

Part: **Public Money and Property**
 Section: **General Revenue Fund and Revolving Funds**
 Subsection: **Payments from the GRF**
 Policy: **Purchase Cards**

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Purchase Cards

Objective *The objective is to outline policy and procedures for the Government's Purchase Card Program.*

Authority *The Financial Administration Act, 1993, clauses 5(a) and 5(e), subsection 10(2) and sections 22 and 28*

Definitions **The purchase card bank** is the financial institution contracted to provide the purchase cards and online software for the Government's Purchase Card Program. Currently the Government's purchase card bank is the Bank of Montreal.

A corporate account is a segregated account established with the purchase card bank to provide for different types of billing and payment arrangements.

The billing cycle is the 4th of the month to the 3rd of the next month.

Treasury Board Policy .01 The use of purchase cards to acquire eligible goods and services is mandatory. This means Ministries are expected to do their best to ensure purchase cards are used for eligible purchases. The maximum transaction limit for purchase cards is \$10,000 (including taxes) unless otherwise approved by the Provincial Comptroller or delegate.

Provincial Comptroller Directives .02 Purchase cards provide purchasing and payment efficiencies for low value goods and services, while maintaining strong controls. Purchase cards are issued to individuals, not organizational units. Air billing accounts are issued to organizational units (refer to [Section 3130 Air Billing Accounts](#)).

.03 With the exception of meals and mileage related expenses, travel expenses may also be charged to purchase cards. Business expenses may also be paid with a purchase card. While ministries are expected to use purchase cards for these expenses to the extent possible, there may be circumstances where this is not practical.

.04 Ministries are expected to do their best to issue purchase cards to employees who frequently incur travel and/or business expenses. The purchase card bank provides complimentary travel insurance benefits to the cardholder (refer to the

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[Purchase Card Program intranet site – Travel Insurance](#) for further information).

- .05 Ministries must designate one or more employees to act as their Ministry Purchase Card Coordinators (CC). These individuals will work with the Government Purchase Card Program Administrator (Administrator) in the Financial Management Branch (FMB) and will be the main ministry contact.
- .06 The Administrator processes ministry requests for changes to CCs access to the purchase card bank’s online software. To set up new CCs or to remove CCs, the Corporate Services Head submits a request to pcopcard@gov.sk.ca. Requests to remove CCs must be submitted prior to the CCs change of role and/or termination of employment with the ministry.
- .07 Ministries are responsible for coordinating the initiation and cancellation of purchase cards directly with the purchase card bank. Ministries are also responsible for setting up and maintaining appropriate user access in the purchase card bank’s online software.
- .08 Ministries must close a purchase card immediately after a decision has been made resulting in a purchase card no longer being required or by the cardholder’s last day of employment with the ministry. Purchase cards may not be transferred from one ministry to another.
- Enrolment** .09 Cardholders must complete a card account request and sign a Cardholder Acknowledgement of Responsibility Form. CCs are responsible for ensuring these forms are completed. Each cardholder is given a transaction limit and a monthly purchase limit. Ministries set these limits based on expected purchase card use. Monthly limits greater than \$100,000 must be approved by the Assistant Provincial Comptroller, Provincial Comptroller’s Office (PCO).
- Purchase Authority** .10 Cardholders must have appropriate delegated authority to purchase goods and services.
- Procedures** .11 Ministries must ensure procedures are in place for the following:
 - acquiring goods and services;

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- receiving goods;
- receiving partial shipments;
- managing return of goods;
- resolving disputed transactions; and
- filing purchase card statements with attached receipts and back-up documents.

Training

- .12 Ministries must ensure CCs, cardholders and approvers are provided adequate training on their respective responsibilities, relevant ministry policies and the Government's policies and procedures, as well as the use of the purchase card bank's online software.

Use

- .13 Purchase cards may be used to acquire goods and services while on-site at the point of sale, over the telephone and via the Internet.
- .14 As outlined in the Cardholder Acknowledgement of Responsibility Form, cardholders are required to:
- follow all applicable policies and procedures of the Government (including the Guide to Procurement, Purchasing Branch, Ministry of SaskBuilds and Procurement – refer to [Section 4505 Purchases of Supplies and Services](#)); and
 - retain receipts and other appropriate documentation for all purchases. These should be attached to a copy of the online statement.

Restrictions

- .15 Unless otherwise approved by the Provincial Comptroller, a purchase card **cannot** be used to acquire the following:
- personal purchases;
 - meals and mileage related expenses for private vehicle usage incurred by employees while traveling on government business and reimbursable through a travel claim on iExpense or in rare cases on a Travel Expense Statement. This is because these are reimbursable at set rates, rather than based on actual costs paid;
 - Minister's travel payments except when air travel charges are made on an air billing account in the Minister's Office Air Billing corporate account (refer to [Section 3130 Air Billing Accounts](#));
 - payments to another ministry;

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- expenses (i.e., fuel, repairs) paid by SaskBuilds and Procurement for Central Vehicle Agency (CVA) vehicles (refer to the [CVA Operator’s Handbook](#) for further information); and
 - cash advances.
- .16 Personal supplier reward program points may not be collected by cardholders on purchases made with their government issued purchase card.
- Inappropriate Use** .17 Where inappropriate card use occurs, ministries must address the issue with the cardholder and, if necessary, confiscate the card. Inappropriate card use must be reported to the Assistant Provincial Comptroller, PCO.
- PST/GST/HST on Purchases** .18 Cardholders must ensure PST, GST and HST for purchase card purchases are recorded properly on the purchase card bank’s online software. Refer to [Section 3156 Taxes on Goods and Services](#). Where GST or HST is paid in error or a supplier does not collect PST and PST should be remitted (usually a supplier located outside of Saskatchewan), refer to the [Accounting Manual, Appendix H Central System Processing](#).
- Card and PIN Security** .19 Cardholders must not share their card or personal identification number (PIN) with any other person. Cardholders must follow all security instructions and directions provided by the purchase card bank.
- Lost or Stolen Cards** .20 Cardholders must immediately notify the purchase card bank and their CC if their card is lost or stolen.
- Disputed Charges** .21 Cardholders must immediately follow up and report all disputed charges to the purchase card bank and their CC. Ministries are responsible for resolving disputed transactions in a timely manner as outlined in the Government of Saskatchewan Purchase Card manuals.
- Ministry Invoice and Cardholder Statements** .22 The purchase card bank provides the ministry with a monthly ministry invoice and electronic cardholder statements for the previous billing cycle. The monthly ministry invoice includes all purchase card transactions for a ministry.

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- Reconciliation** .23 Each cardholder, or an appropriate substitute, must reconcile the cardholder’s receipts to the transactions recorded on the purchase card bank’s online software.
- Approvals** .24 Ministries must ensure that all cardholder transactions are approved by persons that have an appropriate level of delegated authority to approve payments. This is normally the cardholder’s immediate supervisor or manager. Except for air billing accounts included in the Minister’s Office Air Billing corporate account, the approval must be recorded electronically on the purchase card bank’s online software.
- .25 Approvers are required to sign an Approver Acknowledgment of Responsibility Form. CCs are responsible for ensuring these forms are completed. As outlined in this form, approvers must ensure:
- that goods and services have been received, that purchases are lawful and proper, and that related charges are allocated to the correct appropriation; and
 - processes are in place to ensure cardholders’ purchase transactions comply with all applicable policies and procedures of the Government.
- Payment to the purchase card bank relies on the approver’s authorization. Refer to [Section 3101 GRF Payment Responsibilities](#) for the requirements for payments.
- Segregation of Duties** .26 Ministries must ensure duties are properly segregated to prevent individuals from being in a position to both initiate and approve their own purchases.
- Monitoring** .27 Ministries must monitor purchase card transactions to ensure they are reconciled and approved according to purchase card policy.
- Internal Controls** .28 Ministries are responsible for processes and controls to ensure purchase card use complies with applicable laws, policies and procedures of the Government. Ministries are responsible for having an individual, who is independent of the purchase card administration processes, perform the following functions periodically:
- verify that there is proper segregation of duties;

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- verify that user access in the purchase card bank's online software is current and appropriate (e.g., approver users align with the ministry's delegated authority to approve payments;
- verify that open cards reflect those authorized and that they continue to be required; and
- verify that the cards' transaction and monthly purchase limits in the purchase card bank's online software are in agreement with the authorized limits.

- Paying Ministry Invoices** .29 Ministries must pay the monthly ministry invoice in full and on time each month to avoid interest charges. Ministries must pay within 21 days of the end of the billing cycle (i.e., the 24th of the month, or first business day thereafter). Refer to [Section 3152 Interest on Late Supplier Payments](#).
- .30 Ministries are not required to include supplier information with the ministry's monthly purchase card payment, but must be able to provide, on request, supplier payment information that complies with Public Accounts disclosure policy. Refer to [Section 2010 Reporting Payee Details in the Public Accounts](#).
- Forms** .31 Forms referenced in this section are found in the Government of Saskatchewan Purchase Card manuals or on the [Purchase Card Program intranet site – BMO Forms](#).
- References**
- [2010 Reporting Payee Details in the Public Accounts](#)
 - [3100 Payments from the GRF](#)
 - [3101 GRF Payment Responsibilities](#)
 - [3130 Air Billing Accounts](#)
 - [3134 Travel Cards](#)
 - [3152 Interest on Late Supplier Payments](#)
 - [3156 Taxes on Goods and Services](#)
 - [4405 Employee Travel](#)
 - [4420 Business Expenses for Ministry Officials](#)
 - [4430 Ministers' Travel and Business Expenses](#)
 - [4435 Frequent Flyer Points](#)
 - [4505 Purchases of Supplies and Services](#)
 - [4510 Contracts for Services](#)

[Accounting Manual, Appendix H Central System Processing](#)

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[Government of Saskatchewan Purchase Card Program Spend Dynamics Cardholder/Reconciler User Guide](#) (Provincial Comptroller)

[Government of Saskatchewan Purchase Card Program Spend Dynamics Approver/Manager User Guide](#) (Provincial Comptroller)

[Government of Saskatchewan Purchase Card Program Spend Dynamics Ministry Card Coordinator User Guide](#) (Provincial Comptroller)