



**Policy & title** FND\_Purchasing\_Card (PCard)\_PUR002

**Effective date** November 2007

**Background** The UCT Purchasing Card (PCard) is a VISA product issued by Nedbank to authorised UCT staff members. It provides a convenient and cost effective alternative purchasing tool for certain categories of purchases. These include low value items and those normally paid via labour intensive (and therefore costly) administration processes such as petty cash and staff reimbursements.

**Objective** The purpose of this policy is to define the parameters around the use of the UCT PCard and the associated roles and responsibilities and to ensure that maximum benefits are achieved from the use of the card, while minimising the risk to the university.

**Scope** The scope of this policy covers all activities related to the use of the PCard.

This does not supersede existing policies related to:

- Subsistence and travel [[PAY002](#)]
- Reimbursements [[PAY005](#)]
- Advances [[PAY006](#)]
- Petty cash [[PAY003](#)]
- Goods or services provided to UCT by staff or connected parties [[PAY007](#)]
- Contractor's questionnaire [[FG002](#)]
- Purchasing [[PUR003](#)]
- Purchasing Thresholds [[PPP002](#)]
- Libraries Acquisition of Information Resources [[PUR008](#)]
- Procurement [[PG001](#)]
- Green Procurement [[PG002](#)]
- Quotations, tenders and Requests For Proposals (RFP) [[PUR004](#)]
- Broad-Based Black Economic Empowerment (B-BBEE) [[PUR005](#)]

**Applicable to** Card holders, Card processors, Card holder line managers, PCard administrator, Heads of Departments, Faculty/PASS finance managers, Deans/Executive Directors

**Additional information** Appendix A : PCard holder agreement  
Appendix B : PCard monitoring and reviewing of transaction processing  
Appendix C : PCard expenditure monitoring and reporting

**Definitions** The following definitions apply to terms as they are used in this policy:

<i>PCard</i>	An acquisition tool that operates similarly to a credit card and for which a specific employee is assigned use and responsibility.
<i>Card holder</i>	Eligible person having use of and responsibility for a PCard.
<i>Card processor</i>	The SAP purchaser within each department responsible for administering the department's cards.
<i>PCard administrator</i>	Employee responsible for administering and managing the UCT PCard program.
<i>Card holder line manager</i>	The manager to whom the Card holder reports and who has the responsibility to review monthly expenditure on the PCard.
<i>PCard expense report</i>	SAP report that can be run by the Card processor which reflects all the detailed card transactions for a specific Card holder and the status of the transactions.
<i>Unapproved transactions report</i>	SAP report for transactions that have not been allocated to a fund and cost object. The report can be obtained from the Card processor or the PCard administrator or the Faculty/PASS finance manager.
<i>Supporting documents</i>	Supporting documentation is generated when a purchase is made. The documents should contain the following: <ul style="list-style-type: none"><li>• Details of the transaction, including:<ul style="list-style-type: none"><li>➤ Date of the transaction</li><li>➤ Name of the merchant</li><li>➤ Goods/services provided</li><li>➤ Amount</li></ul></li><li>• Proof of payment with PCard (e.g. credit card slip, online payment confirmation)</li></ul>
<i>Examples of supporting documentation</i>	<ul style="list-style-type: none"><li>• Tax invoice / Invoice</li><li>• Receipt</li><li>• Sales slip</li><li>• Order acknowledgement</li><li>• PCard payment receipt (credit card payment confirmation)</li></ul>



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**Policy 1. Implementation of the PCard in departments**

- As part of ongoing strategic initiatives to reduce costs and increase efficiencies, the PCard administrator will work with HODs and Faculty/PASS finance managers to identify opportunities for use and implementation of the PCard in departments.
- Where procedures have been established for use of the PCard with specific vendors, SAP purchase orders *should not* be used.
- The PCard *should* be used for travel expenses such as accommodation, conference fees and similar ad-hoc expenses, where card payment is accepted.
- PCards should be issued to staff members who regularly need to claim reimbursements. Personal cards may not be used where the staff member has a PCard, or has access to a departmental PCard.

**2. Eligibility**

- Any employee who is a permanent member of staff or on a T2 or T3 contract is eligible for a PCard when warranted by a business need and authorised by the Dean/Executive Director, HOD and Faculty/PASS finance manager.
- T1, PhD students and Research Fellows applications for a PCard will be considered based on their role and operational needs.
- Emeritus Professors may be allowed to retain their PCard, provided there is available budget in their funds but this must be reviewed annually by the Faculty/PASS finance manager, together with the HOD.

### 3. Procedure for PCard applications

- PCard application forms are available on the [UCT admin forms](#) website ([MM003](#) and Nedbank application form).
- The provision of a cell phone number linked to a PCard is mandatory.
- Card applications need to be authorised by:
  - The Card holder's HOD
  - Card holder's line manager
  - Fund holder
  - Faculty/PASS finance manager
  - Dean or Executive Director
- Only original authorised application forms will be processed.
- The application process takes 10 to 14 working days to be processed by the PCard administrator.
- PCard administrator will notify the Card holder as soon as the card is delivered by the bank.
- Card holders must acquaint themselves with the policy prior to collection of the PCard.
- An annual card fee will be charged to the Card holder's default fund provided.
- A Card holder is required to sign a Card holder agreement when the card is issued. See : Appendix A
- Card holders collecting replacement cards (e.g. lost or stolen cards) will be required to sign a new Card holder agreement.

### 4. Allowable card use

Card holders may use their PCards for the following transactions, where agreed by their line manager and fund holder.

- Certain preferred UCT vendors where this has been arranged by the PCard administrator e.g.
  - Stationery - Waltons
  - Catering and refreshments - Pick n Pay
  - Travel - UCT eProcurement online booking tool
- Sundry 'out of pocket' or field trip purchases instead of requesting an advance, reimbursement or petty cash
- Internet purchases and payments e.g. subscriptions
- Foreign payments e.g. conference fees
- Hotel accommodation
- Petrol for hired vehicles only



#### Note

Petrol for UCT vehicles must be purchased on the UCT petro card for that vehicle, including field trips.

- Subsistence and Travel (S&T) expenses. See: Attachment C of [S&T policy](#)



**Note**

The PCard cannot be used for S&T expenses where an S&T allowance has been granted.

## 5. Prohibited card use

All UCT purchasing policies, guidelines and practice notes apply equally to purchases using the PCard (e.g. airport parking subject to R800/person limit). This includes the assessment of any UCT contractor regarding their independence or otherwise, in order to ensure tax is deducted accordingly.

This policy explicitly excludes the use of the PCard for :

- Personal expenses

No UCT PCard may be used for personal expenses – this is explicitly stated in the signed cardholder agreement per Appendix A.

If however, the PCard is mistakenly used for personal expenses, the following steps must be taken:

- All UCT PCards used for personal expenses, must be reported by the Card holder to the line manager and Faculty/PASS finance manager, in writing with an explanation, within 24 hours and not later than 30 days after the incident occurred.
  - The report must include the date of the incident, circumstances as to why the PCard was used for personal expenses, and steps taken to avoid a similar incident in the future. The frequency of such incidents are to be monitored, with possible blocking of the PCard.
  - Repayment of personal expenses must be made within 5 working days of being reported by the Card holder per above (or within 5 working days after returning from a trip), via an [SD002](#), and the repayment must also be reported by the Card holder to the line manager and Faculty/PASS finance manager.
  - The Faculty/PASS finance manager must journalise the receipt against the original expense, so as not to overstate UCT expenditure.
  - **PCard holders who use the PCard for personal expenses may face disciplinary action. Non-disclosure of personal expenses by the PCard holder will lead to disciplinary action.**
- Speeding fines and admin fees related to speeding fines (incurred during car rental)
    - If charged, these must be reimbursed to UCT by the Card holder within 5 working days of notification by the car rental agent.
    - The Faculty/PASS finance manager must journalise the receipt against the original expense, so as not to overstate UCT expenditure
  - Expenses related to the use of personal vehicles

These must be reimbursed via a mileage claim, which may be made at a lower rate/km than the official SARS rate, at the discretion of the fund holder

- Gift vouchers (e.g. Shopping mall gift cards)

 **Note**

From a tax perspective, gift vouchers are considered a cash equivalent, which increases the associated risk. Gift vouchers used to reimburse external parties participating in a survey/trial, can be motivated as an exception per the [FM041](#).

- Foreign purchases which require PPS (Foreign Payments) to facilitate customs documentation and clearance.

 **Note**

If in doubt as to whether assistance with customs documentation and clearance is required, please contact [PPS \(Foreign Payments\)](#).

- Assets (e.g. equipment over R15,000)
- Payments to other UCT departments, for example
  - Accommodation e.g. All Africa House
  - UCT parking disks for visitors


 **Note**

These must be processed via a journal.

- Student fees
- Cash withdrawal, except
  - For authorised operational needs e.g. field trips.
- Where the Card holder uses the card for travelling instead of claiming an S&T allowance.

 **Note**

- Cash withdrawals should be limited to short term expenditure to allow for quick reconciliation and clearing to the fund and cost object.
- Card holders must submit a spreadsheet listing all expenses adding up to the ATM cash withdrawal slip i.e. cash reconciliation
- Unspent cash must be deposited at the Cashiers office together with a completed SD002 form.
- Where cash is drawn on the PCard in place of an S&T allowance, slips must be provided for all expenses except for the \$20/R50 daily allowance.
- A cash withdrawal must be cleared before cash may be drawn again, except for S&T on a single trip.
- Cash withdrawals attract additional bank charges and interest.

 **Caution**

Cash withdrawals should not be seen as an alternative payment method to vendors.

## 6. Roles and responsibilities

### a) Roles and responsibilities of the Card holder

- PCards are issued in the name of an individual and should only be used by that person, or persons duly authorised by the Card holder.
- Given that the Card holder is responsible for all transactions on their PCard, it is imperative that the PCard details remain confidential.
- The PIN number associated with the PCard is confidential and must not be shared with anyone.
- The security of the PCard is the responsibility of the Card holder.



#### **Caution**

If the card is lost or stolen, the Card holder must report it to the Bank and UCT immediately when becoming aware of such events.

- The Card holder who is assigned a PCard has been granted a privilege to spend UCT funds for business related expenses, mostly without pre-transaction approval. This privilege requires Card holders to sign a Card holder agreement attesting to their commitment to complying with terms and conditions of the agreement and this policy, and accepting responsibility for any failure to do so.

See Appendix A – Purchasing Card holder agreement

- Where the Card holder is purchasing on behalf of another staff member, the same procedure applies as for purchase orders viz.

The Card holder must ensure there is a documented request authorised by the fund holder (MM010, or email or online approval in e-procurement online payment tool).



#### **Note**

Where the online PCard transaction is not being processed by the Card holder, and a One-Time-Pin (OTP) is sent to their cell phone, this must be forwarded to the person authorised to place the transaction on their behalf.

- Forward supporting documents and information to the Card processor with cost allocation and text explaining the purpose of the transaction as it relates to UCT business expenditure, within the following time periods:
  - All PCard transactions - within 7 days of transaction date,**except for**
  - expenditure while travelling – within 7 days of return from a trip;
  - cash withdrawals – including reconciliation and repayment of excess cash, within 7 days of transaction date or return from a trip
- Identify fraudulent transactions on their PCard by monitoring the transactions on their card via the PCard expense report and monthly statement



#### **Caution**


Fraudulent transactions must be reported to the bank and PCard administrator within 30 days of statement date for local transactions and 45 days of statement date for international transactions.

- When a Card holder moves from one department to another the MM019 form must be completed and sent to the PCard administrator for processing.
- To raise the credit limit on a temporary or permanent basis, the Card holder is required to:
  - Complete the MM014 form
  - Ensure that adequate funds are available before using this card for any transaction

 **Note**

If no SMS transaction notification is received when making payment, go into a Nedbank branch with a South African identity document to register a cell phone number.

- All new applicants will receive an SMS transaction notification from the bank for each transaction.
- When disputing a transaction, Nedbank will charge an administration fee for disputed transactions that are proved to be valid UCT business expenditure.
- If the original slip has been lost, the FM050 (Missing documentation form) may only be used after every effort has been made to obtain a copy of the original slip.
- The Faculty/PASS finance manager, on review of the FM050 reserves the right to reject the FM050 if there is insufficient evidence to ascertain that the expense was valid UCT business expenditure and request the Card holder to reimburse UCT immediately.

 **Caution**

A card with unposted transactions older than 2 months will be blocked until all transactions have been cleared.

After three such events, the PCard will be blocked for 3 months or may be permanently closed.

Where use of a PCard is a requirement for the role, revocation of a PCard becomes a critical operational issue and may have disciplinary consequences.



## b) Roles and responsibilities of the Card processor

- Card processors are SAP purchasers who are responsible for the general administration and daily processing of card transactions for assigned Card holders within a department.
- Card processors are required to process card transactions within 7 days of receiving the Card holder supporting documents.
- Where Card holder supporting documents have not been submitted to Card processor within the policy timeframe, they must follow up with the Card holder on a weekly basis by forwarding the unapproved transaction report, with a copy to the Faculty/PASS finance manager.
- Where a Card processor notices an item on the supporting documentation that may require further investigation, they must report this to Faculty/PASS finance manager.
- If the Card holder supporting documents have not been received within 1 month, the Card processor must escalate the matter to the Faculty/PASS finance manager, as well as the Card holder's line manager.
- The Card processor must provide the following reports on a monthly basis:
  - Unapproved transaction reports to the Card holder and Card holder's line manager
  - Card holder expense report, including supporting documentation, to the Card holder and Card holder's line manager
  - KPI report to the Faculty/PASS Finance Manager listed by Card holder:
    - Number of unapproved transactions older than 1 month
    - Receipt of signed unapproved transaction report from Card holder
    - Receipt of signed expense report from Card holder's line manager
    - Cumulative total of transactions for which the missing supporting documents form (FM050) was used to clear PCard transactions
- The Card processor must file signed reports and retain for audit purposes.
- Given the importance of timely posting of card transactions, disciplinary action may be taken against the Card processor where policy timelines are not met and delays are the fault of the Card processor and not the Card holder.



### Note

Card processors may not process their own PCard transactions.

**c) Roles and responsibilities of the Card holder's line manager**

- The Card holder's line manager has a vital role in the primary review of the Card holder's expenditure.
- Where a Card holder's card was used to incur expenditure on behalf of a line manager, such expenditure must still be approved by one signatory higher than the line manager concerned. This should be the exception as the line manager's own card should be used wherever possible.
- The Card holder's line manager must:
  - Approve and sign the Card holder's expense report to confirm validity of the business expenses for the previous month;
  - Ensure that the Card holder complies with this policy in terms of submission of supporting documents;
  - Review all supporting documentation for validity of UCT business expenses, particularly entertainment, as part of the review;
  - Review and sign the report of Card holder unapproved transactions older than 1 month;
  - Return the signed expense voucher and unapproved transaction reports to the Card processor within 7 days of receipt thereof.
- Where the HOD is also a Card holder, the report of monthly expenses and unapproved transactions older than 1 month must be signed off by the Dean/Executive Director/DVC. (The one-up rule applies in all cases).



**Note**

This responsibility may be delegated to an appropriate staff member, in writing, but not to the Card processor or Finance manager.

**d) Role and responsibility of the Head of Department**

- Authorises individual card applications.
- Approves the individual card profiles in the department.
- Must ensure that there is a sound PCard administration environment in the department.

**e) Role and responsibility of the Faculty/PASS finance manager**

- Validate individual card applications and PCard profiles together with the HOD, by ensuring that the card limit requested is appropriate for the role and is in alignment with available budget.
- Ensure that card processing and reporting procedures are being followed by the Card holders, Card processors and line managers in their area.
- Follow up on the unapproved transactions older than 1 month with Card holders and Card processors and request the PCard administrator to suspend cards where necessary.
- The Faculty/PASS finance manager must run the following reports:
  - Monthly unapproved transactions reports to review and report on total unapproved transactions for their area.
  - Bi-annual Card holder expense reports to review Card holder expenditure patterns.
  - Liaise with the Dean or Executive Director regarding the Card holders and the card profiles in their area.

 **Note**

No Faculty/PASS finance manager may operate a PCard. This also applies to the assistant finance managers or finance officers who are required to monitor card usage in their areas.

**f) Role and responsibility of the PCard administrator**

- Liaison with Nedbank.
- Issuing cards and managing PCard profile changes.
- Training of all role players.
- Timeous loading of all transaction data.
- Posting, payment and reconciliation of the monthly statement.
- Information, reporting and liaison with all parties regarding policy compliance.
- Monitoring annual credit limits and usage on a bi-annual basis.
- Monitoring unapproved transactions older than 2 months and, suspending cards which have unapproved transactions older than 2 months (without valid reason) or where requested by the Faculty/PASS finance manager.

**g) Non-compliance with UCT policy and procedures**

- Failure to use the card or fulfil all related roles in compliance with UCT PCard Policy and procedures and Card holder agreement can result in the suspension or revocation of the PCard and/or possibly disciplinary action, including termination of employment.
- If a Card holder's card is revoked for non-compliance, the individual may not apply for a subsequent card without authorisation by the Dean/Executive Director.

**7. PCard training**

**a. Card holders**

- Card holders must attend a half hour information session in person when the PCard is issued. No proxies are acceptable.
- A PCard holder agreement form must be signed by the Card holder and submitted to the PCard administrator when the card is issued.
- The Card holder will receive a quick reference help document at the time of training.

**b. Card processors**

PCard processor training must be completed by the departmental purchaser within 2 weeks of PCards being issued in the department.

**8. PCard audits**

Periodic audits will be carried out regularly and without warning by both internal and external auditors, as well as Faculty/PASS finance managers and the PCard administrator.

**Implementation responsibility**

Fund holders and each individual authorised to use a PCard.

 **Note**

The HOD is responsible for ensuring all policies and procedures are communicated to and implemented by the responsible individual(s), including research staff. The Faculty/PASS finance manager has to ensure reasonable controls exist to support the implementation of policies.



**Contact PCard administrator**

[Natalie.pitcher@uct.ac.za](mailto:Natalie.pitcher@uct.ac.za)

Room 2.22, Meulenhof Building, Mowbray

Tel: 021 650 4462

Cell: 083 564 5772

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<b>Policy owner</b>	Executive Director: Finance
<b>Responsible for update</b>	Director: Procurement and Payment Services (PPS), Finance
<b>Prior review</b>	March 2016
<b>This review</b>	December 2017
<b>Approved by</b>	Council, March 2016



**APPENDIX A**

**PURCHASING CARD HOLDER AGREEMENT**

I,   
 hereby acknowledge receipt of UCT Purchasing Card  
 No.

As the Card holder, I agree to comply with the following terms and conditions regarding my use of the card.

- I understand and acknowledge that under no circumstances is this card to be used for my personal expenses.
- I understand that I am being entrusted with a Purchasing Card (PCard) and will be making financial commitments on behalf of the University and that I must ensure that adequate funds are available to meet a commitment before using this card for any transaction.
- The PIN number associated with the PCard is confidential and must not be shared with anyone.
- I understand that I must use designated vendors whenever possible as identified by the University's Procurement and Payments Services (PPS) section of the Finance Department.
- I undertake to use the card for appropriate University of Cape Town business purchases only. I understand that the University will audit the use of this card and report and take appropriate disciplinary action on any discrepancies.
- I undertake to follow the established procedures for the use of this Card and understand that failure to do so may result in revocation of my use privileges and/or disciplinary action, including termination of employment.
- I have been given a copy of the PCard Help topic and understand its requirements and any future requirements as defined by the online documentation and communication received from the PCard administrator.
- I undertake to follow the established procedures for the use of this Card.
- I undertake to submit all supporting documentation and information to my Card processor:
  - within 7 days for local transactions
  - within 7 days of return from a trip
- I understand that failure to follow the PCard procedure listed above will result in the suspension (blocking) of my card and/or disciplinary action, including termination of employment.
- I undertake to monitor the expenses on my card, via the PCard Expense report and statement
- I undertake to timeously identify fraudulent transactions on my card and notify the bank and Card administrator accordingly.
- I agree to return the PCard immediately on request or upon termination of employment (including retirement). Should there be any organisational change necessitating a change in the card's default fund/cost object, I undertake to notify the PCard administrator immediately([MM019](#))
- If the PCard is lost or stolen, or if the use of the PCard is compromised by persons other than me having access to the PCard details, I undertake to notify the Bank and PCard administrator immediately
- I understand that I am responsible for all charges related to this PCard
- I have read and understood UCT finance policy PUR002

**Signature of Card holder:**

	Staff #
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**Signature of Card administrator:**

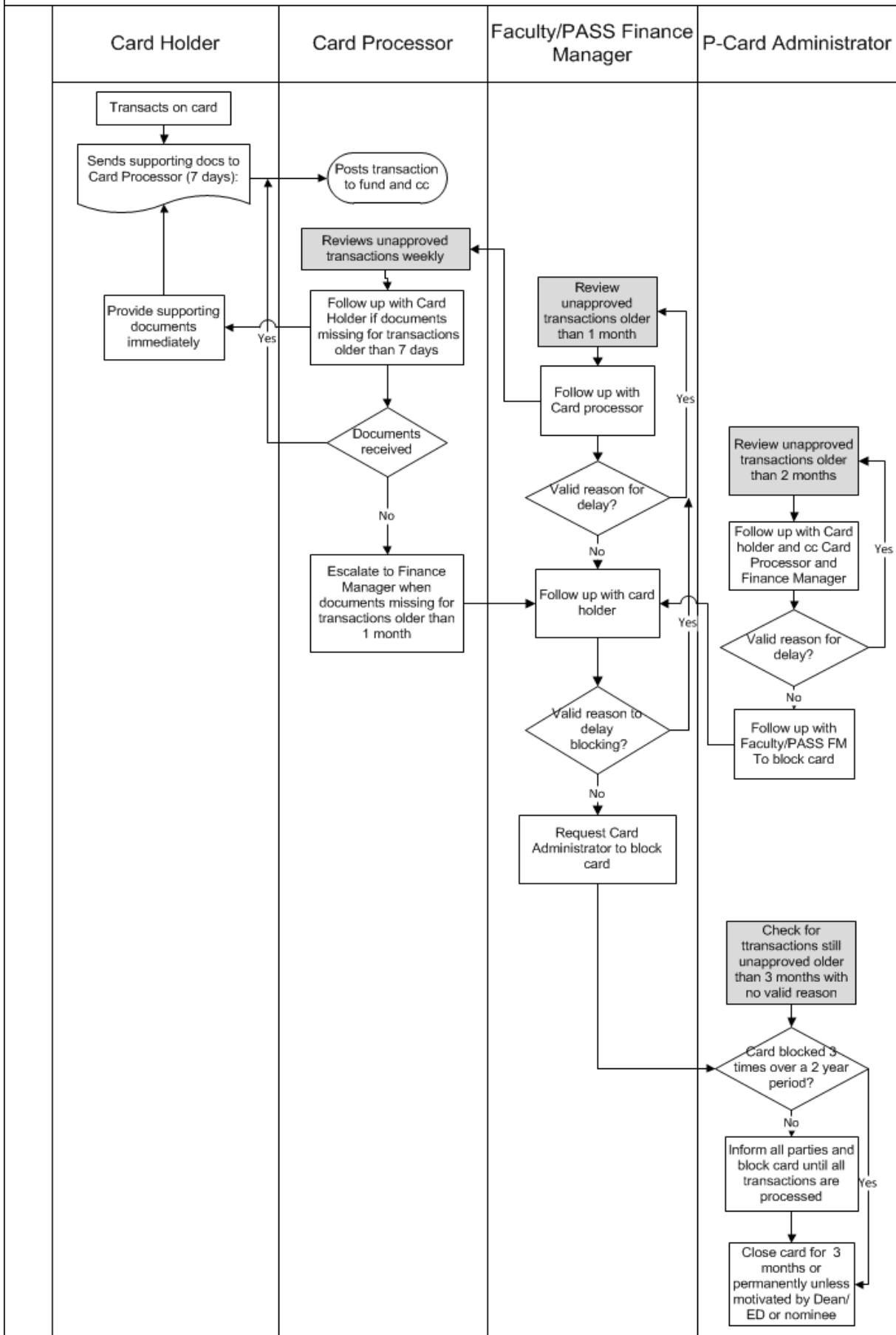
	Date of issue:
--	----------------

cc Card holder  
 Card holder line manager  
 HOD  
 Faculty/PASS finance manager



Card administrator

APPENDIX B: Monitoring and reviewing of transaction processing





APPENDIX C: P Card expenditure monitoring and reporting

