

Allens Croft Nursery School



Debit Card Policy

Policy for the Use of /Debit Purchase Cards

Purpose

To ensure that those with a purchase card use it in line with agreed financial controls, recommendations and legalities in a consistent way.

Rationale

To aid the Governor's Finance Committee in monitoring the use of Debit/ Purchase cards.

Key Principles

The authorised officers appointed to control the use of credit cards are: Executive Head Teacher, Chair of Governors.

The use of the card is limited to purchases for the benefit of the school, and should only be used for purchases where an official order is not possible/ accepted. All purchases should be authorised by the Executive Head Teacher prior to being actioned.



Birmingham Federation
Maintained Nursery Schools

The monthly expenditure limits should not be exceeded –

David Aldworth currently £10,000 with a single transaction limit of £6,000.

Laura O’Neill currently £10,000 with a single transaction limit of £6,000

Use and Management of Debit Cards

The ATM (cashpoint), should only be used to change the PIN number of the card. Schools must not attempt to withdraw cash.

A card holder must have the nominated budget holder’s approval before goods and services can be purchased using the Debit Card.

Card holders should try to plan ahead. Check to see if establishments do accept Debit Cards, this may avoid having to use personal money. As Debit Cards are Visa Cards they can, therefore, be used with any supplier or outlet where the ‘Visa’ sign is shown.

Card holders must retain all receipts/delivery notes for all transactions made whether in person or via the internet, and attach them to the Transaction Log.

Any gift vouchers and gift items that are purchased using the Purchase Card must be supported by additional authority from the Executive Head Teacher and Chair of Governors. See ‘**Gifts and Hospitality**’ chapter.

The Debit Card must not be shared with other staff.

The Debit Card Policy must indicate the consequences of misuse i.e. disciplinary action.

The consequences of mis-use of the Debit Card will be cancellation of the holder’s card and, potentially, an instigation of disciplinary proceedings (per BCC Purchase Card Manual Guidance October 2020).

Conditions on the Use of Debit Cards

Only the Card Holder may use the Debit Card.

The monthly card limit is set at £10,000. Dependent upon the school’s requirements this amount can be changed by the Card Holder’s line manager and approval should be sought prior to requesting an increase in the monthly limit

A single transaction limit is set £6,000. Dependent upon the school’s requirements this amount can change either on a permanent basis or if there is a requirement for a one off purchase the limit can be increased on a temporary basis by the Card Holder’s line manager. Approval should be sought prior to requesting a permanent increase to the single transaction limit.

Card Holders should treat the Debit Card with the same caution as if it were their own personal card and keep it secure at all times

If the card is lost or stolen the Card Holder should contact the Bank immediately 24/7 Telephone Number: 0800 096 9779 (within the UK) or +44 1702 278 270 from abroad from outside the UK). The card will be cancelled by the Bank and the Purchase Card Administrator should be informed

Card Holders must never give card details over the telephone to anyone other than bona fide companies. No person or organization will contact a Card Holder asking for card details but there are fraudsters who may try to obtain details in this way.

Whilst the Debit Card is embossed with the Card Holder's name, the account, and therefore the liability, rests with the Local Authority. Consequently, there is no impact on the Card Holder's personal credit status.

Card Holders must contact the Card Administrator with any changes in circumstances that will impact on the use of the Debit Card. If the Card Holder is leaving, the card must be given to the Line Manager to cut up. The Line Manager should also request card to be cancelled at the bank and that the card will be destroyed.

If any of the goods purchased on the card are faulty or the wrong goods ordered, Card Holders should contact the supplier to arrange a credit or an exchange. Card Holders should record credits on the Transaction Log in the same way as the original purchase.

If transactions appear on the Statement but goods have not been received Card Holders should contact the supplier to obtain proof of delivery.

How to Purchase Goods and Services Using a Debit Card

Buying Goods and Service in Person from the Supplier

The Card is a Visa debit card and therefore acceptable for use where the Visa sign is shown.

When paying for goods the Card Holder should use the PIN and Chip facility wherever possible.

Card Holders should check that the amount being charged is correct.

When entering the PIN number Card Holders must ensure that this is carried out as securely as possible.

Card Holders must obtain a receipt from the supplier, including a VAT receipt, where applicable.

Card holders must never give the PIN number to a supplier and must never write it down. PIN numbers can be changed at ATM machines and it is advisable not to use the same numbers as for personal cards.

Buying Goods and Services over the Telephone or Internet

When buying over the telephone or internet Card Holders may need to quote

the Company details as follows:

If you have a Purchase Card:

Card Name : This should read exactly as it is on the card

Company Name: Allens Croft Children's Centre

Company Address: Allens Croft Road, Kings Heath, Birmingham B14 6RP

The schools own address will be the delivery address – Allens Croft Nursery School, Allens Croft Road, Kings Heath, Birmingham B14 6RP

The Card Holder will have to quote the name as displayed on the card together with the 16-digit card number, the 4 digit expiry date and the 3 digit security number on the reverse of the card. Give a clear description of the goods and services required.

Agree the price – net amount, gross amount and VAT amount. Check delivery or carriage charges.

Obtain a delivery date and agree a delivery location.

8.0 Internet Ordering

A formal request to use internet ordering should be made to the Executive Head Teacher for their approval. The request should explain why the school wishes to use this method of ordering rather than the usual method.

Read the 'Internet Use Policy' and remember that internet use is monitored as part of the 'Internet Monitoring Standard'.

It is recommended that internet orders are placed only with reputable companies, ideally those with whom the school has dealt with in the past. Where goods or services are to be purchased via the internet it is recommended that schools check supplier details before an order is placed, for example:

- The internet website should refer to the supplier's name and address. A 'UK' internet address does not always mean that the supplier is UK based. A supplier's website will include information relating to the company's term and conditions of trading and this information should be checked by the school before placing an order
- **https** at the beginning of the web address signifies that the site is secure
- It is recommended that transactions take place under UK jurisdiction where normal forms of redress are available to solve problems or disputes regarding faulty goods or non-delivery of goods
- A full description of the goods or services that are to be purchased is made available
- The prices include relevant taxes
- Delivery costs and arrangements are made clear
- How long the price will stay valid
- How to make the payment
- The rights and procedures for cancelling orders

- If it is a service that is being procured, how long is the school committed for
 - That the contract in law is between the school/authority and the supplier and not between an individual and the supplier
- Once schools are happy with the details and the terms and conditions of the supplier then an order can be placed via the internet

The authorised member of staff placing orders using the internet should be aware of the relevant guidelines and certify their understanding of them and agreement to abide by them.

Whilst it is recognised good practice to raise an official confirmation order at the time of placing an internet order it is accepted that this can create significant administrative difficulties. Therefore, a nominal payment should be recorded within 24 hours of the purchase being made. The nominal payment will be reconciled against the bank statement.

It remains the responsibility of the budget holder to ensure that there are sufficient resources available within the relevant cost centres to cover the costs of all orders placed. An appropriate system must be established to enable the budget holder to monitor all outstanding commitments against the cost centre.

Where an internet order is placed a copy of the order should be printed off and retained by the school. This should be signed by an authorised officer independent of the ordering raising process

The conditions of purchase should be notified to the supplier for all orders placed

Internet orders must not be placed for personal use.

Purchase Cards and VAT

Card Holders must always ask for a VAT receipt or invoice and check that the VAT element can be clearly identified. This is because the Local Authority can recover all VAT on the purchases made providing it satisfies the requirements of Her Majesty's Revenue and Customs (including specific inclusions for VA Schools) **Appendix D** gives examples of VAT liability to expect for some common purchases.

If a VAT receipt/invoice cannot be obtained schools will not be able to recover any of the VAT incurred. Card Holders must bear in mind that even if something appears to be good value, if the VAT cannot be recovered it may prove to be more expensive.

When purchasing over the internet an email is often sent to confirm the purchase. This is generally not a VAT receipt or invoice. When purchasing goods over the internet, in addition to a confirmation email, Card Holders must request a VAT receipt or invoice in order to comply with HMRC VAT rules and regulations

A company has to be VAT registered in the UK if it has exceeded the VAT registration threshold. For UK based businesses the threshold is currently £85,000 (this generally increases in April each year).

Card Holders must ensure that VAT invoices obtained as a result of a purchase card transaction are not sent into the Accounts Payable Team as this significantly increases the potential for the supplier being paid twice

Debit Card Records

Card Holders must obtain a receipt for all purchases

Delivery notes should be obtained where possible

All documents should be kept safe and should be attached to the Transaction Log

Debit Card Transaction Log

A monthly transaction log must be kept of all transactions carried out with the Debit/Purchase Card. **Appendix C** is a template for the Transaction Log

The Transaction Log should be updated with relevant information as purchases are made with the Purchase Card and reviewed throughout the month

Nil returns should be shown on the Transaction Log every month where no transactions have been made using the Debit/ Purchase Card

All transactions shown on the transactions log should be checked and reconciled against the weekly/monthly bank statement when it is received by the school.

Card Holders are advised to retain any receipts which do not appear on the Statement as they are likely to appear on the next Statement.

Card Holders should query any transactions showing on the Statement for which there is no record, receipt or recollection.

Card Holders should complete the Transaction Log, and sign and date to confirm that it has been checked and agreed to the Statement.

Card Holders should pass the Statement, original receipts and the Transaction Log to their Line Manager who must check that all of the receipts agree to the Statement and that all items purchased are for the benefit of the school. Having approved the authenticity and accuracy of the purchases, the Line Manager must also sign and date the Transaction Log to evidence their approval

If the Executive Head Teacher is the designated card holder then the line manager for the Executive Head Teacher's purchase card transactions should be either the Chair of Governors or the Chair of Finance. Should a school choose a member of the Senior Management Team to undertake the supervision of the Executive Head Teacher's purchase card transactions, then either the Chair of Governors or the Chair of Finance should undertake a periodic check of the relevant purchase card records to ensure that the expenditure incurred is appropriate. The individual undertaking these periodic checks should sign and date the relevant records to demonstrate that the checks have taken

place. In any event, all expenditure incurred by the Executive Head Teacher as the card holder should be reported to the Finance Committee on a termly basis so that they can review items purchased and question any areas of concern.

Schools must retain all Statements, original receipts and Transaction Logs for a minimum of 6 years.

Statements, original receipts and Transaction Log records may be subject to inspection at any time and must be provided, upon request, for inspection by Audit or Accounts Payable.

Current Purchase Card Holders are:

*Physical Card allocated to: David Aldworth and Laura O'Neill
(D.Aldworth authorises prior to use, Tania Lane/ Lorraine Woodley records monthly transactions against bank statements. DRB (bursary service) undertake VAT returns.*

Authorised by the Local Committee: 24.5.2022

Authorised by the Full Governing Board: 27.6.2022

Date for next renewal: Summer Term 2023

Signed: _____

Sean Delaney

Chair of Governors

Signed: _____

David Aldworth

Executive Head Teacher

APPENDIX A

Schools are not obligated to use contracted suppliers and therefore they can purchase from whichever supplier they chose to get the best value.

EXAMPLES OF THE TYPES OF EXPENDITURE ACCEPTED ON THE PURCHASE CARD INCLUDE:

- Taxis, car parking, coach, train and air travel (following BCC procedures)
- Subsistence (if paid by purchase card staff must NOT claim again through payroll). Please see BCC's new guidance on claiming subsistence – 24 hour rule – **'Payroll and Pensions'** chapter)
- Fuel for school minibuses (Please note that the card holder is required to obtain a VAT receipt for all fuel purchases in addition to the transaction receipt)
- Trips to theme parks, cinemas or theatre and works of art
- Stamps, publications, external course fees, books and subscriptions
- Vehicle tax and vehicle maintenance
- Foreign Payments
- TV Licenses

Please note that you are not obliged to use BCCs contracted suppliers

APPENDIX B

ITEMS THAT CAN NOT BE PURCHASED USING THE DEBIT/PURCHASE CARD

- Goods and services for the card holder's personal use
- Items from merchant categories that schools are blocked from using.

APPENDIX C

TRANSACTION LOG

Birmingham City Council Purchase Card Transaction Log

TO BE RETAINED FOR INSPECTION IF REQUIRED

Transaction Log No/Month: _____ School: _____

Card Holder: _____

Card Number: _____ Date: From _____ To: _____

No.	Date	Supplier	Description of Goods	Cost Centre	Subjective	Ref	Net Amt	VAT Amt	Gross Amt
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
						TOTAL			

PURCHASE CARD RECEIPTS AND VAT RECEIPTS FOR ALL TRANSACTIONS MUST BE ATTACHED

<p>To be completed by Card Holder: I certify that the expenditure incurred, as detailed above, was properly made in the performance of my official duties and that the amounts claimed were actually and necessarily incurred by me on behalf of _____ School</p> <p>Signed: _____</p> <p>Date: _____</p>	<p>To be completed by the Authorising Manager: I certify that this claim, to the best of my knowledge, relates to expenditure which was necessarily incurred on properly authorised business and that all calculations have been checked.</p> <p>Name (Block Capitals) _____</p> <p>Signed: _____</p> <p>Date: _____</p>
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APPENDIX D

TYPICALLY SUBJECT TO VAT	TYPICALLY NOT SUBJECT TO VAT
Petrol	Public Transport
Luxury Foods (confectionary, chocolate biscuits, beverages other than tea/coffee)	Basic food (groceries)
Hot Foods (takeaway, restaurant)	Books and Newspapers
DVS's	Gift Vouchers
Toys and Games	Stamps
Adult Clothing	Children's Clothing
Leisure Activities (theatre, cinema, bowling, theme parks)	Legal Documents (car tax)
Courses provided by the commercial sector	Courses provided by the Public Sector
Fixtures, fittings and equipment	Insurance
Off street car parking	On street car parking
Repairs	

See '**Value Added Tax**' chapter