



A2 Use of purchasing cards

This appendix provides more detail in respect of Section 6 of the Procurement and Purchasing Policy, which covers how to buy goods, services and works.

A2.1 When is it appropriate to use a purchasing card?

There are some circumstances when it is considered appropriate to use a purchasing card. Purchasing cards are a very efficient way to purchase goods, services and works and should be used in the following circumstances:

- as directed in the diagram in section A1.2.1
- a supplier only accepts card payments either on-line, by telephone or in person. This typically would be an internet seller or high street retailer
- services are being purchased from the University's managed travel provider, in order to secure the price on offer
- the individual does not have access to the University finance system at the point when the purchase is needed. For example, when travelling on University business and is buying goods, services and works in accordance with this Policy
- when the purchase does not relate in any way to Off Payroll Working.

The Head of School or Director of Professional Service is responsible for the purchasing arrangements in the School or Division and should determine the appropriate number and distribution of purchasing cards having regard to section 6.2 of this Policy.

Purchasing cards should be used in preference to out of pocket expenses where access to both alternatives exists. Whilst they are intended to provide a quick and easy access to purchasing, it is important that, wherever possible, staff and Budget approvers take a planned approach to purchasing and do not use purchasing cards as a routine 'emergency' alternative to purchase ordering.

All purchases and any judgements made in respect of business need and/or VFM must be in accordance with the flowchart in appendix A1.2.1.

Supporting information

To ensure that appropriate authorisation consideration can be given, relevant supporting information should be attached to the purchasing card statement within the finance system to demonstrate that the correct procurement process has been followed, that VFM has been achieved, the purchase is an appropriate use of funds and that it is being charged to the correct budget. This may include (but should not be limited to):

- receipts (paper receipts do not need to be retained so long as a clear digital image is attached in the finance system as detailed in the Purchasing Card Guide.)*
- written quotations.

*The University recognises that it is more difficult in some overseas countries to obtain receipts. Where it is not possible, the University will meet the identified cost of out of pocket

expenses to a maximum of £20 per day without receipts. However, every effort should be made to provide supporting evidence of the purchase (e.g. photograph of a taxi meter, photograph of the item purchased etc.). Any claim must demonstrate that the amount is reasonable in the circumstances.

Before travelling overseas it is important to establish whether any sanctions, embargoes or restrictions (see section 7.3) are effective in your travel destination as this may affect the functionality and use of your purchasing card or your personal credit or debit card. How you pay for goods, services and works when you are travelling away from the University should form part of your travel risk assessment. All travellers are required under Health and Safety policy to complete a risk assessment for their trip both in the UK and overseas and this should include an assessment of travel and accommodation arrangements.

A2.2 When is it not appropriate to use a purchasing card?

An element of discretion is required for all use of purchasing cards to ensure that the VFM and financial control principles of this Policy are met. However, there are some particular circumstances where purchasing cards should never be used. These include:

- fuel for personal vehicles (not hire vehicles) where claiming mileage would be the appropriate method
- purchasing from a supplier where a **contracted or approved supplier** could provide the goods, services or works supported by a purchase order
- any purchase relating to individual workers, such as engaging a Personal Services Company, Agency, individual consultants etc.

A2.3 Who can use a purchasing card?

The Head of School or Director of Professional Service may authorise an application by a member of staff for a purchasing card where he/she judges it appropriate to the business needs of the School or Division. The application can be found on the Finance website. The intended use of a purchasing card must exceed a minimum of 12 transactions and £1000 annually or for regular travel overseas.

Heads of School and Directors of Professional Service should consider the financial control impact of purchasing cards as follows:

- Purchasing card transactions reduce financial control as the University is committed to expenditure without the usual budgetary approval process which is inherent to the requisition and ordering system
- The transaction information captured in the University's finance system for card transactions is far less than that held for invoiced expenditure.

The recommended use of purchasing cards is as follows:

User category	Use	Description
Administrator	Performing card transactions for the School/ Directorate	A small number of cardholders may be required in each School or Division depending on the size of the School/ Division, the number/values of transactions, and the nature and pattern of activities.
Project Administrator	Specific purchasing role on a project	Certain projects, academic/research or administrative may warrant the identification of a cardholder to perform purchasing transactions for project team members where these are sufficiently high volume.
Any individual frequent traveller	To buy travel, subsistence and incidental expenditure.	Frequent travellers can use a purchasing card to buy services from the managed travel provider and to meet other expenditure needs while travelling on University business. Regular overseas travellers will qualify for purchasing card irrespective of the frequency and value of transactions.

Purchasing cards may be used for all or some of the purposes set out above. The use of specific cards and the role of cardholders within these parameters is authorised at the discretion of the Head of School or Director of Professional Service.

A2.4 Cash withdrawals using a purchasing card

It is recognised that travellers overseas may need to withdraw cash in order to facilitate the payment of expenses in certain places where a cash culture exists. Temporary or longer-term cash withdrawal facilities are available for purchasing cards. This can be requested on the application form when making an initial request for a purchasing card, or requested subsequently. The application process is detailed on Finance website.

Users should be aware that cash expenditure incurred will require the completion of an out of pocket expense claim and the return of any unspent cash to the University within one month of the date of returning to the University. Until this has been completed, future authorised expense claims will be paid minus the outstanding balance awaiting reconciliation.

Cash withdrawal facilities should be used in preference to a cash advance as they are more secure and avoid the need to transfer money into an individual's personal bank account.

A2.5 Financial limits

In order to ensure financial control, maximum financial limits are set for each card and agreed prior to the issue of the card in line with the following table and the required business usage:

Level	Single Transaction Limit	Monthly Credit Limit	Indicative Usage
1	£1,000	£5000	Standard use

2	£2,500	£10,000	Significant use
3	£5,000	£15,000	Heavy use

The Director of Finance sets limits that are applicable to cards held by specific members of the Finance Division for defined purposes.

The Head of School or Director of Professional Service is responsible for monitoring annually the use of purchasing cards to ensure those in circulation are still required and have the correct limits.

A2.6 Authority to use a purchasing card

The named cardholder is the only person authorised to buy goods or services on their purchasing card. On no account should they divulge details of their card or its security number to another person. The card is the cardholder's personal responsibility. Barclays issue cards to nominated individuals for use in accordance with this Policy. The card remains the sole responsibility of the cardholder and misuse, including sharing the card and PIN, may result in disciplinary action.

After a period of three months of non-compliance where cardholders do not fully meet their responsibilities in terms of management of their card, particularly concerning coding transactions and attaching receipts within the finance system, authority to hold a Purchasing Card will be suspended. Heads of School and Directors of Professional Service should put alternative purchasing arrangements in place.

Card Holders will be required to complete a declaration annually to confirm they understand and accept these and any additional requirements of use.

A2.7 Loss or theft of a purchasing card

In the event of the loss or theft of an individual's purchasing card, they must report it immediately to the Barclaycard Centre – telephone 01604 230230 (24 hours, 7 days). They should also report it to financeservicedesk@sussex.ac.uk.

A2.8 Purchasing card procedures

A detailed user guide for purchasing cards can be found on the Finance website. The guide tells you how to:

- apply for a purchasing card
- record and process card transactions
- approve card transactions in the finance system
- attach receipts
- dispute items on your statement
- discharge your cardholder responsibilities including card security.

The guide can be found here: <http://www.sussex.ac.uk/finance/how/purchasing>