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MCMASTER UNIVERSITY  
PROCUREMENT CARD  
APPLICATION AND AGREEMENT

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## PURPOSE

The Procurement Card (PCard) offers a convenient and efficient method of acquiring low value goods and services directly from suppliers. This program reduces reliance on purchase orders, non PO vouchers, and expedites payment to suppliers. The PCard is to be used strictly and solely for the procurement of goods and services required to carry out McMaster University business. The PCard may be used for purchases valued less than \$10,000. All purchases greater than \$10,000 **MUST** be acquired using a Purchase Requisition; refer to Strategic Procurement Policy SP-01. The PCard is not to be used to avoid or bypass Strategic Procurement Policy SP-01 thresholds. For example, the splitting of transactions in order to circumvent policy thresholds is not allowed.

## SECTION A.

### GENERAL TERMS AND CONDITIONS

The Procurement Card (PCard) may be used with any supplier who accepts MasterCard. The card may be used for in-store purchases, and orders placed by mail, fax, phone, or over a secure internet site. Although the card is issued in your name, it is the property of McMaster University and is to be used exclusively for University business purchases. You are responsible for the security of the PCard. Purchases that are non-compliant with Strategic Procurement Policy [SP-01](#) may result in the loss of card privileges and other consequences. PCard transactions are monitored for adherence to policy.

### STANDARD LIMITS

- Monthly limit - \$50,000.00 / with a transaction limit of \$10,000.00 plus HST totaling \$11,300.00 (CDN).
- Requested limit by Cardholder to fit Departmental or Faculty needs.  
(For example: limit can be lowered)

## SECTION B.

### ROLES AND RESPONSIBILITIES

The **Cardholder and/or their Proxy** has purchasing duties for their unit/department/lab. All transactions must be reconciled monthly within Mosaic. The cardholder remains fully accountable for all transactions purchased on their card.

The following sets out the terms and responsibilities of the Cardholder and/or their delegated Proxy specified on the Procurement Card Application:

- The Procurement Card (PCard) is intended solely to facilitate the purchase and payment of goods and services required to carry out University business. The University will not be responsible for payment of personal purchases. The PCard cannot be used for personal purchases under any circumstance.
- Cardholders are responsible for ensuring that budget funds are available to meet the terms of payment for each month and that all transactions are reconciled in Mosaic prior to year-end or grant closures. **RESEARCH GRANTS:** You will be expected to ensure that all transactions are eligible expenses as per the funding agency guidelines. You will be held responsible for all ineligible expenditures.

- The PCard is issued in the name of the Cardholder. The Cardholder may assign a proxy/delegate to make purchases on their behalf and to complete the monthly reconciliation process within Mosaic. The cardholder remains fully accountable for all transactions purchased on their card.
- Select the supplier, product/service specification, quality, quantity, price, delivery terms and costs, ordering, expediting, amendments, returns, and resolution of transaction discrepancies on statement, etc.
- Ensure the accuracy of any order received including communicating discrepancies to the supplier, arrange for returns of wrong goods ordered or goods found to be defective/inferior, and for the negotiation of the terms of repair or replacement.
- Appropriate security of the PCard must be maintained at all times. If the PCard is lost or stolen notify the PCard Administrator immediately.
- All foreign purchases (coming into Canada) are to be reported to McMaster University's Customs and Traffic Department, via: [customs@mcmaster.ca](mailto:customs@mcmaster.ca).
- Provide a default Chartfield on the application form. This Chartfield is used when reconciliations are not completed (submitted to Accounts Payable) to meet the year end deadlines and or, when reconciliations are not received for more than 3 months after an incident/ occurrence has been issued and the assigned deadline has not been fulfilled.
- Obtain a copy of the transaction receipts for attachment to monthly reconciliation report, sign the report and ensure authorization in accordance with McMaster University's [Execution of Instruments](#).
- Notify PCard Administrator upon change of employment (i.e. retirement, termination, resignation) and for ANY type of leave (e.g. sick, parental, sabbatical, long term disability, etc.)

The **Departmental / Faculty Application Approver** is typically an individual one administrative level above the cardholder and/or has financial oversight obligations.

- Authorizes the application of employees who are eligible to hold a PCard.
- The card requester and the Application Approver cannot be the same individual.
- Ensures the applicant has rights to funding accounts with sufficient funds available in their respective budgets to expense and reconcile purchases.
- Delegation of application approval is permitted during the temporary absence (for example: vacation, illness) of a person having permanent authority. The temporary delegation signing authority may be to a lower level position. The individual temporarily delegating the responsibility remains fully accountable for all applications approved during the temporary delegation period.

## SECTION C.

### EXAMPLES OF APPROPRIATE USE

The PCard **MAY** be used for the following:

- Tangible & Intangible Goods (e.g. Grand & Toy - office supplies / VWR - Scientific Supplies)
- Services (e.g. website design, FedEx)
- Subscriptions
- Books (e.g. Amazon)
- Phone/Fax/Internet (e.g. Rogers & Bell)
- In store retail purchases (e.g. McMaster Campus Store, Henrys, Best Buy)

### EXAMPLES OF INAPPROPRIATE USE

The PCard **MAY NOT** be used for the following:

- Travel and (e.g. airlines, vehicle rental and lodging, taxi)
- Conference registrations
- Alcohol, ethyl alcohol, radioactive materials, narcotics, dangerous goods and controlled substances
- Entertainment expenses (e.g. restaurants)
- Cash advances
- Parking
- Vehicle related expenses (e.g. gas & maintenance)

### CONTROL FEATURES

The following controls are built into the program:

- Preprogrammed dollar limit per transaction (\$10,000.00 = \$11,300.00 total with tax per transaction)
- Monthly credit limit for individual cardholders (preprogrammed or at request of cardholder)
- Merchants blocked for travel and entertainment related establishments.

Some Merchant Codes have been blocked from the program. If you present your card to any vendor from one of these Merchant Codes, the transaction will be declined. For example, all restaurants are blocked. If a cardholder feels a purchase has been wrongly declined, he/she should contact the PCard Administrator at 905-525-9140 x24413.

#### PCard Contacts

**Issues with:** Applications / Failed transactions / Lost or stolen cards / Transactions not appearing within Mosaic / Assigning a proxy to the card: [http://www.mcmaster.ca/bms/pdf/pcard\\_proxy.pdf](http://www.mcmaster.ca/bms/pdf/pcard_proxy.pdf)

Contact: PCard Administrator [kwright@mcmaster.ca](mailto:kwright@mcmaster.ca) Ext. 24645

**Issues with:** Reconciliation / Reporting late submissions / Training / Self-Assessing taxes

Contact: Accounts Payable: [aphelp@mcmaster.ca](mailto:aphelp@mcmaster.ca) or [cr\\_pcard@mcmaster.ca](mailto:cr_pcard@mcmaster.ca)

## PROCUREMENT CARD (MASTERCARD) APPLICATION

|  |             |                    |  |
|--|-------------|--------------------|--|
| <b>Cardholder :</b>  |             |                    |  |
| Last Name:   |             | First Name:        |  |
| Title:   |             |                    |  |
| Employee ID #  |             | Chartfield Number: |  |
| <i>Default Chartfield Numbers are only charged if reconciliations are not submitted for more than 3 months and are used to complete the year end accrual process. If assigning a Research Chartfield as a default please ensure this application is first approved by your Research Accountant below.</i>  |             |                    |  |
| <b>Research Accountant:</b>  | Print Name: | Signature:         |  |
| Applicants Requested Estimated Monthly Spend Limit:  |             |                    |  |
| <i>(Monthly Limit of a maximum of \$50k with a \$10K transaction limit.)</i>   |             |                    |  |
| <b>Cardholder Contact Information:</b>   |             |                    |  |
| Campus Address:  |             | City:              |  |
| Province:  |             | Postal Code:       |  |
| Building:  |             | Room:              |  |
| Telephone:   |             | Extension:         |  |
| Email:   |             |                    |  |
| <b>Cardholder Supervisor:</b>  |             |                    |  |
| <i>By granting approval authority for this P-card application you are aware that this applicant has rights to funding accounts with sufficient funds available in their respective budgets.</i>  |             |                    |  |
| Last Name:   |             | First Name:        |  |
| Title:   |             |                    |  |
| Telephone:   |             | Extension:         |  |
| Email:   |             |                    |  |
| Signature:   |             |                    |  |
| <b>Proxy assigned to the account: (Circle) <u>Y</u> or <u>N</u> This section will only be completed if a Proxy / Delegate will be completing the monthly P-card reconciliation and will be making purchases on your behalf.</b>  |             |                    |  |
| <b>Cardholders Proxy:</b>  |             |                    |  |
| <i>Please ensure your Proxy is fully aware of the set Proxy Responsibilities listed above within Section B.</i>  |             |                    |  |
| Last Name:   |             | First Name:        |  |
| Title:   |             | Employee ID#       |  |
| Telephone:   |             | Extension:         |  |
| Email:   |             |                    |  |
| <b>For additional Proxy assignment please fill out the Proxy / Delegation Form : <a href="http://www.mcmaster.ca/bms/pdf/pcard_proxy.pdf">http://www.mcmaster.ca/bms/pdf/pcard_proxy.pdf</a></b>   |             |                    |  |
| <b>The Applicant:</b>  |             |                    |  |
| <ul style="list-style-type: none"> <li>Certifies that the above provided information is true and accurate.</li> <li>Agrees to accept all listed terms and conditions as outlined in section A. of the P-card application package.</li> <li>Accepts all noted Cardholder Responsibilities as listed in Section B. of the P-card application package.</li> <li>Has a full understanding of what is considered an eligible and ineligible transaction as outlined in section C.</li> <li>Authorizes Bank of Montreal to transmit all information regarding use of the P-card to McMaster University.</li> <li>Undertakes to return said PCard at the express request of Bank of Montreal or McMaster University.</li> </ul> |             |                    |  |
| Card Holder's Signature:   |             |                    |  |
| Print Name:  |             | Date:              |  |
| <b>To Be Completed By Financial Affairs (Application Approver – Senior Manager – Accounts Payable)</b>   |             |                    |  |
| Signature:   |             | Date:              |  |

Forward completed applications to: [kwright@mcmaster.ca](mailto:kwright@mcmaster.ca)