Lincolnshire
COUNTY COUNCIL

Schools Procurement Card Policy

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This document outlines the Councils' policy and process for the effective and correct use of corporate procurement cards. It also details instances where the use is not appropriate. All cards must be used in line with the school/s Finance Policy, the Council's Scheme for Financing Schools & Financial Procedures and this policy which frames the operational remit of card usage. This policy is owned by the Corporate Commercial and Procurement service.

Documents mentioned in this policy can be found LA Documents > Schools Finance Team > Procurement Card

1. Who does this policy apply to?

1.1. This policy applies to all Council maintained schools including prime account schools.

1.2. The policy outlines the roles and responsibilities for procurement cardholders, administrators and spend managers along with the Business Support Procurement Card team, and the Corporate Commercial & Procurement Service who manage the contract.

2. What is a Procurement Card?

2.1. A corporate procurement card is a payment method, similar to a personal credit card, where spend is incurred and paid at the end of the period via bank transfer.

2.2. Using the procurement card simplifies the purchasing process and reduces internal costs.

3. How a Procurement Card should be used

3.1. Procurement cards must not be used where the supplier is an approved supplier; in these cases, a purchase order must be raised to secure the item.

3.2. A corporate procurement card must not be used for personal purchases (in line with the Code of Conduct Schools employment manual – Professional resources).

3.3. A corporate procurement card must not be used by anyone other than the named officer.

3.4. It is unacceptable for any corporate procurement cardholder to use their own, a relatives or a friend's personal loyalty card, while making purchases using a procurement card on behalf of the Council or service users (in line with the Code of Conduct Schools employment manual – Professional resources).

3.5. The use of a corporate procurement card is subject to the normal Audit and Financial protocols.

4. Eligibility and Allocation of cards

4.1. The governing body are responsible for determining whether there is a genuine business need for a procurement card. Decisions must be based on operational requirements linked to circumstantial or access needs as defined in sections 5.1 & 5.2.

4.2. Approved cardholder's and their transaction limits and monthly credit limits should be set out in the school/s' scheme of delegation/finance policy. This policy should be reviewed and approved by the governing body annually.

4.3. Consideration should be given to the nature of the expected expenditure, and whether alternative procurement routes are available before agreeing to a procurement card. Appropriate allocation should be applied consistently to ensure cards are only issued where necessary.

4.4. If you need any support in deciding whether someone should be given a procurement card, please review the School P-Card Guidance.

4.5. Employees who are required to make purchases online where suppliers will not accept Purchase Orders as a payment option.

4.6. Instances that will not be accepted for a Procurement card include:

4.6.1. Staff not approved as a cardholder within the scheme of delegation as set out within the finance policy

4.6.2. Those where purchases required for their role could be made via a purchase order being raised through Business World, as this is the required procurement route.

5. When should they be used?

5.1. There are limited instances where payment by procurement card is a necessary business need for certain circumstantial and access reasons.

- Circumstances - may include staff who have responsibilities to deliver services outside of normal working hours, at off-site locations or need to make purchases in urgent/emergency situations.

- Access – includes staff who need to regularly access certain goods or services for which payment is required at the point of purchase and/or purchase orders are not accepted. Staff will be expected to demonstrate that there are no reasonable alternatives (such as alternative suppliers) or purchase order availability to negate the need to use a P-Card.

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5.2. Examples include:

Reason	Type of Need/ Spending Situations	Example Scenarios – this is not an exhaustive list
Circumstantial	On-site emergency / urgent situations	• Emergency safe and secure response for break-ins or incidents occurring on LCC premises (including schools) out of hours and where a supplier cannot accept a respective invoice & PO • To repair/replace essential items associated with staff welfare • To order/pay for emergency transport/travel costs for **pupils in the school's care** (not for staff)
	Off-site purchases	• Paying for activities, goods or services associated with off site visits **for pupils in the school's care** (i.e. the purchase must be for their benefit and **not** for staff)
	Mitigating payment method for emergency responses (recorded in business continuity plans)	• Risk mitigation for off-site events when making a purchase following an issue arising (i.e. breakage, loss, or depletion of resources) will enable the continuation of attendance and prevent loss of investment (and where a supplier cannot accept an invoice & PO)
Access	Making purchases from suppliers that require payment at the point of purchase ***and/or will not accept a P.O.***	• Bookings for accommodation, travel, and events • Subscriptions, licenses, and fees for on-line services (e.g. advertising) excluding personal professional memberships • Food and beverage supplies related to service provision (Schools, Children's, Adults – Jury's/Day Centres) • Mail order teaching and educational resources • Building and vehicle materials, supplies, and services • Professional / specialist training • Specialist waste/cleaning services • Government/regulatory services

5.3 It should be noted that regular "urgent" payments due to lack of planning are not considered acceptable use.

6. When should they not be used?

6.1. The following are examples of where it is **<u>not</u>** appropriate to use a procurement card to purchase items:

6.2. To pay invoices or statements which are on BW including utility bills.

6.3. Cash like transactions such as gift cards and vouchers (unless these are for pupils as part of dissemination of hardship funding).

6.4. Staff lunches, celebrations or Christmas lunches, Gifts (including flowers) for staff or for special occasions.

6.5. Meals, snacks, refreshments or food in general, other than what is permitted in paragraph 5.2.

6.6. Alcohol, tobacco products, vapes, legal medication, other age restricted items and cash withdrawals are strictly prohibited.

6.7. Car parking fees and fuel costs where an expenses claim should be made. Please refer to the Travel & Expenses policy for more information.

6.8. Professional memberships related to an employee's role must be claimed through the expenses process.

6.9. IT equipment and software. An IT ticket should be raised to request new software and equipment ordered through the Product Catalogue.

6.10. Internal payments. These should be processed as recharges to the other department.

6.11. If the cardholder requires an item outside the scope of this policy, excluding alcohol, they must request an exemption from the Headteacher (or chair of governors if the headteacher is making the purchase) in writing (e-mail). The evidence of an exception should be sent to the administrator along with the receipt and the updated transaction log.

6.11.1. If the purchase of alcohol is required, written approval must be sought from the Chair of Governors.

6.12. Payment via third party platforms such as PayPal is prohibited unless it is the only payment option and the item cannot be sourced elsewhere. This is to ensure financial security, protect against fraud and avoid unnecessary transactional costs.

6.12.1. Where there the item cannot be sourced elsewhere, PayPal may be used where card details are manually inputted.

6.12.2. Under no circumstances should a personal PayPal account be logged into to make a purchase since this exposes the card to fraud.

6.13. When purchasing from any online retailers you must check that the product complies with UK Health and Safety Regulations particularly toys and electronic items. If you are not satisfied, then an alternative supplier for the products you wish to purchase should be found.

7. Receiving first and Replacement Cards

7.1. All Procurement Cards must be sent to a central location, which is County Offices, Lincoln where they will be processed and forwarded to the cardholder.

7.2. Under no circumstances should an alternative address be requested as this can increase the risk of fraud and theft.

8. Cardholders' role and responsibilities

8.1. A corporate procurement card should only be used for making business purchases that cannot be made on Business World.

8.2. A corporate procurement card must not be used for personal purchases (in line with the Code of Conduct [Schools employment manual – Professional resources]).

8.3. The use of a corporate procurement card is subject to normal Financial protocols. [Financial Protocols]

8.4. All procurement cardholders must read and understand the requirements under this Policy and refresh annually. When the policy is updated annually, this will be communicated and an updated version will be held in Perspective Lite. Cardholders are responsible for refreshing their understanding of the Policy accordingly.

8.5. Cardholders are responsible for any spend on the card and **only** the cardholder must use their card.

8.6. The cardholder must keep their card and PIN secure and not allow anyone else to access it and use it. Should a cardholder allow another individual to use their card this will be considered a disciplinary matter.

8.7. The cardholder must register for online banking to access monthly statements for their card, in order to verify that amounts debited from the account match the corresponding receipts and to identify any fraudulent activity.

8.8. Card details should not be stored online or linked to personal (non LCC/School) devices. This presents an increased risk of fraud if a supplier/website is compromised.

8.9. Procurement Cardholders must obtain a valid receipt each time they use the card that details the purchase/s that have been made. The cardholder must promptly complete a transaction log to record purchases within two weeks of the purchase which should cross-reference with the receipts and monthly statement.

8.10. All purchases on a procurement card require a VAT receipt

8.11. All VAT receipts should be sent to the card administrator to upload, along with the transaction log and the correct account and cost codes within 14 days of the purchase.

8.12. Cardholders must not purchase goods or services using their card where other arrangements or specific Corporate contracts are in place e.g. a corporate stationery contract as doing so will contradict any arrangements already in place.

8.13. The card must be surrendered immediately on termination of employment and if requested by the budget holder where the card has been used outside of permitted policy use or when the cardholder moves to a role where the card is no longer required. The cardholder must complete a cancellation form.

8.14. If a cardholder is on extended leave, then an email should be sent to their Headteacher (if cardholder is Headteacher then Chair of Governors) to the P-Card team explaining the reason and requesting that a block be placed on the card. When the cardholder returns from leave, they can email ProcurementCard@lincolnshire.gov.uk to have the block removed.

8.14.1. Extended leave includes sickness, maternity leave and suspension.

8.15. Under the Local Government Transparency Code 2015, the Council must publish all transactions at least quarterly. The Council also regularly receives Freedom of Information requests regarding spend; it is the cardholder's responsibility to ensure that all information is available and meets the criteria of Council spend.

8.16. Cardholders should not have reciprocal arrangements for administrating each other's cards ensuring transparency when purchasing and coding.

9. Card Administrators' role and responsibilities

9.1. All administrators must read and understand the requirements under this Policy annually.

9.2. It is the administrator's responsibility to ensure that the correct codes are entered accurately against the cardholder's transactions and that all VAT receipts are uploaded to Business World. Exemption requests and lost receipt forms must also be uploaded where applicable.

9.3. The transactions must be coded on the transaction log within two weeks of the administrator receiving the information and all receipts uploaded to Business World as part of the mandatory process.

9.4. If there is a requirement to change the administrator of a card, an amendment form must be completed. The previous administrator must hand over all filed documents such as transaction logs and receipts. Administrators must ensure that all outstanding tasks have been coded before they cease being an administrator since these will not automatically transfer to the new administrator.

9.5. Card Administrators should not be of a Senior Management or Budget Manager level. This helps maintain an important financial control, i.e. segregation of duties

10. Budget Holders responsibilities

10.1. The governing body are responsible for deciding who is eligible for a procurement card and ensure the school's scheme of delegation/finance policy details cardholders and limits.

10.2. All budget holders should ensure spend via procurement cards within their cost centres aligns with the Scheme for Financing Schools, Financial Regulations and the policy principles.

10.3 Headteacher (or Chair of Governors if the headteacher is making the purchase) must approve the cost centre allocation on procurement card forms, to ensure that they are correct before authorisation.

10.4 The Headteacher (or Chair of Governors if the headteacher's card) is responsible for authorising any temporary or permanent increases to a cardholder's monthly or single transaction procurement card limit.

11. School business manager (SBM)/administrator responsibilities

11.1 SBM/administrator should undertake regular projection exercises to establish likely spend on procurement cards.

11.2 SBM/administrator must ensure that spending on procurement cards is legitimate and meets business need.

11.3 Where purchase(s) appear non-compliant with this policy, the SBM/administrator should support the escalation process.

12. Suspected Fraudulent Transaction

12.1. Everyone involved in the use of P-Cards including P-Cardholders, administrators, headteachers and chair of governors must complete Counter Fraud training available through Lincs2Learn before interacting with the P-Card, process.

12.2. If the cardholder notices a transaction on their procurement card statement that they did not make, the cardholder is required to contact Lloyds Bank for appropriate support and to notify the Business Support procurement card team – procurementcard@lincolnshire.gov.uk. A block will be placed on the card whilst Lloyds Bank undertakes investigation.

12.3. If any member of staff has a reasonable suspicion that a procurement card is being fraudulently used, such as for buying personal items, deliberately overordering items for resale, or using the card for means that sit outside of policy, this should be reported to the Counter Fraud Team at the earliest convenience. This can be done by emailing CounterFraud@Lincolnshire.gov.uk or alternatively, staff can follow the procedure as set out in their school's whistleblowing policy. If no whistleblowing policy is in place for your school, the local authority's whistleblowing policy may be followed, details of which can be found below.

12.3.1. Whistleblowing@Lincolnshire.gov.uk

12.3.2. Whistleblowing procedure for maintained schools - GOV.UK

12.3.3. Tel: 0800 0853716

12.3.4. Lincolnshire Local Authorities, PO Box 640, Lincolnshire County Council, LN1 1WF

12.4. For more information, please refer to LCC's Whistleblowing Policy.

12.5. Staff should not try to investigate concerns of fraud themselves, they should report it as soon as possible using the details above. However, staff should retain any evidence to support their concerns.

13. Monthly Statements

13.1 Monthly statements are available online. They must be checked within two weeks and retained by procurement cardholders. The cardholder must register for online banking via the link below - https://www.commercialcards.co.uk/lloydsbank/. The credit limit is the monthly limit as per your application form.

13.1 The Council also receives an electronic composite statement. This undergoes scrutiny to ensure compliance against the Financial Regulations.

13.1 Where non-compliance is identified, the procurement card team will contact the cardholder or the administrator to understand if an exemption has been applied and the appropriate Headteacher (or chair of governors if the headteacher is making the purchase) has approved the purchase.

13.1 Where the procurement card team has concerns, they will escalate these directly to the Headteacher/Governor to call Counter Fraud and alert the Council's Counter Fraud Team for further investigation.

13. Card Limits and card management

13.1 The standard monthly credit limit is £1,000

13.1 Cardholders can request temporary or permanent increases to their procurement card limits, via an amendment form. The amendment form must be authorised by the Budget holder responsible for that code and approved by the governing body within the school's scheme of delegation.

13.1 The single transaction limit amount should not, in most cases, exceed £1,000.

13.1 The Procurement card team will manage inactivity of cards not used for at least 6 months and they will be closed accordingly. If the cardholder requires the card to be kept open without activity for a prolonged period, they should contact procurementcard@lincolnshire.gov.uk to inform them.

13. Changes to Holder/ Administrators details

13.1 As required within the Councils Financial Regulations, any changes to the cardholder or administrator details require immediate action and the procurement card team should be informed.

13.1 Changes to work addresses and other details as provided within the original application form should be changed by completing the correct form which requires management authorisation and should be sent to the procurement card team immediately.

13.1 Changes to any line management should be notified to the Procurement Card team via email – procurementcard@lincolnshire.gov.uk

13. Cardholder and Administrator Sanctions

13.1 Should non-compliance with this policy be identified, this will be managed in line with the disciplinary process. Schools employment manual – Professional resources

13.1 Where fraud is suspected, this will be referred to the Counter Fraud Team in accordance with the Counter fraud and anti-corruption policy. Counter Fraud Policy.

13.1 Any administrator that fails to follow their responsibilities as outlined in this policy may have their administration status removed.

13.1 **Failure to comply with this policy may result in the card being withdrawn and may lead to disciplinary action.**

13. Important info for Procurement Card Team

Procurementcard@lincolnshire.gov.uk
Tel: 01522 554231

Procurement card resources & forms:
LA Documents > Schools Finance Team > Procurement Card