

# Purchasing and Companion Card Procedure

## Section 1 - Introduction

(1) The University of Newcastle (University) Purchasing Card is an efficient purchasing and payment mechanism for use in accordance with the [Purchasing, Companion Card and Petty Cash Policy](#) (the Policy) and its associated documents.

(2) Cardholders are entrusted with a Purchasing Card to facilitate transactions and must always be mindful of the position of trust in the use of public funds.

(3) In all instances of expenditure the Cardholder or Purchasing Card Approver should be comfortable in disclosing the expense, should that be required, and be able to identify the benefit of the expenditure to the University.

(4) To facilitate compliance with the University's [Purchasing Card, Companion Card and Petty Cash Policy](#) and the appropriateness of expenditure incurred on these cards, the University supplements the Policy with several other safeguards and internal controls, including this procedure and Knowledge Base Articles in [ServiceNOW](#).

(5) This manual forms part of the Policy and should be read in conjunction with the Policy and its associated documents.

## Section 2 - Cardholder Responsibilities

(6) Cardholders agree to:

- a. complete the University Card Quiz prior to collection of a University Purchasing or Companion Card, and as required;
- b. comply with the Policy, this procedure and any associated documents;
- c. ensure all expenditure incurred is directly related to the requirements of the cardholder's position/office within the University, and complies with the Operational Sub-Delegations made by the Vice-Chancellor (see [Delegations Register](#));
- d. obtain and retain images of original tax invoices for all Purchasing Card transactions and/or use of cash withdrawals from Companion Cards in accordance with the Policy and this procedure;
- e. ensure transactions are coded (including GST coding), and supporting documents uploaded to the Expense Management System, within 30 days after the end of the statement period. Supporting documents must include an image of an ATO compliant Tax Invoice, a legible receipt for goods or services if the expense is <\$82.50 or an international purchase, or a [no-receipt declaration](#). Evidence of pre-approval is also required for certain purchases;
- f. ensure any transaction discrepancy or dispute is investigated and resolved within two weeks of the transaction date;
- g. maintain an up to date knowledge of the Policy, this procedure and associated documents, as well as other related procurement policies and procedures;
- h. ensure the security of card(s) and associated number(s) at all times and report any loss or theft of a card in accordance with this procedure;

- i. not split purchases into smaller amounts to circumvent normal quotation or Purchasing Card thresholds; and
- j. return the card(s) to Card Services, where possible, seven days prior to cessation or suspension of employment with the University or during significant periods of absence (exceeding six months). In these circumstances, all transactions must be coded and supporting documents uploaded to the Expense Management System prior to surrender of the card(s).

(7) Refer to Section 12 of this procedure for non-compliance actions should a cardholder fail to exercise any part of these responsibilities.

## Section 3 - Purchasing Card Approver Responsibilities

(8) The Purchasing Card Approver agrees to:

- a. monitor and satisfy themselves of the appropriateness of all expenditure incurred by Purchasing Cardholders under their supervision prior to approving all transactions. Failure to adequately review supporting receipts, invoices or invoice images, and monitor transactions of Cardholders may result in a non-compliance action being taken;
- b. ensure appropriate pre-approvals have been obtained for those items requiring pre-approval as outlined in the Policy. Failure to take action where no pre-approval has been obtained, but where it is required by Cardholders, may result in a non-compliance action being taken;
- c. approve expenses in the Expense Management System within 10 business days of the expenditure being coded by the Cardholder;
- d. immediately report any suspected Policy breaches or inappropriate card transaction activity to Card Services or the Chief Financial Officer; and
- e. notify Human Resource Services to redirect transactions to an alternate Purchasing Card Approver, who is an authorised delegate as per the [Delegations Register](#), when unable to fulfill approval responsibilities within the timelines set out in this procedure.

(9) Eligible staff seeking to be a Purchasing Card Approver, where their position is not identified in the [Delegations Register](#) as having purchasing card approver authority, may seek authorisation from the Chief Financial Officer using (form), in accordance with the Vice-Chancellor's Operational Sub-Delegations.

(10) Refer to Section 12 of this manual for potential non-compliance actions should a Purchasing Card Approver fail to exercise any part of these responsibilities.

## Section 4 - Applying for a Card

(11) Applications for Purchasing or Companion Cards can be made by undertaking the following steps:

- a. submitting a University Corporate Card Application request in [ServiceNOW](#);
- b. successfully completing the University Card Quiz before Card collection; and
- c. collecting the card and Personal Identification Number (PIN) from Card Services in the Chancellory, Callaghan Campus when it becomes available. Cardholders will be required to sign the new card and a handover form in front of a Card Services representative; or
- d. contacting Card Services to arrange an alternative delivery location. For alternative delivery locations, card limits are set at \$1 until delivery is confirmed by the Cardholder.

(12) Approval of applications for Purchasing Cards or Companion Cards must be in accordance with the Operational Sub-Delegations made by the Vice-Chancellor (see [Delegations Register](#)). Card applications require approval by a Card Approver and the Head of College or Division in [ServiceNOW](#) before being workflowed through [ServiceNOW](#) to Card Services. The progress of card applications can be tracked in [ServiceNOW](#). Card applicants are responsible for ensuring the timely approval by their Card Approver and Head of College or Division. Unapproved requests are automatically cancelled after 15 days.

## Section 5 - Transaction Processing Requirements

### Staff Training

(13) All new cardholders will be offered Expense Management System training in the first week of the month after receiving their Purchasing Card or Companion Card. Staff who require further training on how to code transactions and upload supporting documents should refer to the Knowledge Base articles on [ServiceNOW](#) and/or raise a service request to Card Services in [ServiceNOW](#).

### University Suppliers

(14) Where an approved University supplier exists, the Cardholder should purchase the goods or services from these suppliers in accordance with the [Procurement Policy](#), and by raising a purchase order in the University's Finance System, rather than paying using a Purchasing Card.

### Invoice Requirements and No-Receipt Declarations

(15) Australian Tax Invoices must meet the Australian Taxation Office (ATO) requirements. See [ATO Tax Invoice Requirements](#).

(16) If it is not possible to provide an ATO compliant Tax Invoice, invoice image or legible receipt, then a [No-Receipt Declaration](#) should be attached to the transaction in the Expense Management System. The [No-Receipt Declaration](#) should be approved and reported in line with the thresholds below:

| Transaction Amount<br>(including GST) | Approval Requirements   |
|---------------------------------------|---|
| \$0 to \$82.50                        | No approval required.   |
| \$82.51 to \$150                      | Signed approval is required by the Head of School or Head of Unit.  |
| \$151 to \$300                        | Signed approval is required by College Pro Vice-Chancellor or Division Head.  |
| >\$300                                | If a Tax Invoice cannot be provided the transaction becomes the liability of the Cardholder, and reimbursement will be sought by the University in accordance with the Policy. In exceptional circumstances, the CPVC or Division Head may request a review of the expense by contacting the Chief Financial Officer. |

(17) The business nature of any card transaction that does not have adequate supporting documentation (unsupported transaction) in the Expense Management System is considered difficult to justify. For compliance purposes, the University's default position is to treat unsupported transactions as personal expenditure, as they present a greater risk to the University.

(18) In the event that receipts or invoices are not provided for Companion Card withdrawals, Cardholders must document the expenditure by making a Travel Diary note, and complete a [No Receipt Declaration](#).

(19) The standard card expense submission and approval deadlines apply to any transaction that requires a [No-Receipt Declaration](#).

## Receipts

(20) Merchant copies of receipts that are not legible in quality or do not include all relevant details, such as a description of the goods or services supplied, are not acceptable.

(21) Receipts must contain clear and meaningful descriptions of the goods or services purchased.

## Pre-Approval Evidence

(22) Evidence of pre-approval, where this is required, must be uploaded through the Pre-Approval Requisition in the Expense Management System.

(23) For approved automatic periodic debit authorities, evidence of the approval must be provided as a supporting document for each transaction.

## Companion Cardholders

(24) Prior to embarking on a trip that requires the use of a Companion Card, cardholders must ensure that for a cash withdrawal, a corresponding withdrawal slip is uploaded to the Expense Management System.

(25) Cardholders must adhere to the following steps when they return from a trip where they have used the Companion Card:

- a. upload Tax Invoices and/or receipts for each transaction into the Expense Management System;
- b. transfer any surplus Companion Card funds not required in the next three (3) months back to the Companion Card via an EFT transaction or cash deposit through the issuing bank. Details of how to do this can be found in [ServiceNOW](#).
- c. notify Card Services by email ([cardservices@newcastle.edu.au](mailto:cardservices@newcastle.edu.au)) of any cash withdrawals that have been reimbursed from personal funds; and
- d. identify any foreign coins and/or notes of low value (less than \$20 AUD after currency conversion). The cardholder may retain the money but is expected to acquit the amount through the Expense Management System. This transaction ensures that the money is accounted for and avoids the amount being recorded as money owed by the traveller.

(26) The above processing requirements must be completed within four weeks of the end of the month in which the trip was completed.

## Section 6 - Reasonable Expenditure

(27) Purchasing Card Approvers must be satisfied that each transaction is warranted and the transaction value is reasonable before approving any expense in the Expense Management System.

(28) It is not possible to precisely define reasonability across all types of transactions that may be incurred on a Purchasing Card. Factors that should be considered in determining whether the expense is reasonable include, but are not limited to:

- a. the value of the transaction;
- b. the frequency of similar transactions;
- c. customs that may apply to the transaction (such as customary tipping in the United States);
- d. the geographical cost of living (overseas, domestic);
- e. the timing, location and events surrounding the transaction; and

- f. accepted and relevant community practices or standards.

### **Reasonable Travel Expenses**

(29) Further guidance and examples of what might be considered reasonable travel related expenditure is contained within University's [Travel Policy](#) and [Travel Procedure](#). These documents provide guidance for expenditure on air travel, accommodation, and ground transportation.

### **Entertainment or Hospitality Expenses**

(30) College and divisional staff must exercise particular care when incurring and/or approving hospitality expenses to ensure public accountability and operation within budget requirements.

(31) Entertainment (or expenditure for official hospitality) must only be undertaken where it is considered essential to facilitate the conduct of University activities through persons who are able to do so, either by advice or because of their position or business needs.

(32) Pre-approval of entertainment expenses >\$500 (or >\$5000 for members of Executive Leadership Team) must be undertaken in accordance with the Vice-Chancellor's Operational Sub-Delegations (see [Delegations Register](#)). Please also refer to the [Purchasing Card Transaction Classification Schedule](#).

## **Section 7 - Excessive Transactions**

(33) If a transaction is identified as potentially excessive, the Cardholder and Purchasing Card Approver will be asked to provide an explanation for the expenditure, justifying the validity of the expenditure.

(34) Examples of 'Excessive Transactions' which may constitute a breach include, but are not limited to:

- a. transactions which are excessive and/or beyond reasonable University business related requirements and/or expenditure;
- b. purchasing an expensive item, when a cheaper alternative which is fit for purpose exists; or
- c. tips, gratuities (where custom) that are in excess of the customary amount pertaining to the country's standard.

(35) Please also refer to the [Purchasing Card Transaction Classification Schedule](#).

## **Section 8 - Inappropriate Transactions**

(36) Inappropriate transactions include any expenditure that is not permitted by this procedure and its associated policy, other University policies, government regulation or other law.

(37) Examples of inappropriate transactions constituting a breach include, but are not limited to:

- a. purchasing expenditure in excess of associated card or transaction limits where no prior authorisation has been granted;
- b. purchasing expenditure in excess of delegated authority;
- c. cash advance of any form, except for when made:
  - i. on Companion Cards by authorised cardholders; or
  - ii. in emergency situations whilst travelling on University business;
- d. incurring expenditure which is restricted to certain authorised University officers - see [Purchasing Card Transaction Classification Schedule](#) for further details;

- e. purchasing goods or services from alternative suppliers, where contracted supplier relationships with the University exist;
- f. purchasing gifts or benefits that are a contravention of the Policy and its associated documents;
- g. transacting with suppliers that may reasonably be considered disreputable and where the University's reputation may potentially be adversely impacted; or
- h. capital expenditure.

(38) Further detail of specific inappropriate transactions is provided in the [Purchasing Card Transaction Classification Schedule](#).

### **Expenditure Whilst on a Special Studies Program**

(39) As staff are absent from normal duties while on approved Special Studies Programs, Purchasing Cards cannot be used during a [Special Studies Program](#) period.

(40) University expenses (i.e. those that are in addition to any expenses associated with a Special Studies Program) will only be allowed if the staff member has received prior approval to perform an official duty during the Special Studies Program absence.

### **Online Purchases**

(41) A Cardholder may use a Purchasing Card for purchases via the internet if the site has been confirmed as secure.

(42) Staff should look for the picture of the unbroken key or closed lock in their browser window. If either sign is not visible or apparent, or if a broken key or open lock is visible, the site must not be used for purchasing.

(43) If a site cannot be confirmed as secure the purchase must not proceed.

(44) Purchasing via online auction sites (for example, Ebay or Grays Online) is prohibited, as on many occasions the vendor is unable to meet the University's requirements for invoice and receipts; cannot provide necessary warranties and after sales support; and cannot provide evidence of an ethical supply chain.

(45) Transactions with vendors who can meet the University's requirements should be made outside the auction site environment.

(46) The Cardholder must ensure that websites used to make online purchases do not retain the credit card details for future purchases.

## **Section 9 - Prohibited Transactions**

### **Portable and Attractive Items**

(47) The purchase of Portable and Attractive Items, as defined in the [Purchasing Card, Companion Card and Petty Cash Policy](#) must be made from an existing approved supplier via the University's Finance System. If this is not possible, and the requestor can provide sufficient justification, pre-approval may be given by the Contracts Manager - Financial Services to make the purchase using a Purchasing Card.

(48) In order to obtain pre-approval, the requestor must submit an Attractive Item Pre-Approval Request in the Expense Management System including all details relating to the purchase and why it cannot be sourced from an existing approved supplier. Only after approval has been granted can the requestor proceed with making their purchase.

## Personal Expenditure

(49) Personal expenditure on University Purchasing Cards is prohibited. Where a transaction is identified as personal expenditure, cardholders must refund the amount to the Purchasing Card within 14 days of incurring the expense.

## PayPal

(50) Cardholders are prohibited from linking their University Purchasing Card to their personal PayPal account, and are prohibited from creating a PayPal account specifically for University expenditure on University Purchasing Cards.

# Section 10 - Fraudulent Transactions

(51) Examples of fraudulent transactions which constitute a breach or misconduct may include, but are not limited to:

- a. expenditure incurred whilst on long service leave, leave without pay, annual leave, sick leave and other similar leave;
- b. using the University Purchasing Card for any personal benefit or gain (including benefit or gain to family and friends);
- c. using the University Purchasing Card to obtain a personal advantage from dealing with suppliers;
- d. unauthorised use of someone else's University Purchasing Card or Companion Card;
- e. deliberately falsifying or failing to supply invoices, receipts or other records (including the use of [No Receipt Declarations](#) repeatedly or for a significant amount, or combined amounts);
- f. purchasing from a third party which may or may be perceived to constitute a conflict of interest (see [Disclosure of Interest Policy](#));
- g. requesting a cardholder to purchase goods on one's behalf when the requester has the authority to approve the transaction and would be expected to incur the expenditure;
- h. the use of a subordinate's card to avoid or circumvent the normal approval channels; or
- i. approving transactions which are not, or could be reasonably determined to not be for official University business.

(52) Cardholders and Purchasing Card Approvers should also refer to the [Purchasing Card Transaction Classification Schedule](#).

# Section 11 - Lost or Stolen Cards

(53) Cards lost or stolen must be reported to the issuing bank first, and then Card Services. This should be done as soon as possible to prevent fraudulent use of the card. The contact numbers for lost business cards are on the National Australia Bank (NAB) website and in [ServiceNOW](#).

(54) Cards lost or stolen outside of Australia must be reported immediately upon discovery to the issuing banking institution using the international hotline, or by phoning the toll free 1800 number located in the card terms and conditions which were provided when the card was issued or as indicated on the [this webpage](#).

# Section 12 - Non-Compliance Resolution Actions

(55) Cardholders failing to meet the below compliance requirements must implement the required resolution actions.

(56) Cardholders who have recurring administrative issues for three or more consecutive months after being notified by Card Services of their non-compliance will have their card suspended for one month. During the period of card

suspension the credit limit will be reduced to \$1 and the relevant business unit is responsible for making alternative arrangements to make payments by Purchasing Card. A Purchasing Card Approver may request that the Chief Financial Officer delay implementing the suspension if there are extenuating circumstances, for example if the cardholder is travelling.

(57) Cardholders who fail to meet a compliance requirement will be issued with a Notice of Suspension for any subsequent non-compliance over the proceeding 12 month period. The Notice of Suspension will result in the card being suspended for a seven day period whilst a full review of the cardholder's transactions is performed by Card Services.

(58) A full review by Card Services will generally involve a review of 12-18 months' transactions and the period of suspension may be extended, or additional action may be taken, if other breaches are identified as part of that review.

(59) Card Services will determine the appropriate actions the Cardholder needs to take when non-compliance is identified. Cardholders and Purchasing Card Approvers are required to cooperate with any investigations and rectify any non-compliance as soon as possible and within seven days. Failure to respond to Card Services' requests for information, or to address the remediation steps will result in a further period of card suspension or card cancellation. A Purchasing Card Approver may request a review of the findings of a Card Services investigation and the suspension period by application to the Chief Financial Officer.



## Status and Details

|                       |  |
|-----------------------|--|
| Status                | Current                                  |
| Effective Date        | 3rd August 2022                          |
| Review Date           | 3rd August 2025                          |
| Approval Authority    | Chief Financial Officer                  |
| Approval Date         | 1st August 2022                          |
| Expiry Date           | Not Applicable                           |
| Responsible Executive | Paul McCubbin<br>Chief Financial Officer |
| Enquiries Contact     | Financial Services                       |

## Glossary Terms and Definitions

**"University"** - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

**"Acquit"** - To substantiate expenses and reconcile these against cash used.

**"Automatic periodic debit authorities"** - Where the merchant automatically debits a purchase card on a set date ie monthly, annually, until advised to cease.

**"Companion Card"** - A debit card provided by the University for use by international travellers to access cash withdrawals only.

**"Staff"** - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.

**"University business"** - Work that the University has directed to be undertaken which is required, essential, and beneficial for the functions of the University. This includes, but is not limited to, attending meetings, conferences or fieldwork, but does not include activity that is not location specific, e.g. email management, writing papers. University business may be undertaken by staff and non-staff.

**"College"** - An organisational unit established within the University by the Council.

**"Delegate"** - (noun) refers to a person occupying a position that has been granted or sub-delegated a delegation of authority, or a committee or body that has been granted or sub-delegated a delegation of authority.

**"Delegated authority"** - refers to the specific description of the authority that is delegated or sub-delegated to a holder.