

**MANITOBA GOVERNMENT**

**PURCHASING CARD GUIDELINES**

Prepared by: Procurement Services  
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**1. Purpose**

- A. The Purchasing Card is a credit card intended to provide a simplified purchasing/payment tool for the acquisition of low dollar value goods and services directly from suppliers. It may replace the Direct Purchase Order (D.P.O.) In some instances.

**2. Responsibilities**

- A. The Departments of Finance and Government Services are jointly responsible for the implementation and on going management of the Purchasing Card overall.
- B. Individual departments (Directors of Administration) are responsible for appointing a Card Coordinator(s) and administering the use of the Card within their department including monitoring its use for compliance with these guidelines.
- C. Card Coordinators are responsible for the issuing, cancelling, amending and setting restrictions on Cards, coordinating payment, liaising with the Card provider and ensuring compliance to established accounting and purchasing practices.
- D. Cardholders are responsible for the safe keeping of the actual Card; following established purchasing practices; following accounting processes such as the maintenance of a purchase log, and reporting lost or stolen Cards.

**3. Who Can Use the Card?**

- A. Government personnel properly authorized by their Department may use the Purchasing Card.

**4. How are Cards Issued?**

- A. Departmental Card Coordinators in conjunction with the appropriate level of authority shall:
  - I. Identify personnel in their department who have delegated authority and the need to use the Card.
  - II. Issue Cards to departmental Cardholders in accordance with government policies and procedures established under this program, including:
    - determining individual Card limits;

- determining individual transactions limits, and
  - determining limitations on transaction type, if applicable.
- III. Maintain records of departmental Cardholders in a central area including copies of the Cardholder agreement signed by the Cardholder (see Appendix B).
- IV. Ensure that personnel have received appropriate instructions regarding purchasing policies before the Card is issued.

**5. What Cannot be Purchased?**

- A. Repair services or parts for vehicles leased from Fleet Vehicles Agency.
- B. Repair services or parts for office machines and computer equipment which must be processed through Office Equipment Services.
- C. Goods/services excluded by virtue of government stated policy or specific directive as follows:

**EXCLUDED ITEMS**

These exclusions are the result of specific government policy directives. The Purchasing Agent responsible for the purchase of the commodity is familiar with the directive and can provide guidance on procurement procedures.

Phone Procurement Services - general enquiry 945-6361

**ITEMS**

**EXAMPLES** (Not all inclusive)

Advertising

Newspaper Adverts

Bedding

Linen/Mattresses/Pillows

Centrally Stocked Items

Material provided by Material Distribution Agency including: Stationery/Software/Janitorial (See MDA catalogue)

Communication Equipment

Cellphones/2-way Radios

Identifying uniforms

Park Ranger/Prison Guard

\* Information technology

Personal Computers/Printers/Software

**ITEMS**

Office Equipment

Office Furniture

Protective Clothing

Printing

Signage

**EXAMPLES** (Not all inclusive)

Calculators/Projectors

Desk/Chairs/Filing Cabinets

Parkas/Sleeping Bags

Brochures/Books

Building Signs/Name Plates

- \* Departmental systems branches (only) have been authorized to use the Purchasing Card for information technology purchases.

**6. What Can be Purchased?**

- A. Goods or services under \$2,500 in value per transaction including Provincial Sales Tax.
- B. Goods or services over \$2,500 to a limit as set by each department needed to alleviate an emergency situation or to effect repairs to vehicles or equipment, excluding those in section 5A/B, so as to avoid an unduly long work stoppage.

**Note:** It is intended that departments will use the Card for occasional (non-repetitive) unplanned for requirements.

**7. Central Purchasing**

- A. Some departments, because of the nature of their program, require goods or services to be purchased and delivered on a frequent basis. The Procurement Services Branch has established a number of efficient and cost effective supply methods, e.g., annual orders and standing offers, in support of such program requirements. Examples of requirements that lend themselves to these supply methods include: repetitive items; project requirements; and similar items required by multiple location within your branch or department such as seasonal goods. Generally speaking, these types of requirements may be planned in advance of their actual use, and tendered for by the Procurement Services Branch, on a consolidated versus piecemeal basis, to achieve lower pricing.

- B. Contact the respective Agent, by phoning the Procurement Services Branch, to discuss if alternative methods, as noted above, may be appropriate for your needs.

**8. Purchasing Process**

- A. To ensure that goods/services being purchased are reasonably priced, departmental personnel should obtain at least two competitive bids whenever possible and keep a record of same. It is also prudent to ensure all vendors receive an equal opportunity to bid. Purchasing may be contacted for assistance and advice in this regard.

- B. Purchases in person will be processed as follows:

- select goods or services and present Card to vendor
- inform/remind the vendor of GST exemption
- vendor will verify; "swipe"; and produce a charge slip for signature
- sign charge slip and retain copy as well as cash register tape or receipt.

- C. Purchases by phone, facsimile or mail will be processed as follows:

- order goods or services by phone, facsimile or mail;
- inform vendor of the GST exemption
- instruct vendor to charge the purchase to the Card number and forward a receipt or packing slip for confirmation.

**Note:** It is your responsibility to inform the supplier at the time of purchase that the purchase is GST exempt. Some suppliers may be unable or unwilling to reverse/eliminate the GST. While the card holder should make every effort to convince the vendor to do so, there will be instances where this is not possible.

All such instances where GST is charged shall be brought to the attention of the Departmental Card Coordinator.

- D. All purchases, including bids, will be recorded on the Purchase Log (see Appendix A) and cross referenced to the appropriate charge slip which will be retained with the log.

9. **Cash Advances**

- A. Cash advances on the Card are not permitted.

10. **Payment Process**

- A. Department Central Processing

- I. A monthly summary statement for each department will be sent to the Departmental Card Coordinator. The latter will certify the accounts and send forward to departmental accounting immediately for payment

**Note:** Some departments may choose to do a detailed review before processing. Others may choose to do a cursory review with detail verification on a post-processing basis.

- ii. Departmental voucher processing sections will prepare and process the vouchers on a priority basis.
  - a. Distribution coding should be done on a best-information-available basis. Corrections can be made by journal voucher at a later date.
  - b. All purchase card payments may be coded to object code 510 which has been designated for this purpose. A department may choose to retain normal object coding for their own information purposes.
  - c. Departments are cautioned to be particularly attentive to sub-appropriation fund balances. One sub-appropriation with insufficient funds will cause the entire payment voucher to be rejected. If a sub-appropriation is known to be out of funds, payment for that account should not be included on the department's voucher. Separate payment when the funding problem is resolved can be achieved via a separate voucher.

- d. A "SPECIAL CHEQUE DELIVERY REQUEST" form is to be attached to the payment voucher(s) which is to be placed in an envelope addressed as follows:

*PROCUREMENT CARD VOUCHER  
VOUCHER ACCOUNTING  
714-401 YORK AVENUE*

- e. The agreement requires that payment must be made within 25 calendar days of statement date in order to avoid late payment interest charges. Statement date will be approximately the 4th of each month, therefore a cheque has to be in the card company's account by the 29th. Interest charges will be applied against the department's accounts. Interest must be coded to object code 663.

In order to ensure that there is sufficient time to process payments prior to due date, departments are encouraged to pay special attention to the Voucher Accounting daily cycles schedules.

Finance will be processing these vouchers on a priority basis. If a voucher is rejected for any reason, Finance will contact the department and attempt to correct the problem and resubmit the voucher in time to meet the payment schedule. Timing is obviously critical to enable this to happen. The sooner Finance receives the voucher(s), the more opportunity there will be for correction and cheque production.

**Note:** Interest rate charges on outstanding balances:

- i) interest on indebtedness is charged from the day after due date, i.e. the 30th of the month
- ii) interest is charged at a daily rate of prime plus 5% per annum.
- iii) interest is calculated by multiplying the unpaid balance on the day after due date by the daily rate by the number of days from due date to the date until payment is received by the card company.

B. Cardholders

- I. Cardholders will receive a detailed monthly statement identifying the transactions for the month.
- ii. Statements are to be checked against the Purchase Log (see 8.D. above) for accuracy and certified correct. These are to be forwarded to Card Coordinators in accordance with procedures established within each department.
- iii. Discrepancies are to be reported immediately to the Card Coordinator.

**11. Dispute Process**

Unless otherwise arranged with and agreed to by the Card company, the statement must be paid in full in order to avoid interest charges. Any adjustment to invoiced amounts will be made by way of credits which will appear in the following month's statement.

**12. Reports**

Departments will receive the reports as listed in Appendix C in paper form.

On a quarterly basis, departments will be asked to reconcile the vendor summary for their department against payments processed to ensure that totals are the same. Discrepancies should be corrected or noted in preparation for the annual process as described below.

On an annual basis, the Department of Finance will receive both a paper and electronic file summarizing departmental payments by vendor. The paper report will be compared to total departmental payments to the Card Company. If the totals do not agree, the paper report will be sent to the department for reconciliation.

**13. Lost/Stolen Cards**

- A. Cardholders will report lost or stolen Cards to the Card company representative by phone immediately and also their departmental Card Coordinator by the next business day.

**Note:** Failure to advise the Card company within 24 hours of a Card being lost or stolen will result in any fraudulent misuse of the Card being charged to the departments account.

**14. Special Purchase Arrangements**

Special purchasing arrangements may be made through the Director of Procurement Services to allow for departmental purchasing of specified goods and/or services outside the scope of these guidelines. The terms of the special purchasing arrangement shall govern the purchasing methods and procedures to be employed.

Client department originated requests for special purchasing arrangements may be made by sending a memorandum to Purchasing, supported by the following detail:

- goods and/or services for which special arrangements are required;
- present means of acquisition; and
- justification for request, including any estimated financial or administrative savings.

**NOTE:** Where a request for a special purchasing arrangement is denied, Procurement Services will advise the department in writing of the reasons for the denial and of any action which would result in the application being accepted.

Requests for special arrangements and their disposition will be maintained at Purchasing for Provincial Audit review.

**APPENDIX C**  
**SAMPLE REPORTS**

GOVERNMENT PURCHASING CARD  
CARDHOLDERS AGREEMENT

THIS AGREEMENT between the Province of Manitoba and the Cardholder is dated

the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_\_

\_\_\_\_\_  
(Name of Cardholder)

\_\_\_\_\_  
(Position)

\_\_\_\_\_  
(Department)

DEFINITIONS

1. In this Agreement:
  - a) "Authorized Purchases" means purchases listed in paragraph 6 of this Agreement;
  - b) "Bank" means institution or Card provider;
  - c) "Card" means the government purchasing Card to be issued to the Cardholder by the Bank pursuant to an agreement between the Bank and the Province;
  - d) "Cardholder" means the individual whose name appears above;
  - e) "Card Number" means the number which appears on the face of the Card;
  - f) "Individual Transaction Limit" means the maximum dollar amount that may be charged to the Card in a single transaction;
  - g) "Monthly Transaction Limit" means the maximum number of transactions that may be made during a billing period;
  - h) "Credit Limit" means the maximum amount of debt which may be outstanding on the Card at any time;
  - i) "Department" means the Department which employs the Cardholder;
  - j) "Province" means the Government of the Province of Manitoba; and
  - k) "Purchasing Card Coordinator" means the individual designated by the Department to approve the issue of Cards.

CARD OWNERSHIP

2. The Bank is the owner of the Card at all times.

CARD USE

3. Use and possession of the Card is governed by the terms and conditions of this Agreement.
4. The Cardholder will not authorize or permit any other person to use or have possession of the Card.
5. The Cardholder will not use the Card for personal purchases.

6. The Cardholder may use the Card to purchase only the following goods or services on behalf of the Government, subject to such additions or deletions as may be made in writing by the Purchasing Card Coordinator from time to time:

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(This section to be completed by the Purchasing Card Coordinator)

7. The Cardholder may use the Card to make Authorized Purchases only up to and including the following limits:

Individual Transaction Limit:

Monthly Transaction Limit:

Credit Limit:

(This section to be completed by the Purchasing Card Coordinator)

8. The Cardholder may not, under any circumstances, use the Card to obtain cash advances.
9. The Cardholder will abide by Department policies as published from time to time regarding use of the Card and accounting for purchases including expeditious processing.
10. The Cardholder will safeguard the Card and the Card Number.
11. The Cardholder will immediately notify the Bank and the Purchasing Card Coordinator if the Card is lost, stolen, damaged, destroyed or used by anyone other than the Cardholder.
12. The Cardholder will inform the Purchasing Card Coordinator of changes in his or her business address and business telephone number.
13. The Cardholder will inform the Purchasing Card Coordinator upon transfer from his or her position, taking leave of absence, or termination of employment.
14. The Cardholder acknowledges that misuse of the Card by the Cardholder may result in disciplinary action against the Cardholder by the Province.

#### CESSATION OF CARD USE

15. The Cardholder will immediately cease using the Card upon instruction from his or her supervisor or manager or the Purchasing Card Coordinator.

16. Upon instruction from the Cardholder's supervisor or manager or the Purchasing Card Coordinator, the Cardholder will immediately deliver the Card to his or her supervisor, or the Purchasing Card Coordinator, as instructed.

ASSIGNMENT

17. The Cardholder will not assign or transfer the Card or this Agreement or any rights or obligations under this Agreement.

NON-WAIVER

18. No amendment of this Agreement and no waiver of any breach of this Agreement is effective unless it is in writing and signed by both parties to this Agreement.

19. The written waiver by a party of any breach of any provision of this Agreement by the other party will not be deemed a waiver of such provision or of any subsequent breach of the same or any other provision of this Agreement.

MISCELLANEOUS

20. The heading appearing in this Agreement have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope of any provision of this Agreement.

21. This Agreement will be governed by and construed in accordance with the laws of the Province.

ENTIRE AGREEMENT

22. This Agreement constitutes the entire agreement between the parties regarding possession and use of the Card.

Upon this Agreement being signed by the Cardholder and the Purchasing Card Coordinator, on behalf of the Province, the parties agree to be bound by this Agreement.

**NOTE: PERSONAL USE OF THE CARD FOR ANY REASON COULD RESULT IN DISMISSAL**

\_\_\_\_\_  
Signature of Cardholder

\_\_\_\_\_  
Signature of Purchasing Card Coordinator

***CARDHOLDER STATEMENT***

USED TO VERIFY CHARGES

MAILED TO EACH CARDHOLDER ON THE 4th OF EACH MONTH BY CIBC

***CORPORATE AND CARDHOLDER SUMMARY***

USED FOR PAYMENT PURPOSES

COURIERED 7<sup>TH</sup> OF EACH MONTH TO CARD COORDINATORS

***CORPORATE BOOKKEEPING DETAILS***

***&***

***CARDHOLDER ACTIVITY***

USED FOR RECORD KEEPING AND PROBLEM RESOLUTION

COURIERED TO CARD COORDINATORS 7<sup>TH</sup> OF EACH MONTH

## ***MONTHLY REPORTS***

USED FOR TRANSACTION ANALYSIS

SENT TO CARD COORDINATORS (METHOD TBA)

## WHO TO CALL ???

### FOR CARD CO-ORDINATOR:

#### Issue:

- Cardholder Statement Issues
  - Changes to Cards
  - Authorization Issues
  - Cardholder Information
  - Billing Information
  - Lost or Stolen Cards
- CIBC Customer Service**  
1-800-652-3888 (Outside Toronto)  
**Fax 1-800-772-2961**
- Overall Program Questions
  - Implementation Binder Questions
  - Questions from Suppliers
  - Ministry Billing Questions
- Debbie Bavis**  
CIBC Purchasing Card  
Tel (403) 221-5684  
Fax (403) 221-5898

**Cory Slinger**  
1-888-877-2422