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## Procurement and Credit Card Policy

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***Solent NHS Trust policies can only be considered to be valid and up-to-date if viewed on the intranet. Please visit the intranet for the latest version.***

Purpose of Agreement	Policy on the use of procurement and credit cards.
Document Type	<input checked="" type="checkbox"/> Policy
Reference Number	Solent NHST/Policy/ GO26
Version	1.0
Name of Approving Committees/Groups	Finance Committee, Policy Steering Group, Assurance
Operational Date	September 2018
Document Review Date	September 2021
Document Sponsor (Job Title)	Director of Finance & Performance
Document Manager (Job Title)	Financial Accountant
Document developed in consultation with	LCFS
Intranet Location	Business Zone> Policies SOPs and Clinical Guidelines
Website Location	FOI Publication Scheme
Keywords (for website/intranet uploading)	Procurement credit card

**Amendments Summary:**

Please fill the table below:

Amend No	Issued	Page	Subject	Action Date

**Review Log:**

Include details of when the document was last reviewed:

Version Number	Review Date	Lead Name	Ratification Process	Notes

## **SUMMARY OF POLICY**

This procurement and credit card policy outlines the procedures followed by all internal stakeholders. The most immediate benefit is that it defines cardholder liability and responsibility.

This policy also outlines the instances when procurement and credit cards will be issued.

All staff must follow the policies and procedures given in this document.

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## **1. Introduction and purpose**

- 1.1. The Trust has identified advantages to be gained by using procurement and credit cards as part of its procurement and purchase process.
- 1.2. The procurement card is in effect a 'charge card'. It can be used when buying goods and services from any supplier who operates a purchasing card facility.
- 1.3. The supplier gets paid by the Bank within 4 working days of the transaction, and the Trust can access monthly statements from the card provider, detailing the transactions for each cardholder, which enable the Finance Department to record the transactions and allocate costs accordingly, without the need for invoices. The Trust makes one monthly payment to settle the balance.
- 1.4. The procurement and credit card may only be used in accordance with the following procedures and by designated card holders. The determination of 'designated card holders' and the financial limits that will be applied to transactions will be determined by the Deputy Director of Finance or Financial Controller. These will be set in line with the Trust's Standing Financial Instructions and Scheme of Delegation.
- 1.5. The card is to be used for Trust business use only. No personal expenditure should be made with the card. If personal expenditure items are incurred in error these should be settled immediately. An investigation and detailed explanation should be provided on these occasions to the Director of Finance and Performance and may be referred to the Local Counter Fraud Specialist (LCFS) for investigation which could result in the application of a criminal sanction.
- 1.6. A copy of this policy will be issued to all designated holders.

## **2. Scope and definition**

- 2.1. This policy applies to bank, locum, permanent and fixed term contract employees (including apprentices) who hold a contract of employment or engagement with the Trust who are applying for or holding a procurement or credit card.
- 2.2. The following definitions are used within the policy:
  - 2.2.1. Card refers to procurement or credit card.
  - 2.2.2. Card Administrator is the Financial Accounts Assistant in the Finance Department.
  - 2.2.3. Card holder is the person whose name is on the card and has signed the procurement/credit card agreement.

## **3. Card Management**

- 3.1 Issuing cards
  - 3.1.1 A complete list of employees that hold procurement or credit cards is held by the Finance Department.
  - 3.1.2 Authorisation for issuing new or replacement cards may only be given by the Deputy Director of Finance or Financial Controller. New cards will only be issued if supported by a case of need based on value for money and operational necessity after taking into account all alternatives such as purchasing through the Procurement Department and buying via petty cash.
  - 3.1.3 The Trusts Administration process as detailed in section 3.9 of this policy must be followed in all cases.

3.1.4 Each card will be issued by the Finance Department's card administrator. As the card is issued each card holder will be required to sign a Procurement/Credit Card Holder Agreement as detailed in appendix A.

### 3.2 Amending cards

3.2.1 If an amendment is required to the name on the card, the card administrator must be notified, along with evidence of name change and approval from the individual's manager.

3.2.2 The obsolete card should be cut in half along the magnetic strip and returned to the Finance Department.

### 3.3 Security

3.3.1 The card must only be used by the designated card holder. The designated card holder must not, under any circumstances, disclose their individual card or PIN number to anyone.

3.3.2 It is the card holder's responsibility to ensure that the card is retained in a secure location at all times. The card must be available for audit inspection at all times.

### 3.4 Lost / Stolen Cards

3.4.1 If the card is lost or it is stolen, the holder should advise the card provider instantly.

3.4.2 If the card is stolen it should be instantly reported to the police.

3.4.3 The card administrator should also be notified of a lost or stolen card instantly.

### 3.5 Job Change / Leaving Employment

3.5.1 In the event of a job change, the card holder must advise the card administrator as soon as possible. A decision will be made on the need of the continued use of the card.

3.5.2 Upon leaving employment of the Trust, the card holder must cut the card in half and return it to the card administrator.

### 3.6 Card Holders Liability / Credit Status

3.6.1 Whilst the card is printed with individuals' names, the account and therefore the liability is in the name of the Trust. Consequently there is no impact on the cardholder's personal credit status. However inappropriate use by the cardholder may result in disciplinary action, including termination of employment. Where there is a suspicion or evidence of fraud a referral will be made to the LCFS in line with the Trust's Counter Fraud Policy, which may result in the application of a criminal sanction.

### 3.7 Limits

3.7.1 Both monthly and individual transaction limits will be set by the Deputy Director of Finance or Financial Controller on behalf of the Trust. These will be notified on an individual basis upon issue of the cards. The card should not be used for purchases in excess of these limits. Attempts to do this will be met with a decline when authorisation is sought for the transaction. This limit is inclusive of any VAT charge.

3.7.2 Personal purchases should not be charged to the card. Evidence of inappropriate purchases will result in a referral to the LCFS for further investigation.

### 3.8 Transactions

3.8.1 The procurement card can be used at any approved supplier.

3.8.2 The card cannot be used to obtain cash.

3.8.3 The Trust has the duty to obtain value for money for all purchases, therefore use of the card should be limited to those transactions where it is not possible to go through the traditional procurement route.

3.8.4 All goods ordered should be delivered to Trust's premises.

### 3.9 Administration

3.9.1 Each card holder must record, collect and retain receipts and/or VAT invoices for a period of six years to comply with Customs and Excise legislation.

3.9.2 Each month, the card holder will receive a statement detailing all transactions carried out using the card. It is important that this statement is, immediately on receipt, completely reconciled to the card holder's monthly record for the same period. The statement will be issued no later than working day 5 of each month. Any discrepancies should be referred to the card administrator in writing with copies of relevant paperwork enclosed.

3.9.3 Once the card holder's monthly record and statement have been agreed, the monthly record and the statement should be signed by the card holder as evidence that the reconciliation has been carried out and is correct.

3.9.4 The expenditure should then be authorised by the card holder's budget manager by signing the monthly record. The original copy of the signed monthly record must then be returned promptly with a copy of the receipt or VAT invoice (within 5 working days of receipt) to the Finance Department. If the card holder's budget manager is on leave they should delegate the authorisation appropriately.

3.9.5 Failure to return the authorised monthly transaction information on a timely basis will result in the withdrawal of the card facility.

## **4 Audit**

4.1 Audits will be conducted for both procurement and credit card activity and retention of receipts and invoices. It is therefore important that documentation is visibly checked and filed promptly.

4.2 Improper use of the card is not acceptable and will be dealt with accordingly. Evidence or suspicions of fraudulent activity will result in a referral being made to the LCFS in line with the Trust's Counter Fraud Policy. Counter Fraud investigations may result in the application of a criminal sanction.

## Appendix: A Procurement / Credit Card Holder Agreement

As a card holder, I can confirm that I have received and agree to comply with the Trust's Procurement and Credit Card policy. I understand that I am entrusted with the procurement/credit card and will be making financial commitments on behalf of the organisation.

I agree to use this card for appropriate Trust business purchases only and agree not to use the card to make personal purchases. I understand that the Finance Department will audit the use of the card and report any discrepancies found. I also understand that appropriate action will be taken if required, including a referral being made to the Local Counter Fraud Specialist (LCFS) in line with the Trust's Counter Fraud Policy. Counter Fraud investigations may result in the application of a criminal sanction.

I will follow the established procedures for use of the card. Failure to do so may result in either revocation of my user privileges or any other disciplinary actions, including termination of employment and a referral being made to the LCFS for criminal investigation.

I agree to return the card immediately upon request or upon termination of employment.

If the card is lost or stolen I agree to notify the card provider and the card administrator immediately by telephone. If the card is stolen I agree to instantly notify the police.

Print Name \_\_\_\_\_

Employee's Signature \_\_\_\_\_

Employee number \_\_\_\_\_

Location \_\_\_\_\_

Date \_\_\_\_\_

Budget Manager's Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

I, as an employee of Solent NHS Trust, acknowledge receipt of procurement/credit card number:

\_\_\_\_\_ Signed: \_\_\_\_\_ Date:

Approved By Financial Controller	
Signed	
Date	

Cc Card Administrator



## Appendix: B Equality Impact Assessment

<b><u>Step 1 – Scoping; identify the policies aims</u></b>	<b>Answer</b>		
1. What are the main aims and objectives of the document?	Control the use of procurement and credit cards		
2. Who will be affected by it?	Card holders		
3. What are the existing performance indicators/measures for this? What are the outcomes you want to achieve?	Appropriate use of cards and timely charging of expenditure incurred.		
4. What information do you already have on the equality impact of this document?	None		
5. Are there demographic changes or trends locally to be considered?	No		
6. What other information do you need?			
<b><u>Step 2 - Assessing the Impact; consider the data and research</u></b>	<b>Yes</b>	<b>No</b>	<b>Answer (Evidence)</b>
1. Could the document unlawfully discriminate against any group?			No
2. Can any group benefit or be excluded?			No
3. Can any group be denied fair & equal access to or treatment as a result of this document?			No
4. Can this actively promote good relations with and between different groups?			Yes
5. Have you carried out any consultation internally/externally with relevant individual groups?			No
6. Have you used a variety of different methods of consultation/involvement			No
<u>Mental Capacity Act implications</u>			
7. Will this document require a decision to be made by or about a service user? (Refer to the Mental Capacity Act document for further information)			No
<u>External considerations</u>			
8. What external factors have been considered in the development of this policy?			None

9. Are there any external implications in relation to this policy?			No
10. Which external groups may be affected positively or adversely as a consequence of this policy being implemented?			LCFS