



**PERIVALE**  
PRIMARY SCHOOL

## Purchase / Debit Card Policy & Procedures

Committee with oversight for this policy – Resources Committee	
Policy to be approved by the Full Governing Board	
Policy last reviewed by the Resources Committee	-
Policy last ratified and adopted by Full Governing Board	06/12/2022
Policy / Document due for review	December 2025

The Governing Board approved the use of a Purchase Card on 3 July 2013.

Ealing's Finance Handbook guidelines have been taken into consideration in the formulation of this policy and these procedures will be included in the school's Finance Handbook.

The management of schools' Purchase Cards has now been delegated by Ealing to individual schools.

### **Purchase Card Issue**

The Head Teacher / Chair of Governors may authorise any two of the following to be a cardholder. Head Teacher, Deputy Head Teacher, School Business Manager

The Purchase Card is issued by Nat West, the School's bankers.

At Perivale Primary School the Authorised Contacts and Signatories are as follows:

### **Authorised contact & administrator**

In the absence of a substantive post holder for the role of Finance & Office Manager Ruby Shillingford the School Business Manager is the authorised contact and administrator for Perivale Primary School.

### **Card Holders**

The governors have agreed for Purchase / Debit Card to be issued **to Audrey Daley – Head Teacher**

### **Card Holders for Perivale Primary School are:**

- Audrey Daley – Head Teacher –

The Purchase Card shall have a spending limit controlled by the school. These limits are inclusive of any VAT, carriage charges etc.

Cardholder	Single Transaction limit	Monthly limit
<b>Head Teacher</b>	<b>£2,500</b>	<b>£6,000</b>

### **Use of Purchase Card**

The primary method of payment remains invoicing and this should generally be used in preference to card purchases where the supplier offers such. The Purchase Card is intended for use on an exceptional basis only e.g. booking courses, purchases via the Internet.

The Head teacher will ensure that there is budgetary provision for all purchases and that there is sufficient balance available in the bank to cover expenditure.

Purchase Cards must only be used after the correct authorisation to purchase has been obtained and must be for items that can be justified in all respects.

The Purchase Card must not be used for personal expenditure/cash withdrawal under any circumstances; failure to observe this will lead to the card being withdrawn and possible disciplinary action.

To prevent improper use of the card, merchant / retailer types will be restricted by the Head Teacher to prevent expenditure on non-approved items. In cases of emergency,

these blocks can be removed temporarily by an authorised signatory or the contact administrator with the agreement of the Head Teacher.

All authorised Purchase Card Holders must sign to accept that they have personal responsibility for transactions on "their" Purchase Card, and Purchase Cards must not be loaned to any other person in any circumstance.

If any unauthorised purchases are made, then the school has the authority to recover the cost of these transactions, either by personal payment from the Purchase Card holder or by salary deduction for the unauthorised amount.

### **Security**

The PIN number for each Purchase Card shall be known only by the cardholder and not disclosed to anyone else or written down. No Purchase Card Holders within the school are allowed to change their PIN to anything obvious e.g. DOB / School telephone number or the same PIN as other Purchase Card Holders within the school. In the event of loss of the PIN number the bank will be able to provide the Purchase Card Holders only with the information.

Should the Purchase Card be lost or stolen the cardholder must report the loss immediately to Nat West, the police, the school business manager and the Head teacher.

Should fraud or misuse be suspected, the bank and LBE Schools' Finance Section should be informed immediately so that the appropriate action can be taken.

Expired cards must be cut up into pieces and disposed of. The Purchase Card Holder and office staff should witness this.

### **Procedure for purchasing supplies including Internet**

The cardholder makes the Card transaction via the telephone, internet, fax or on a face-to-face basis.

A school requisition must be completed prior to placing the order and must be authorised by the official signatory/ies as per Scheme of Delegation.

Cardholders must get the total price including p&p and delivery charges, check availability and confirm the delivery date. Supplier's terms and conditions should be read carefully prior to undertaking a purchase to ensure they are acceptable to the school. For example, ensure you are clear on the delivery and returns policy, that you can return any unsatisfactory items and whether you will get a refund or merchant credit before completing an online transaction.

Purchase Card Holders must not split transactions (where the cost of goods or services exceed this limit) to avoid the transaction limit control.

### **Problems with supplies**

The Purchase Card Holder should advise discrepancies or other problems with the goods supplied immediately to the supplier, and problems must be resolved by them directly to enable the Purchase Card Holder to retain control of the transaction. If there are any items under dispute with the supplier, they should be clearly marked as such in the log. They should also remain as outstanding PO's.

### **Receipt of Goods**

Purchase Card Holders should notify other staff when delivery is expected so that the delivery can be checked against what was ordered and signed for.

If damaged or incorrect goods are received the Purchase Card Holder must contact the supplier and arrange for replacement or return. In this case the Purchase Card Holder must request that the Supplier credits the Purchase Card account. Credits should be recorded in the transaction log and the Purchase Card Holder must ensure that they appear on the next monthly statement.

### **Internet Purchases**

Purchases over the Internet must only be used where the good or services cannot be effectively or economically obtained via traditional methods, and the school considers that best value is being achieved.

Nat West will refund losses occurring as a direct result of fraud, but only if the cardholder has not been negligent. Therefore, Purchase Card Holders must never buy from a company whose trading address is not featured on its web site.

The Purchase Card Holder must only purchase from secure sites (those displaying "https" at the start and displaying a padlock symbol).

Internet orders must only be processed on a school computer that is linked to the Internet through the school firewall.

Purchase Card/ payment information must not be sent to a merchant via email or instant messenger (MSN Messenger etc.). If payment cannot be sent via a secured web page, then cardholders should telephone the supplier instead.

Purchase Card Holders must never give personal details that are commonly used for identification (e.g. mother's maiden name) over an insecure Internet connection.

Individuals ordering goods and services should make it clear that these are being ordered on behalf of the school e.g. electrical warranties will not be valid otherwise.

When orders are placed with the supplier an order confirmation will usually be displayed or an email received. This must be printed off and kept with the authorisation to purchase (along with all transaction documentation and associated emails).

The school must also consider the risks when using the Internet to look at their Purchase Card balances etc., and ensure that the account is password protected.

Schools must not click on links to on-line shops in emails, as they may link to fraudulent sites, and addresses should be typed manually.

### **Record keeping, Payment of the bill & Reconciliation**

There must be clear segregation of duties between the Purchase Card Holder incurring expenditure and the officer reconciling and authorising the monthly statement.

The school business manager is responsible for reconciling payments

Statements must be addressed and sent to the Head teacher at the school.

The Purchase Card balance must be settled in full automatically each month by direct debit thereby avoiding Purchase Card interest charges.

Schools need to ensure that any supplier refunds are re-credited to the Purchase Card account correctly.

Card log

*The Purchase Card Holder's log must be updated.*

A requisition for the Purchase Card transaction must be entered in the school finance system as soon as possible, to ensure the completeness of the accounting records and ready to be reconciled when the bank statement reaches the school.

All receipts must be authorised by either the Head teacher, Chair of Governors or designated person to show a clear audit trail.

Purchase Card Holder must present the receipt/delivery note for the goods/service to the Finance Officer.

### **Reconciliation**

Purchase Card Holders must ensure that they have had the goods or services for all the transactions charged and that charges are accurate and match the receipts and transaction log.

### **VAT issues**

VAT rules still apply to purchases made using the Purchase Card therefore VAT receipts must be obtained. Please inform suppliers that they should be sending Vat invoices/receipts to the school and not to LBE Central Accounts Payable.

### **Potential transaction issues**

Card declined – check you have not exceeded the transaction/monthly card limit or are using a supplier that is in the Blocked Merchant category.