

## PURCHASING CARD POLICY

The use of purchasing cards in schools can result in better cash flow management, reduced level of documentation, enhanced purchasing processes and improved internal controls. An obvious area of advantage is that of external or remote access to funds (for example, when on a school camp).

In 2021, the Victorian State Government entered into a new Banking and Financial Services Contract with a panel of three suppliers. The three panel banks are Commonwealth Bank of Australia (CBA), National Australia Bank (NAB) and Westpac. Despite the new panel arrangements, the use of purchasing cards in schools is still required to be managed through Westpac.

The Purchasing Card Facility has been approved by the Minister as an addition to the Department's endorsed purchasing practices in place in schools.

### School Council

The school council is responsible for the financial management of the school. School council ultimately confirms and acknowledges transaction revenue and expenditure by prior approval or ratification. The introduction of a purchasing card impacts on the school council, as it represents another means of acquiring goods and services for the school.

It is recommended that a school council formally adopts procedures in order to ensure card implementation and usage is maintained under 'best practice' conditions to ensure financial accountability and optimum internal control.

School council should confirm current purchasing related internal controls prior to the incorporation of proposed school purchasing card procedures. The following checklist is provided to assist in this process.

### Additional controls for school purchasing card

The school council and principal determine which personnel and activities will be eligible to use the purchasing card

The school council and principal determine the expenditure limit for each cardholder and provide financial delegation to this upper limit.

School council, after advice from the principal, appoint an "Authorisation Officer".

An “Undertaking by the Card holder” is completed by each user after modifications by the principal.

Principals Ensure that –

- All approved cardholders receive a briefing on the use under specific guidelines prior to being issued with a card.
- The card holders’ names, card details and other information are minuted at school council. Any subsequent changes must be minuted at the next school council meeting.
- Determine and document arrangements for safe and secure custody of the purchasing card.
- Arrange for the monthly purchasing card statement/s to be attached to the relevant reports (CASES21 Finance) and tabled at school council meetings
- Ensure that all Westpac Visa Card purchasing card procedures and controls are met.

The financial delegation traditionally held by the principal to incur and pay for school related expenditure is extended to the **cardholder**. The financial delegation hierarchy should begin with the principal as authorisation officer, followed by appropriate delegation to each **cardholder**.

This ensures that:

- Financial accountability and responsibility for school transactions remains with the principal.
- Reporting requirements will enable the principal, as authorisation officer, to oversee all **cardholder** spending.

Where the principal is the **cardholder**, the school council president **must be the authorisation officer** for that card.

The Department and the school council exercise conditions to protect individuals and school resources, and ensure that effective internal controls are in place:

- The maximum monthly limit of \$15,000 placed on each purchasing card is mandated under Ministerial Guidelines and Directions 1-6 of 2008 [2.4(a)(i)]
- School council will ensure that each identified cardholder who agrees to be issued with a purchasing card, completes [Undertaking by Cardholder](#) which forms part of Ministerial Guidelines and Directions 1-6 of 2008.
- A merchant category limit can be determined for each cardholder, varying from limits related to actual supplier/s to expenditure areas.
- The [School’s Certification Checklist](#) attesting to the appropriate usage of the school purchasing card will be required under provisions of a “Finance Code of Practice” (Standing Directions 2018 under the *Financial Management Act 1994*)
- The School’s Certification Checklist replaces the Annual Statement of Assurance.

## COMMUNICATION

This policy will be communicated to our Finance committee and School Council in the following ways:

- Discussed at Finance meeting
- Discussed at School Council

## FURTHER INFORMATION AND RESOURCES

- **Finance Manual for Victorian Government Schools**
  - [Section 3 Risk Management](#)
  - [Section 4 Internal Controls](#)

## EVALUATION

This policy will be reviewed annually by School Council to confirm/enhance internal control procedures.

Proposed amendments to this policy will be discussed with Principal, Business Manager, Finance subcommittee, School Council.

## POLICY REVIEW AND APPROVAL

Policy last reviewed	March 2023
Approved by	School Council
Next scheduled review date	March 2024