

POLICY TYPE: PRESCRIBED
ACTION: FOR SCHOOL ADOPTION

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**Southwark Diocesan
Board of Education
Multi-Academy Trust**
Developing Church of England Education

FINANCE POLICY HANDBOOK

PURCHASE / CHARGE CARD POLICY

1. INTRODUCTION

The Southwark Diocesan Board of Education Multi-Academy Trust (the Trust), is committed to ensuring that its systems of financial governance conform to the requirements of both propriety and sound financial management.

This includes making sure that there are adequate controls in place over the use of the school payment cards, required to enable the school to purchase goods/services, where the company being used provides the best value but an invoice cannot be raised or a credit account set up.

This policy is intended to provide guidance and assistance in the correct and responsible use of the school's Purchase Cards, and will be fully incorporated into the Trust's financial policies and regulations.

2. SECURITY

- 2.1. The Headteacher will formally request a Purchase Card for up to a maximum of five individuals employed in their respective school.
- 2.2. The Headteacher accepts responsibility for their use and all terms and conditions outlined in this policy. Failure to do so could result in disciplinary action being taken.
- 2.3. Members of staff found to be breaching the terms and conditions for use of their card will have the card confiscated and disciplinary action will be taken. Where applicable, they will also be referred to the relevant authorities.
- 2.4. Any costs/charges incurred as a result of a Purchase Card being misused shall be charged to the person responsible.
- 2.5. The PIN number for each Purchase Card shall be known only by the cardholder and not disclosed to anyone else or written down.
- 2.6. No Purchase Card Holders shall use a PIN which could be detected e.g., DOB / School telephone number or the same PIN as other Purchase Card holders within the school.
- 2.7. In the event of loss of the PIN number the bank shall provide the cardholders only with the information.

- 2.8. Purchase Cards are issued in the name of Academy Trust t/a "The School".
- 2.9. Nominated cardholders must sign an agreement, countersigned by the Headteacher, which states that they understand the terms and conditions of use. A copy of each agreement should be kept on the school file.
- 2.10. All Purchase Cards applications will be approved by the Chief Operating Officer / Chief Executive Officer.
- 2.11. Purchase Cards must be kept secure at all times and stored in the school safe when not in use.
- 2.12. The bank and Chief Operating Officer / Chief Executive Officer must be notified immediately if a Purchase Card is lost or stolen or fraudulent use is suspected.
- 2.13. Purchase Cards are the property of the Academy Trust and in the event of termination of employment or change of circumstances, the cardholder will surrender the card to the Headteacher or Chair of Governors on their last day of employment or the applicable date of change.

3. USAGE

- 3.1. Prior to use, all Purchase Cards holders must sign a Purchase Card Policy User Agreement and return it to the Finance Team (see appendix 1).
- 3.2. Purchase Cards must only be used by the nominated officers and must not be shared with other members of staff at any time.
- 3.3. Purchase Cards must only be used for low value expenses incurred wholly, necessarily and exclusively for school business purposes.
- 3.4. The delivery address for goods ordered shall be the respective Academy.
- 3.5. Card payments shall not exceed the monthly limit of £1,000.
- 3.6. There must be a clear segregation of duties between the nominated cardholders and the officer responsible for reconciling/authorising the monthly statement. The responsibility for this shall lie with the Headteacher.



4. RESTRICTIONS

- 4.1. Purchase Cards must not be used for any non-school business or personal expenses. Selected merchant/retailer types could be restricted by the card issuer to prevent expenditure on non-approved items.
- 4.2. Purchase Cards must not be used for regular payments to creditors, where a credit facility should properly have been set up.
- 4.3. Purchase Cards must not be used to obtain cash from an automatic transaction machine (ATM) or to guarantee any cheque or obtain cheque encashment.
- 4.4. Except in emergencies, the school's Purchase Cards should not be used to purchase fuel or other motoring expenses while travelling in a personally owned or leased vehicle. (Reimbursement of this type of expenditure shall be made via the travel expense claims process.)
- 4.5. Only secure websites should be used to make online purchases (for example the page top toolbar of the website shows the padlock symbol, Verisign, or is another secure pay site). If there is any doubt as to whether it is a secure site, the purchase should not be made.
- 4.6. Personal loyalty cards must not be used in conjunction with the payment cards issued by Academy/Academy Trust.
- 4.7. Purchase Card insurance and/or subscriptions for card protection services must not be purchased.

5. RECORD KEEPING, RECONCILIATION AND PAYMENT

- 5.1. All purchases made using a Purchase Card must be authorised in the same way as any other purchase with an official order being raised and a commitment entered onto the accounting system prior to the purchase being made. Purchase order numbers should be quoted on any documentation.
- 5.2. Receipts/invoices are required to support every item of expenditure, and a separate VAT receipt/invoice obtained if purchases contain any VAT charges. VAT cannot be reclaimed if there is no VAT invoice to accompany the purchase.

- 5.3. Receipts/invoices must be attached to the Purchase Card statements and provided to the Headteacher along with a summary of expenditure.
- 5.4. Interest and penalties for late payment must never be allowed to accrue on Purchase Card balances, as this would place the Trust in default of requirements from the DfE. Instead, the full balance of the Purchase Card must be paid in full by the due date. A direct debit facility should be set up to ensure that the full balance is paid off each month.
- 5.5. All transactions should be checked by the Chair of Governors for purchases made by the Headteacher, and by the Headteacher for all other purchases, with the accompanying receipts/ invoices reconciled to the account statement.
- 5.6. Transactions and supporting documents shall be kept for a period of seven years plus the current financial year so that they can be produced if an audit is undertaken.



PURCHASE/CHARGE CARD USER AGREEMENT

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6. USER AGREEMENT & ACCEPTANCE

TO BE COMPLETED BY THE SCHOOL		
SCHOOL NAME:		
PROPOSED CARD USER:	NAME:	
	ROLE:	
	SIGNATURE:	
	DATE:	
REQUESTED BY: (HT or CoG)	NAME:	
	ROLE:	
	SIGNATURE:	
	DATE:	
TO BE COMPLETED BY THE TRUST		
APPROVED BY: (CEO or COO)	NAME:	
	ROLE:	
	SIGNATURE:	
	DATE:	