



ADMINISTRATIVE DIRECTIVE

Category: Purchasing

Purchasing Card

Directive Number: PUR-120
Approved by: CAO/CLT
Administered by: Purchasing, Corporate Support Services
Effective Date: March 1, 2022

1. Background

The City of Brampton Purchasing Card (“P-Card”) is the preferred payment method for Direct Purchases up to and including \$25,000 per Transaction of goods, services and construction. P-Cards will be issued to authorized employees to make eligible purchases in the most efficient manner, in support of sound business practices, while maintaining adequate controls.

2. Purpose

The purpose of this Administrative Directive is to establish business rules and guidelines with respect to the use and control of the P-Card program.

3. Application and Scope

The P-Card is a City asset and as such should be used responsibly.

This Administrative Directive applies to those individuals who have been provided with a P-Card and all City staff involved in the administration of the P-Card program. This includes:

- a) Chief Administrative Officer (CAO)
- b) Department Head/Director
- c) Treasurer
- d) Purchasing Agent
- e) Cardholder
- f) Approver
- g) Reconciler
- h) Accounting Services
- i) Purchasing Card Administrator

4. Outcomes

This Administrative Directive intends to:

- a) Establish clear roles and responsibilities consistent with the Delegation of Department Head Purchasing Authority PUR-100 and Financial Spending Approval Authority FIN-100
- b) Ensure all P-Card Transactions are reasonable, appropriate, and within approved/budgeted amounts.

5. Mandatory Requirements

5.1. General Provisions

- a) Do not loan the P-Card to another employee for use; however, purchases may be conducted on behalf of another employee.
- b) Ensure Transactions conducted on behalf of another employee, must be approved by the employee's direct report. This includes but is not limited to membership fees, training, and travel.
- c) Ensure Transactions conducted on behalf of Members of Council, must be approved by the Treasurer as directed by Mayor and Councillors' Expense Policy - FIN 110. This includes but is not limited to membership fees, training, and travel.
- d) Cardholders are not allowed to approve their own P-Card transactions regardless of position.
- e) P-Card is not to be used as a form of identification when applying for personal credit.
- f) To acquire or accumulate, either directly or indirectly, where the benefit does not accrue to the City, points through loyalty or rebate programs including but not limited to Air Miles and Aeroplan
- g) Information Technology acquisitions - Cardholders are required to contact the City's Chief Information Officer prior to making a purchase.
- h) Consulting services - prior to making a purchase Cardholders are required to obtain a quote from the Vendor outlining the scope of work or terms of reference with the associated deliverables and cost for the assignment.

- i) Printing services - Cardholders are required to contact their Advisor in Strategic Communications for fulfillment.

5.2. P-Card Limits

- a) The Transaction limit for individual purchase is set at \$25,000, excluding applicable taxes in accordance with Purchasing By-law section 8.1- Direct Purchases.
- b) The Transaction limit may be increased for special circumstances, which comply with exceptions from competitive Procurement as described in Schedule "D" of the Purchasing By-law, with specific authorization by the Director.
- c) The Monthly Card Limit should not exceed what is established by the Director

5.3. Restricted Purchases

- a) Total purchase price should not exceed \$25,000 per Transaction unless specifically approved under section 5.2 of this Administrative Directive.
- b) Splitting Transactions is not allowed in order to circumvent the Transaction limit of \$25,000.
- c) Where the good, services or construction are available under an existing corporate Contract or where a City standard has been established including but not limited to office supplies and furniture.
- d) Alcohol purchases, unless approved by the Director.
- e) Cash Advances are prohibited.
- f) Personal purchases, or any purchases from which an employee can personally benefit. Any such use shall be immediately reimbursed to the City and shall be reported to the P-Card Administrator within 48 hours of the Transaction.

5.4. Training

- a) All Cardholders must complete mandatory P-Card Training.
- b) P-Card will not be released by the Purchasing Card Administrator until the pending Cardholder completes the mandatory training.

6. Roles and Responsibilities

6.1. Chief Administrative Officer

- a) Approve P-Card application forms including exceptions and restricted items for Department Heads.
- b) Review and approve all Transactions for Department Heads.

6.2. Department Head/Director

- a) Assess the need for P-Cards based on their operational requirements.
- b) Approve P-Card application forms including exceptions and restricted items.
- c) Ensure compliance with this Administrative Directive and all procedures for appropriate P-Card use.
- d) Review Divisional P-Card activity on a regular basis.
- e) Report non-compliance to the Purchasing Agent.

6.3. Treasurer

- a) Approve P-Card application forms including exceptions and restricted items for Members of Council.
- b) Review and approve all Transactions for Members of Council as directed by Mayor and Councillors' Expense Policy
- c) Approve P-Card application form including exceptions and restricted items for CAO.
- d) Review and approve all Transactions for CAO.

6.4. Purchasing Agent

- a) Suspend and/or cancel any P-Card where the Cardholder does not comply with the Purchasing By-Law or willfully disregards this Administrative Directive and all procedures for appropriate P-Card use.
- b) Change the parameters of any P-Card, including but not limited to Transaction limits, monthly limits, and restricted items.

6.5. Cardholder

- a) Fully understand and comply with this Administrative Directive and all procedures for appropriate P-Card use.
- b) Adhere to this Administrative Directive, Purchasing By-law and all supporting policies and procedures related to the acquisition of goods, services, and construction.
- c) Conduct sufficient research to verify they obtained value for the purchase at a competitive price.
- d) Ensure that the P-Card and associated documents bearing the card number are kept secure and confidential.
- e) Exercise integrity and good business judgment when using the P-Card.
- f) Ensure Reconciliation process is completed on time; the Reconciliation process may be conducted by a Reconciler on behalf of the Cardholder.
- g) Notify the Bank and the P-Card Administrator immediately of card loss or theft.
- h) Obtain necessary Workplace Safety and Insurance Board Clearance Certificates and Certificate of Insurance documents if work purchased through the P-Card program will be performed on City of Brampton property.
- i) Monitor Transactions and resolve any discrepancies with Vendors.

6.6. Approver

- a) Review and approve all charges to ensure Transactions are required for City business.
- b) Ensure compliance with this Administrative Directive, Purchasing By-law and all supporting policies and procedures for appropriate P-Card use.
- c) Ensure no restricted items have been purchased.
- d) Ensure proper documentation is attached to the Cardholder's Transactions, including Itemized Receipts.
- e) Report any non-compliance identified during their review to Purchasing Agent.

- f) Ensure P-Card accounts are cancelled and physical cards returned directly to the P-Card Administrator when Cardholder ceases to be a City employee or commences a leave of absence for an extended period.
- g) Ensure Cardholder completes a new application form when reassigned to a new position.

6.7 Reconciler

- a) Ensure compliance with this Administrative Directive, Purchasing By-law and all supporting policies and procedures for appropriate P-Card use.
- b) Notify Cardholders' Approver and P-Card Administrator of any non-compliance.
- c) Complete the Reconciliation process on behalf of the Cardholders.

6.8 Accounting Services

- a) Process the monthly consolidated invoice to the Bank by the due date.
- b) Review Transactions for accounting and tax information as required.
- c) Upload P-Card Transactions to the general ledger in PeopleSoft Financials.

6.9 Purchasing Card Administrator

- a) Create, modify, suspend, and/or cancel user accounts as appropriate
- b) Serve as primary interface between the City and the P-Card Vendor (the Bank).
- c) Monitor P-Card activity to ensure compliance with this Administrative Directive, Purchasing By-law and all supporting policies and procedures.
- d) Provide information and training sessions as required relating to this Administrative Directive, Purchasing By-law and all supporting policies and procedures for appropriate P-Card use.
- e) Provide detailed summary reporting to Department Heads.
- f) Conduct data analysis and provide recommendations.

7. Monitoring and Non-Compliance

7.1. Monitoring

All purchases shall be monitored to ensure that the use of the P-Card is in compliance with this Administrative Directive, Purchasing By-law and all supporting policies and procedures for appropriate P-Card use. Compliance shall be monitored at various levels:

1. Level 1:

- a) Approvers shall perform the first level of monitoring to validate purchases, verify information, enforce timely compliance of submission requirements, and to ensure the use of P-Cards conform to this Administrative Directive, Purchasing By-law, and all supporting policies and procedures.

2. Level 2:

- a) Accounting Services will perform the second level of review specifically to accounting-related aspects.
- b) The P-Card Administrator will conduct monthly reviews including but not limited to Splitting Transactions, late submissions and Non-Compliance.

7.2 Non-Compliance

- a) Should any breach occur by a person who falls under the scope of this Administrative Directive and is deemed to be in Non-Compliance, the Purchasing Agent in collaboration with Cardholders and the Department Head will then determine what disciplinary action may be taken, up to and including dismissal.
- b) The Purchasing Agent has the final authority to determine if the occurrence is Non-Compliant and will decide whether it will be investigated as per the Corporate Fraud Prevention Policy.

8. Definitions

Except as otherwise defined in this Administrative Directive, the capitalized words shall be given the meaning ascribed to them in the City's Purchasing By-law.

- a) **Approver** – means employee's direct report(s) who have appropriate delegated Purchasing and Financial Spend Authority to conduct final review of Transactions for compliance and approves the Transaction.

- b) **Bank** – means the financial institution that the City has contracted with to provide P-Card services to the City. The Bank that provides the P-Card services may change from time to time as a result of competitive Procurement for P-Card services.
- c) **Cardholder** – means employee that has been granted approval to participate in the City’s P-Card program and has been issued a P-Card in their name to conduct City business.
- d) **Director** – means head of a Division reporting directly to the CAO or Department Head.
- e) **Direct Purchases** – means the purchase of goods, services or construction with a Total Procurement Value not exceeding \$25,000 excluding applicable taxes.
- f) **Fraud** – involves the unauthorized use of the P-Card as defined in the Corporate Fraud Prevention Policy GOV-110.
- g) **Information Technology (IT) Acquisitions** – means any Procurement that involves the purchase of hardware (e.g. computing, network, storage etc.), software, software subscriptions, subscription based licenses to cloud services, cloud-hosting services, telecommunication equipment, audio-visual equipment, desktop productivity tools (i.e. standard mouse, keyboard), mobile devices, external drives, anything related to cybersecurity (hardware, software) and any related consulting and professional services. IT acquisitions also include all technology as service models, i.e. Software as a Service (SaaS), Platform as a Service (PaaS), Infrastructure as a Service (IaaS) and Unified Communications as a Service (UCaaS) etc. Excluded from this definition is specialty desktop productivity tools (i.e. wireless mouse & keyboard, USB keys) as determined through an ergonomic assessment
- h) **Itemized Receipt** – means a detailed receipt by the Vendor detailing individual products and services purchased by product description, unit price, subtotal taxes and extended total.
- i) **Monthly Card Limit** – means the maximum chargeable to each P-Card every month
- j) **Non-Compliance** – means failure to act in accordance with this Administrative Directive, Purchasing By-Law and all supporting policies and procedures.
- k) **Purchasing Agent** – means the staff person so designated who is vested with such authorities, duties and responsibilities as are prescribed by the Purchasing By-law, and includes any other staff person to whom such authority is delegated.

- l) **Purchasing Card (P-Card)** – means a payment tool that functions similar to a credit card and for which a specific City employee is assigned use and responsibility.
- m) **Purchasing Card Administrator (P-Card Administrator)** – means an employee who serves as a single point of contact between the City of Brampton and the Bank for general oversight of the P-Card Program.
- n) **Reconciler** – means an employee that has been designated, to perform Reconciliations on behalf of the Cardholder.
- o) **Reconciliation** – means the process of matching Itemized Receipts and documentation to the Transaction list ensuring all charges, taxes, and account allocation are documented and correct.
- p) **Splitting Transactions** – means transactions that are processed in a manner to circumvent the transaction limit in order to qualify as P-Card purchases, for example, several invoices being paid over a short period of time for the same good, service, or construction.
- q) **Transaction** – means a purchase by a Cardholder for goods, services and construction from a Vendor.

9. References and Resources

This Policy should be read and applied in conjunction with the following references and resources as updated from time to time. Please note that some of the following documents may not be publicly available.

References to related by-laws, Council policies, and administrative directives

- [Purchasing By-law 19-2018](#)
- [Corporate Fraud Prevention Policy GOV-110](#)
- [Approval Requirements Expenses Policy 13.3.0](#)
- [Employee Business Expense Administrative Directive FIN-160](#)
- [Delegation of Department Head Purchasing Authority Administrative Directive PUR 100](#)
- [Financial Spending Authority Administrative Directive FIN-100](#)
- [Employee Code of Conduct HRM-100 and related policies](#)
- [Mayor and Councillors' Expense Policy FIN-110](#)
- [Code of Conduct for Members of Council and related Polices](#)

References to related corporate-wide procedures, forms, and resources

- [Purchasing Card SOP](#)
- [Direct Purchases up to \\$25,000 SOP](#)
- [Delegation of Purchasing and Financial Spending Form](#)
- [Purchasing Application Form](#)

Revision History

Date	Description
2018/12/6	Approved by CLT. Replaces Purchasing Card Policy 13.8.1
2022-03-01	<p>Following changes have been made to the document:</p> <ul style="list-style-type: none">• Improved readability and flow – reorganized provisions and added new headings (General and Training)• New definitions added for: Purchasing Agent, Monthly Card Limit and IT acquisitions• Members of Council Provision added• Captured process change in Printing Services• Administrative changes• Reference docs modified <p>Approved by CLT</p>
2025/03/01	Next Scheduled Review Date