the Finance Officer by the tenth working day.

9.8 If the invoice/receipt has not been received in time for submission the Finance Officer must be notified of the reason why. Once the invoices/receipts have been received the log must be forwarded to the Finance Officer. Transaction logs are loaded directly into the finance system, and it is therefore essential that they are completed correctly.

9.9 Please note that no individual should approve expenditure on their own card. Where budget holders have a Trust Purchasing Card, approval must be made by their respective line manager.

9.10 If an individual consistently fails to submit their completed transaction log by the deadline, their card will be withdrawn.

10. DISPUTING A TRANSACTION

10.1 Each individual cardholder is responsible for the transactions on their card.

10.2 If a transaction appears on the statement which is not recognised, the cardholder must contact the Head of Financial Accounts (North Essex) Head of Procurement (South Essex & Bedfordshire).

10.3 There are standard forms to be filled in by the cardholder for the bank to follow up any queries.

10.4 Each query will be treated on an individual basis.

11. WHEN A CARDHOLDER LEAVES THE ORGANISATION

11.1 If a cardholder leaves the organisation, prior to departure they must return their completed transaction logs and their card to finance to be cancelled and destroyed.

11.2 The card must **not** be passed to another individual for use. The card is the property of the individual who is named on it.

11.3 If another member of staff wishes to take on the role of cardholder, they must apply in the usual manner.
12. LOST OR STOLEN CARDS

12.1 If a cardholder loses their card, or if the card is stolen, the cardholder must notify finance immediately.

12.2 If the card is lost or stolen outside of working hours, the relevant NatWest / Barclaycard purchasing card department must be contacted immediately by the cardholder, and finance notified of any action taken as soon as possible.

13. ANY OTHER ISSUES

13.1 Any issues arising with the use or issue of a card which have not been addressed in this procedure must, in the first instance, be addressed to the Head of Financial Accounts & Head of Procurement.

END