

**PURCHASING CARD – MANUAL AND USER GUIDE**

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# Overview

There are many benefits of using purchasing cards, which include:

* + Reduces the need to set up ad hoc / one-off low value suppliers on Unit 4 ERP, where the costs involved in creating the supplier may be disproportionate to the actual cost of the goods or services required.
  + Shortens the purchasing cycle, eliminating the need to process and pay invoices.
  + Reduces the need for staff to front expenses from their own pocket when travelling on University business.
  + Those who choose to use the Lloyds virtual ePay system for online purchasing will benefit from simpler authentication procedures and a simpler, front-loaded administration. Two-factor processes, including card-readers and PINs, are increasingly the norm for physical systems like Barclaycard.

Purchasing cards simplify commercial processes and payment systems, offering a major opportunity to cut costs and improve efficiency, but they can carry risks such as fraudulent use or abuse. Consequently, the University needs to demonstrate that it has appropriate management and audit procedures in place to ensure proper control of transactions.

The purpose of this document is to provide advice, guidance and procedural information to University staff. It sets out eligibility, responsibilities and restrictions regarding the use of purchasing cards and staff are bound by its contents.

The information set out within this document is not intended to be unnecessarily prescriptive. Matters such as: *obtaining budget holder authorisation; ensuring you are purchasing the right thing; supplier or website vetting; agreeing delivery dates or locations with the supplier; checking goods on receipt; ensuring goods are fit for purpose; and agreeing terms and conditions with suppliers* are deemed outside the remit of this document and are covered elsewhere by the University’s [Financial](https://www.hope.ac.uk/media/liverpoolhope/contentassets/documents/stafffinance/media%2C26342%2Cen.pdf) Regulations, [Procuremen](http://www.hope.ac.uk/media/liverpoolhope/contentassets/documents/media%2C65225%2Cen.pdf)t Policy and all other related policies and procedures. However, staff are reminded that they should exercise good judgement and act responsibly when using a purchasing card and must at all times be mindful of this position of trust in the use of University funds. **Unauthorised or fraudulent use of cards may result in an immediate withdrawal or suspension of the card and potential disciplinary action.**

The University’s Executive Director of Finance, Services and Resources has overall responsibility for managing the financial performance of the University, however, the Senior Financial Accountant will manage and oversee the operational usage of purchasing cards.

# Scope

This document covers the use of Barclaycard Commercial’s Government Procurement card (purchasing cards) and Barclaycard Spend Management (BSM), which is a global hosted on-line platform providing transaction coding and approval functionality. These cards are operated by Visa and work in a similar way to a credit card but have strict security and control features placed upon them. Also covered by the scope of this document is the Lloyds ePay virtual Mastercard which is available as an alternative to Barclaycard for online purchasing. Both of these payment systems, physical and virtual, will hereinafter be referred to as “purchasing cards”. The policy applies to all staff who have been issued with a purchasing card (**Cardholder**) and all approvers of the aforementioned cards (**Card Approver**). Any reference to the Cardholder or Card Approver within this document should also be taken to refer to their delegates (where one is in place).

# Applying for a purchasing card

To request a card please email [mcleodk@hope.ac.uk](mailto:mcleodk@hope.ac.uk) Applicants will need the prior approval of their line manager (cc’d into email) and the reasons for requesting a card must be set out within the request.

The issuing of cards is strictly limited and at the discretion of the Executive Director of Finance, Services and Resources, considering the applicant’s role, activities, duties undertaken and overall purchasing requirement.

If an application for a new card is approved, the applicant will need to complete the Cardholder Application Form. The Senior Financial Accountant will administer this process and should be contacted for further information.

Physical cards are issued by Barclaycard directly to the Senior Financial Accountant and will be available for collection from the University’s Finance Department within 10 – 14 days of the University submitting the request.

# Using a purchasing card

Purchasing cards may only be used:

* + For genuine business expenditure which is reasonable and appropriate to incur.
  + In general, to pay for low value purchases (less than £250) or with suppliers who will only be used as a one-off or very infrequently.
  + With those suppliers who accept VISA (or for ePay transactions, Mastercard) payments, in the UK and globally. The easiest way to identify this is to contact the supplier and ask them directly.
  + For payments made ‘over the phone’, ‘at point of sale using chip & pin’ or ‘over the internet’, quoting relevant details such as Cardholder name (as written on the card), the expiry date, card number and 3-digit security ID number (which can be found on the back of the card on the signature strip). Note, never give card details in email or written down on a booking form.
  + To pay for incidental travel and subsistence expenses incurred overseas (to save having to carry large amounts of cash or submitting a travel expense claim).
  + To purchase goods and services from contracted or preferred suppliers via an online booking system, e.g. for purchasing rail tickets via the University’s travel management company.
  + For one-off purchases, such as conference registrations.

NB: If a card has been used, it is not necessary to raise a requisition on Unit 4 ERP.

# Prohibited transactions:

The following is prohibited:

* + Purchasing from suppliers already set up on Unit 4 ERP unless using an online booking system.
  + Purchasing goods or services form alternative suppliers where contracted or preferred suppliers are already in place. The University has contracts and agreements with a number of suppliers for a wide range of goods and services. The commercial risk involved in transacting with these suppliers is reduced because relevant terms and conditions of purchase have been agreed between the University and the supplier.
  + Business travel outside the UK unless the University’s travel management company is used or it falls with a permitted exception of the University’s [Staff Travel and Expenses Policy](https://www.hope.ac.uk/media/gateway/staffgateway/financedocuments/Staff%20Travel%20and%20Expenses%20Policy%202018.pdf), e.g. as part of a course fee.
  + Software and computer equipment and consumables (including USB sticks), which must be purchased through the University’s IT Services department.
  + Withdrawing cash, unless the card has this facility enabled. The withdrawing of cash requires approval by the Executive Director of Finance, Services and Resources.
  + Automotive fuel, which must be paid for by personal means and reclaimed as mileage through the usual expenses process.
  + Office supplies (excluding art supplies and equipment).
  + For personal use or anything which could be deemed a benefit in kind. In the case of inadvertent or emergency personal expenditure, this needs to be reimbursed to the University.
  + For paying bills via direct debit or by standing order. The card is for one- off orders only. Please refer to the finance department for further advice on these types of payments.
  + Purchasing from a third party in which the Cardholder could be deemed to have a conflict of interest.
  + Purchasing cards must not be used to purchase items from the University,

e.g. through either one of the catering outlets or through the online store.

NB: The University recognises that sometimes staff get into difficulties when travelling and if in the event a member of staff finds themselves in such a position, and there are extenuating circumstances, then in the interests of safety it is permissible for an employee to incur limited personal spend on the University’s purchasing card.

# How the University controls expenditure

Purchasing cards are issued to a single, named Cardholder. Cardholders are expected to comply with the conditions as set out within the user agreement.

Each card is set a single transaction limit and an overall credit limit for the month depending on the nature of the Cardholder’s spending profile. These limits are inclusive of any VAT, carriage charges, etc.

Cardholders must ensure they are aware of their limits, as purchases which exceed these limits will be declined. It is not permissible for Cardholders to split an order with a supplier because the value exceeds their individual card transaction limit, however, it is possible to increase these limits on a temporary or permanent basis. Requests for such adjustments can be made to the Senior Financial Accountant but will require authorisation from the Chief Accountant and Head of Financial Services.

A further control can be applied to cards. Each supplier capable of accepting cards will be classified by certain ‘merchant category group codes’. The University can block or unblock the codes which can be used by cards. The following merchant category group codes will be blocked as standard:

* + Utilities and non-automotive fuel.
  + Staff – temporary recruitment.
  + Computer equipment and services.
  + Automotive fuel.
  + Restaurants and bars.
  + Cash.

Cardholders are reminded that the use of cards does not remove their requirement to adhere to the University’s [Financial](https://www.hope.ac.uk/media/liverpoolhope/contentassets/documents/stafffinance/media%2C26342%2Cen.pdf) Regulations and [Procuremen](http://www.hope.ac.uk/media/liverpoolhope/contentassets/documents/media%2C65225%2Cen.pdf)t Policy. Cards will be monitored by the Senior Financial Accountant to ensure that these rules are not contravened. Failure to adhere to these may result in an immediate withdrawal or suspension of the card and potential disciplinary action.

# Cardholder responsibilities

The purchase order and purchase invoice routines (through Unit 4 ERP) have well established controls and procedures associated with them. For purchasing cards more responsibility is placed with the Cardholder and in particular the Cardholder is responsible for the correct use of the card in line with the content of this document.

As a condition of using the card, the Cardholder agrees to:

* + For each transaction obtain and retain a receipt showing details of the purchase, which must be itemised. If a receipt cannot be obtained, the reasons for this must be recorded when the transaction is sent for approval.
  + Receipts or delivery notes should be scanned and uploaded to the transaction. Scanned documents should be complete, clear and legible.
  + Only the named Cardholder is permitted to use the card and it must not be lent or otherwise passed to anyone else.
  + Remain alert to the illegal use of the card. There is always a risk of fraudulent transactions by others (including suppliers), and statements must be monitored carefully and any suspicious transactions reported immediately to the Senior Financial Accountant.
  + If a card has been lost or stolen, or it is suspected that card details may have been compromised to immediately report this to Barclaycard and then the Senior Financial Accountant.
  + Keep accurate records of their purchases. Cardholders should keep hardcopy documents (invoices, receipts and delivery notes) for a period of the current financial year + 6 years as per the [University’s Record Management Policy](https://www.hope.ac.uk/media/liverpoolhope/contentassets/documents/personnelforms/policiesandforms/media%2C23790%2Cen.pdf). The hardcopy retention rule may be waived if the cardholder uploads a full scanned copy of the transaction documentation to Barclaycard Spend Management or, for ePay transactions, emails a full scanned copy of the document to mcleodk@hope.ac.uk.
  + Cardholders must view, reconcile and code their transactions on BSM and submit them for approval on a weekly basis, no more than one week in arrears. Transactions awaiting coding will typically appear on BSM for coding within a day or two of the payment being taken from the card. Transactions are posted to Unit 4 ERP on a weekly basis and so all items must be coded and approved within one week of the transaction date.

When coding transactions, the following are mandatory fields and must be completed, *Cost Centre, Nominal Code* and *Project Code* and receipt(s) must be attached. In addition, a sufficiently clear and detailed description of the expenditure is required, statements such as ‘purchase from Amazon’, or ‘please see receipt’ are insufficient for auditing purposes.

# Card Approver responsibilities

The Card Approver agrees to:

* + Ensure purchases have been made in accordance to the University’s [Financia](https://www.hope.ac.uk/media/liverpoolhope/contentassets/documents/stafffinance/media%2C26342%2Cen.pdf)l Regulations and [Procuremen](http://www.hope.ac.uk/media/liverpoolhope/contentassets/documents/media%2C65225%2Cen.pdf)t Policy and that transaction(s) are business related and the transaction(s) amount(s) are reasonable.
  + Where contracted suppliers are in place, e.g. for business travel, ensure contracted suppliers are used. Where non-contracted suppliers are used, ensure that the Cardholder has written a justification for using them within the comments field on BSM. Where no justification is provided, to remind Cardholders of their requirements.
  + Ensure purchases have been correctly coded and that supporting documentation has been scanned and uploaded.
  + Approve transactions in a timely manner upon receiving the email prompt. As with a normal credit card, the supplier receives payment from Barclaycard and the University pays a statement of purchases in full at the end of each month.
  + Notify the Senior Financial Accountant if the approval of a particular card is no longer appropriate.

NB: Card Approvers must not approve transactions that specifically relate to themselves.

# Delegation of roles

Cardholders are permitted to delegate their account to a maximum of two delegates to assist with undertaking and reconciling transactions.

Card approval roles, if delegated, shall only be made to a signatory of similar or higher seniority. Responsibility for the approval, however, remains with the main Card Approver.

# Card Administration

The Senior Financial Accountant will maintain a register of all Cardholders, Card Approver and delegates (where used). They also have full access to BSM and can view and interrogate all cardholder transactions and run management information reports.

The Senior Financial Accountant will routinely check:

* The [Procuremen](http://www.hope.ac.uk/media/liverpoolhope/contentassets/documents/media%2C65225%2Cen.pdf)t Policy has been followed.
* Purchases are not arbitrarily split to avoid purchasing thresholds.
* Purchases are made with contracted or preferred suppliers (where these are in place).
* Cardholders are coding their transactions on BSM in a correct and timely manner and that Card Approvers are viewing and approving transactions.

If the Senior Financial Accountant has any concerns about the way the card is being used or managed, staff will be contacted in the first instance. Should the issue not be resolved the Senior Financial Accountant will refer the situation to the Executive Director of Finance, Services and Resources to identify the best course of action.

# Training

Once these guidelines have been read, if staff require any further information or training to familiarise themselves with these procedures then they should contact the Senior Financial Accountant.

# Disputes

It is the Cardholder’s responsibility to ensure that the transactions are correct. The Cardholder must take up any disputes with the supplier in the first instance, and keep a record of the details of the dispute/query and contacts made with the supplier.

When credits are due, the Cardholders should ensure that these credits appear on subsequent statements.

In the event of non-settled disputes and queries, please contact Barclaycard customer services who can reverse the payment and pursue the supplier for credit. Should Cardholders continue to experience difficulties then please contact the Senior Financial Accountant.

# Card storage and security

The card must be signed immediately upon receipt by the Cardholder.

It is the responsibility of the Cardholder to ensure that the card, card number and card PIN (where PIN Numbers are issued) are kept safe at all times and it should be treated for security purposes like any other personal credit card.

It is Cardholders’ responsibility to ensure that it is retained in a secure location.

PIN numbers can be changed at most UK ATMs: however, your PIN number should not be the same as your personal PIN number.

To keep cards protected, they will be locked if the PIN is entered incorrectly three times in a row.

# Lost or stolen cards

If a card has been lost or stolen, or it is suspected that card details may have been compromised this must immediately be reported to Barclaycard and then the Senior Financial Accountant.

# Change of employment

Cardholders must inform the Senior Financial Accountant immediately when they cease to become an employee for any reason, or change to a role that no longer warrants them remaining a Cardholder.

Prior to leaving the employment of the University, Cardholders must ensure all outstanding transactions are reconciled on BSM and the card is returned to the Senior Financial Accountant for it to be deactivated, cancelled and destroyed.

# Card Renewals

A new card will be issued by the Senior Financial Accountant approximately 14 days before the expiry date of the old card. As the validity dates do not overlap, the old card should be used until the start date of the new card. If a replacement card is not received on time, the Cardholder should contact the Senior Financial Accountant. Expired cards must be cut into pieces and disposed of responsibly.

# VAT (tax)

Where possible a VAT invoice or receipt should be obtained which includes the supplier’s VAT registration with adequate description of the purchase.

There are potential VAT (tax) implications for goods ordered from outside the UK (EU and non EU). Further information is available [here](http://www.hope.ac.uk/gateway/staff/stafffinance/salespurchasesandvat/).

# Personal credit rating

While the card is embossed with the individual name of the Cardholder, the account is in the name of the University. The Cardholder is responsible is responsible for compliance with the provisions of this policy, but there is no impact on the personal credit status of the Cardholder.

1. **Further information and contact points General**

Aoin Douglas Senior Financial Accountant Tel: 0151 291 3204

Kate McLeod

Finance Assistant

Tel: 0151 291 3203

Email: [mcleodk@hope.ac.uk](mailto:spendmanagement@hope.ac.uk)

**For lost / stolen cards or fraudulent activity**

Barclaycard

Tel: 0800 008 008

UK calls. Mon to Fri, 8am to 8pm. Sat, 9am to 6pm

Tel:+44 (0) 1604 230 230

If calling internationally.

# Appendix I – BSM: CARDHOLDER’S QUICK USER GUIDE

1. **Accessing Barclaycard Spend Management (BSM)**

The BSM website ishttps://identify1.business.barclaycard/login#gcpidvlogon

You will need a card reader, authentication card and PIN. To access BSM, plug in the card reader and follow the prompts on screen.

1. **Transaction Notification - Approval Required**

You will receive weekly notification emails from BSM informing you of any transactions which require coding. These must be coded and receipted by the end of the week following the transaction date. Transactions will be shown within statement periods, which usually run from the 29th of the month to the 28th of the month following.

1. **Viewing your spending**

To view a summary of recent transactions, click on the **Expenses ** drop-down arrow and select the **Statement** period, e.g. If a **red** dot is showing this indicates that transactions require coding e.g.

On selecting the statement period, your transactions will be listed. You will also see a summary of current balances (Current Balance, Previous Balance and Credit Limit) in the top right-hand corner of your screen.

1. **Coding transactions**

A list of your transactions will appear.

* Transactions showing a **green** tick have been coded.
* Transactions showing a **red** cross  have yet to be coded.
* Transactions showing a **red** exclamation mark  are waiting to be approved.

For transactions which require coding, click the **red** cross  to open the Transaction: Details screen.

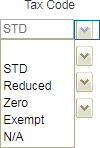
The following fields must be completed:

* Cost Centre, e.g. ACFI.
* Nominal Code, e.g. 3453.
* Project Code, e.g. GEN00001.

To enter the codes either type the code straight into the field, or alternatively select **Search** from the drop-down list and search for the code. These fields are marked with a with a **blue** asterisk

* Amount Incl (enter the gross amount).
* Tax Code, pick from drop-down list, e.g. STD, Reduced, Zero, Exemption, N/A.
* Description, a sufficiently clear and detailed description of the expenditure must be provided.

**Note on Tax Codes** - You will need to enter the correct tax rate for each transaction. By default the tax code field will be blank.



If you have a VAT receipt (showing the company VAT registration number and VAT value or percentage) select **STD,** else VAT should be set as **Exempt**. If tax only applies to part of your transaction, you can split the transaction over more than one line and apply the appropriate tax to each line.

You are also required to upload the receipt by clicking on the paperclip  and uploading a document. A green tick  will show after a document has been uploaded. If not receipt is available, this must be reasons for this must be recorded in the Description.

On completion of coding, click **Save**. The transaction is now ready for approval. You are able to re-enter the coding screen and update any entry until approval.

# Appendix II – BSM: CARD APPROVER’S QUICK USER GUIDE

# Accessing Barclaycard Spend Management (BSM)

The BSM website is https://identify1.business.barclaycard/login#gcpidvlogon

You will need a card reader, authentication card and PIN. To access BSM, plug in the card reader and follow the prompts on screen.

1. **Approving transactions**

Click which will be showing on your home screen. Select the employee name (if you approve more than one card) and the statement date. The details of the transactions will then be displayed in the Transaction Approval screen.

Click the **red** exclamation mark  to bring up the Transaction: Details screen.

Click on the  tab, this screen provides all the details for review and approval. Ensure the Cost Centre, Nominal Code and Project Code is correct and that the correct tax code has been selected. You should then review the Narrative Details to ensure a sufficiently clear and detailed description of the expenditure is provided and a receipt has been uploaded. You should refer to the University’s Purchasing Card – Manual and User Guide for what constitutes permitted expenditure.

If the details are correct click the  tab, select and then click **Save**.

1. **Requesting further information**

If further information is required before the transaction can be approved, select  and include any questions or comments in the

box. This will trigger an email notification to the Cardholder. The Cardholder will

enter BSM and respond in the Cardholder Comments box. If the response is satisfactory the transaction can then be approved.

**Appendix III – BSM: CHECK REMAINING BALANCE**

1. **Accessing Barclaycard Spend Management (BSM)**

The BSM website is https://identify1.business.barclaycard/login#gcpidvlogon

You will need a card reader, authentication card and PIN. To access BSM, plug in the card reader and follow the prompts on screen.

1. **Check remaining balance**

To view a summary of recent transactions, click on the **Expenses **

drop-down arrow and select the current **Statement** period.

On selecting the statement period, the balances (Current Balance, Previous Balance and Credit Limit) will be shown in the top right-hand corner of your screen.