

**ACCOUNTING MANUAL  
FOR  
PUBLIC HEALTH ORGANISATIONS**

**AMENDMENT NO. 30 (25/2/16)**

Where a number appears at the bottom of an amended page [e.g. 29(02/03/15) – amendment number, date] an alteration has been made or new section included. The amendments as indicated reflect the provisions of Policy Directives/Guidelines/Information Bulletins:

- PD2016\_005 – Chapter 4 – **USE OF PROCUREMENT CARDS (PCARDS) WITHIN NSW HEALTH**

as notified by Strategic Relations and Communications on 25 February 2016.

**The Manuals and complete amendments are available on the Internet at <http://www.health.nsw.gov.au/policies/manuals/index.asp>  
If you choose to print the amendment, make sure you print it double sided.**

If you are missing any amendments please email [cgrm@doh.health.nsw.gov.au](mailto:cgrm@doh.health.nsw.gov.au) They can be emailed to you in an electronic version.

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### Who Is a Large Remitter?

A large remitter is defined as one with a total withholding obligation of PAYE, PPS and RPS combined of over \$1 million in the 1996/97 year or any later financial year. The obligations of companies within a group are combined to determine the level of remittance.

Amounts deducted from PAYE, PPS and RPS payments made on Saturday, Sunday, Monday or Tuesday are to be *paid to the ATO* by the following Monday. Amounts deducted from payments made on Wednesday, Thursday or Friday to be *paid to the ATO* by the following Thursday. Refer to table below.

### Timing of Payments

<b>Deductions Made On:</b>	<b>Payment is Due on:</b>
Saturday, Sunday, Monday, Tuesday	Monday of next week
Wednesday, Thursday, Friday	Thursday of next week

In addition it is a requirement for payments to be made by electronic funds transfer (EFT), which will bring payment arrangements for large business more into line with modern commercial practice.

The new arrangements provide for two payments dates per week depending upon the timing of the withholding and would in most circumstances allow employers to manage their affairs so that withholding from salary and wages, for example, would fall on one regular day following their normal pay period whether weekly, fortnightly or monthly.

Public health organisations should obtain full details about taxation deductions and remittance from their local ATO.

**USE OF PROCUREMENT CARDS (PCARDS) WITHIN NSW HEALTH (PD2016\_005)****PD2016\_005 rescinds PD2014\_035****PURPOSE**

This Policy Directive sets out the requirements for the use of Procurement Cards (PCards) within NSW Health. PCards are a type of credit card with features that facilitate expenditure control and are a cost effective way of purchasing high volume, low value goods and services. PCards replace the need to create purchase orders for these types of transactions.

This Policy and the attached Procedure applies to all NSW Health agencies, including the NSW Ministry of Health, and recognises that under the NSW Government Banking Contract, NSW Health agencies may determine to utilise procurement cards to facilitate efficient and effective purchasing of goods and services.

**MANDATORY REQUIREMENTS**

In accordance with NSW Government policy, NSW Health agencies including the NSW Ministry of Health, are to adopt the use of PCards where practicable, for purchases of goods and services that are \$5,000 or less. Chief Executives have the discretion to increase this threshold for particular purchases where appropriate risk management and internal controls are in place.

NSW Health entities are not permitted to utilise or operate any PCard type arrangement other than those provided under the current NSW Government Banking Contract.

The use of PCards will improve the efficiency of the business processes associated with the procurement of goods and services including:

- Reducing the number of purchase orders generated
- Reducing the number of invoices received
- Reducing the number of cheques processed
- Reducing delays in goods delivery
- Improving the timeliness for paying suppliers for goods and services purchased.

PCards are only to be used for business related expenses and in accordance with the NSW Health Code of Conduct. All purchases of goods and services must comply with NSW Government procurement policy, NSW Health policies, procedures and manuals, Treasurer's Directions and statutory requirements, especially as they apply to purchasing goods and services under Government contract, as detailed at section 1.1 of the attached procedure.

PCards are not to be used to split purchases, negate credit limits as set out at section 2.4 of the attached procedure, or to circumvent the requirement to obtain quotes to procure goods and services in line with NSW Government procurement policy.

All NSW Health agencies must have confidence that robust purchasing guidelines and practices are in place within their agency and that an annual audit program of PCards is developed in accordance with section 1.6.4 of the attached procedure.

**IMPLEMENTATION**

**Healthshare NSW** is responsible for managing the PCard policy on behalf of NSW Health. The attached procedures outline the business rules and processes for the use of PCards in NSW Health. These procedures are to be adhered to by all NSW Health agencies.

**Chief Executives** are responsible for:

- Ensuring that robust purchasing guidelines and procedures are in place to support implementation of PCards within their agency and are consistent with this policy and procedure statement
- Determining which roles / employees within their agency can be issued with a PCard and ensuring that these roles / employees hold appropriate delegation and undertake relevant tasks to hold a PCard and procure goods and services on behalf of the agency
- Ensuring PCards are used in accordance with all of the conditions and requirements of this policy and procedure statement
- Developing an annual audit program of PCards in accordance with section 1.6.4 of the attached procedure.

The Chief Executive can delegate the approval to issue PCards to the agency's senior financial officer providing this officer has appropriate delegations to perform this function.

**PCard holders:**

- Are personally responsible and accountable for the safe keeping of the PCard
- Must not disclose the PIN to any other party
- Must not allow any other person to use the PCard
- Must take care to ensure that goods and services are procured from reputable merchants
- Must use the PCard in accordance with all statutory and policy requirements as detailed at section 1.1 of the attached procedure
- Be aware of their expenditure delegation and ensure that the PCard is used in accordance with all of the conditions and requirements of this policy and procedure statement.

## **1 BACKGROUND**

### **1.1 About this document**

Historically credit cards have been issued to senior NSW Health staff and used primarily for travel and expenses purposes. Procurement Cards (PCards) are designed for purchasing high volume, low value goods and services.

This document provides instructions on the use of PCards within NSW Health that is considered best practice and includes detailed information relating to the use of PCards, and the processing and reconciliation of PCard transactions via the Expense Management System (EMS).

This document is to be used in conjunction with the:

- NSW Health Policy Directive – Use of Procurement Cards within NSW Health
- NSW Health Policy Directive – Goods and Services Procurement Policy
- NSW Health Code of Conduct
- NSW Treasury Circular 11/15 and Treasurer's Directions
- NSW Procurement Board Goods and Services Procurement Policy Framework
- Section 12 of the Public Finance and Audit Act 1983.

The HealthShare NSW PCard Team manages PCards at the direction of the Director of Finance or their approved nominee for each Health Agency.

### **1.2 What is a PCard?**

The NSW Health PCard is a Visa card issued by Westpac Banking Corporation to allow approved Health Agency employees to procure low value goods and/or services directly from suppliers and/or the payment of business related emergency travel expenses on behalf of the Health Agency to which they are employed.

All purchases must be procured in accordance with current financial delegation of authority and be 100% for business related purposes. Prior to an employee being issued with a PCard the employee must sign the Card Holder Agreement which details the card holder's responsibilities.

A virtual PCard is a Visa card issued by Westpac Banking Corporation to allow a specific vendor to charge against the virtual PCard upon receiving a request for goods and /or services from a Health Agency employee. A virtual PCard is issued to a specific Health Agency (not to a Health Agency employee), and is usually assigned to a specific vendor only.

**This User Guide applies to both personal and virtual PCards.**

### **1.3 What is an Expense Management System?**

The EMS is a sophisticated expense and transaction management platform that is accessible via a specific Internet address.

Westpac automatically feeds all transactional data into the EMS via a nightly feed. The transactions are then available in the EMS the following day for acquittal and documentation by the PCard Holder and Authorising Officers.

### **1.4 Procurement Card Enquiries**

HealthShare NSW will provide a service for resolution of card enquiries. The nature of the enquiry will depend on the level of escalation. If the query is relating to a card issue or an EMS issue, staff are to contact the PCard Support team via email:

HSNSW-PCardSupportTeam@health.nsw.gov.au or phone: 1300 883 965.

If the query relates to spending approval or budgetary concerns, employees should contact their immediate supervisor or the internal point of contact of the Health Agency.

### **1.5 PCard usage conditions**

The NSW Health PCard can be used to purchase goods and or services that meet the criteria set out in Section 4 Acceptable Purchase Criteria.

All card transactions must be supported by a tax invoice and must be reconciled in the EMS within the period specified. Please refer to Section 1.6 Roles and Responsibilities, of this policy for conditions.

Should misuse of a PCard occur the Health Agency is responsible for the immediate suspension or cancellation of the card, and where appropriate, take disciplinary action in accordance with NSW Health's Code of Conduct and the conditions of use outlined in the Card Holder Agreement.

## **1.6 Roles and Responsibilities**

### **1.6.1 PCard Holder**

A PCard Holder is a NSW Health employee who has been issued with a PCard. Their name will appear on the card and they will hold an expenditure delegation conferred by the Health Agency's delegations manual.

Their responsibilities include:

- Purchase of goods and or services using their PCard, complying with the set purchasing criteria outlined in Section 4 of this document
- Recording purchases via the EMS and submission of scanned receipts/tax invoices to their direct line manager for approval within five (5) days of the transaction date
- Advising HealthShare if they have nominated a Coder to code transactions on their behalf.

### 1.6.2 Coder

This is a person nominated by the PCard Holder to record transactions in the EMS on their behalf. More than one card holder can be allocated to their profile.

Their responsibilities include:

- Coding and submitting scanned receipts/tax invoices to certify and validate transactions
- Submit transactions for authorisation on behalf of the designated PCard Holder
- Recording purchases via the EMS and submitting scanned receipts/tax invoices to their direct line manager for approval within five (5) days of the transaction date.

### 1.6.3 Authorising Officer

A Health Agency employee who is specifically appointed by the Executive of the Health Agency to independently review and approve PCard transactions within the limits of authority delegated to them. Typically, this is the card holder's direct line manager.

Their responsibilities include:

- Ensuring transactions have been properly procured in accordance with approved purchases as outlined in Section 4 of this policy
- Ensuring all transactions awaiting their authorisation are processed within five (5) days of being allocated to them for approval
- Ensuring all transactions are completely authorised before period end date - the statement cycle end date is the 25th day of each month
- Conducting periodic reviews of staff expenditure patterns and eligibility for the PCard.

### 1.6.4 Internal Auditor

The Health Agency's internal auditor is required to develop a system based audit of annual transactions by random selection of high and low volume of PCard users and this is to be included in the annual internal audit program. Findings of misuse, if any, are to be reported immediately to the Chief Executive of the Health Agency.

## 1.7 Infraction

The HealthShare PCard Support Team as part of their responsibilities will monitor and report on spend habits, coding, approval activity and frequency. Regular reports will be provided to Health Agencies.

PCard Holders, Coders and Authorising Officers have the responsibilities set out in Section 1.6 of this policy. Employees have a prescribed time frame in which they will need to complete their portion of the transaction cycle. Should they not complete their task within the time frame, an Aged Transaction report will be provided to Health Agencies by HealthShare showing the overdue tasks by staff member for their Agency. The report will be circulated to the Director of Finance, or equivalent, for review and immediate action. Due to the tight time frames for end of month reconciliation it is important that good EMS practices are embedded within Health Agencies as quickly as possible.

PCard Holders will need to comply with the Acceptable Purchase Criteria as outlined in Section 4 of this guideline. Should a staff member be identified as purchasing items outlined in the Prohibited Purchases – (Section 4.4) the Director of Finance, or equivalent, should review and ensure appropriate action taken.

Whether or not to remove a PCard from an employee is the responsibility of the Health Agency. It is expected that Health Agencies will not allow an employee to hold a PCard if they have not consistently complied with the Card Holder Agreement and business rules.

## **1.8 PCard Team Structure**

### **1.8.1 PCard Services Manager**

A HealthShare NSW employee who is responsible for the overall operation and maintenance of the PCard program. The position is to ensure best practices are engaged and optimum service levels are reached and maintained.

The responsibilities include:

- Coordination of the overall PCard program and delivery of the PCard Training Program to ensure efficient and effective delivery of card services
- Monitoring the compliance of the PCard program and initiating periodic reviews of card usage on behalf of the Health Agency
- Acting upon instruction of Health Agency Directors of Finance or equivalent to revoke PCard privileges where inappropriate use has been proven or the PCard is no longer justified
- Single point of contact for all escalated PCard matters for all Health Agencies
- Liaison with Westpac regarding card administration, card activity and compliance assurance
- Responsibility for the system administration of the operational EMS and for the issuance and maintenance of PCards to approved card holders on behalf of the Health Agency
- Auditing - distribution of reports on behalf of each Health Agency to assist with the maintenance and integrity of the program
- Audit reporting to assist with the enforcement of the Infraction policy
- Ensuring all related documentation is maintained and all PCard details are securely stored.

### **1.8.2 PCard Support Team Member**

A HealthShare NSW employee who is responsible for providing support to the PCard Services Manager in the maintenance of the EMS and card holder activities.

Their responsibilities include:

- Providing assistance to the PCard Services Manager in the system administration of the EMS
- Completing tasks set out in the PCard team procedures as outlined by the PCard Services Manager.

## **2 CARD ADMINISTRATION**

### **2.1 Eligibility to have a PCard**

A PCard may be issued to a Health Agency employee who:

- Is responsible for purchasing low value goods and or services from suppliers on behalf of the Health Agency
- Is a permanent employee of a Health Agency
- Travels (international or domestic) on behalf of NSW Health for business related purposes directly associated to their role.

### **2.2 Ineligibility to have a PCard**

A PCard may not be issued to staff when they are:

- Agency contractors
- External consultants
- Temporary exempt contracted staff
- PCard administrator/s (PCard Support Team Members)

### 2.3 How to apply for a PCard

The PCard Services Manager coordinates the issuing of PCards. The procedure to receive a PCard is as follows:

- Complete the Application for PCard form available on the HealthShare NSW intranet - <http://intranet.hss.health.nsw.gov.au/procurementlogistics/procurement-pcard-card>
- Seek your direct line manager's approval
- Seek approval from your Health Agency Director of Finance
- Submit your application to: HSNSW-PCardSupportTeam@health.nsw.gov.au.

Once approved, the PCard Support Team will coordinate training directly with the Health Agency.

Upon successful completion of the PCard Training Program, the employee must read, sign and return the Card Holder Agreement to the PCard Support Team. This agreement contains card holder responsibilities.

Upon receipt of the signed agreement the PCard Support Team will issue the PCard. The employee must then immediately sign the back of the PCard.

PCards that cannot be issued in person will be forwarded to the recipient by Registered Mail and the employee must acknowledge receipt of the PCard. The PCard Support Team will then organise activation of the PCard with the bank. The PCard Support Team will notify the card holder when the PCard has been activated.

### 2.4 Expenditure Limits

A PCard is issued to an individual employee and is not transferrable.

Each card holder is to ensure they are aware of their expenditure delegation as stated by the Delegation manual and outlined on the Card Holder Agreement. They are to make purchases limited to that authority. This limitation will mirror financial delegation in accordance with other NSW Health accounting systems.

Each PCard transaction is limited to \$5,000.00 AUD (except where the Chief Executive of the Health Agency has approved a higher limit). Purchases must not be split to circumvent the limit. There are five (5) credit limit categories as outlined below:

- \$500 per transaction, \$5,000 per month
- \$1,000 per transaction, \$10,000 per month
- \$3,000 per transaction, \$30,000 per month
- \$5,000 per transaction, \$50,000 per month
- Per transaction, per month limit to be agreed in special circumstances with approval from the Chief Executive of the Health Agency.

The card holder's personal limit will be outlined on the Card Holder Agreement. Card holders will be delegated the card limit that best suits their business needs and objectives as determined by the Health Agency Director of Finance or equivalent.

Should the need arise for a limit increase or decrease; the card holder must initially contact their direct manager who will review the request. Upon approval, a PCard Maintenance Form must be completed and sent to the PCard Support Team who will begin action with the bank. The PCard Maintenance Form is available on the HealthShareNSW intranet.

A virtual PCard issued to a specific Health Agency and assigned to a specific vendor, will usually have a higher expenditure limit than PCards issued to individual staff. This higher limit would be dictated by the amount likely to be spent by the Health Agency on the specific vendor. In any case, the higher limit will require approval from the Chief Executive of the Health Agency.



## 2.5 Training

Training in the use of the Westpac Visa PCard and the EMS will be compulsory for all PCard Holders, Coders and Authorising Officers.

A card holder may only be issued with their PCard once they and their nominated Authorising Officer have successfully completed training, have passed their assessment & provided both assessment and PCard User Agreements to the PCard Support Team. Training will be coordinated directly with the Health Agency and will be facilitated in a face-to-face or on-line environment which will deliver the same content and outcome. Completing either of these training environments will allow employees to successfully complete the mandatory training component.

## 2.6 Administration of card and card holder details

PCard Holder details are retained within the EMS by the PCard Support Team. These details need to be amended when the card holder:

- Changes name, status or contact details
- Changes or transfers position (refer to Section 2.6.2)
- Has a change in their delegated authority limit
- Changes cost centre
- Has approved leave for more than one (1) month (refer to Section 2.6.3)
- Ceases employment with a Health Agency
- No longer requires a PCard
- Changes Coders or Authorising Officer or other representative.

All changes to card holder accounts must be accompanied with the appropriate form completed in full. The completed form must then be sent to the PCard Support Team:

[HSNSW-PCardSupportTeam@health.nsw.gov.au](mailto:HSNSW-PCardSupportTeam@health.nsw.gov.au) from the card holder's email address.

### 2.6.1 Procurement Card Forms

Card holders wishing to make a change to their account must advise the PCard Support Team by completing and submitting in full the applicable form.

All forms relating to PCards are available on the HealthShare NSW intranet:

<http://intranet.hss.health.nsw.gov.au/procurementlogistics/procurement-pcard-card>

Supporting documentation will be requested for certain changes and if needed, the applicable form will outline the specific supporting documentation required.

### 2.6.2 Transferring to a new position

When a PCard Holder transfers to a new position in a different cost centre, the card holder must:

- Ensure that all transactions from the previous position are coded and submitted for authorisation within the monthly statement cycle
- All transactions have supporting Tax Invoices attached in the EMS
- Submit the completed Return Advice form to the PCard Support team.

**Responsibilities in the new position**

Once in the new position, the card holder must:

- If a PCard is required, the card holder and the new line manager must review the card holder's delegation limit, Coder, Authorising Officer and cost centres attached to the card
- To update changes, the Maintenance Form must be completed and submitted to the PCard Support Team
- If a PCard is not required in the new position, the card holder must complete the Return Advice form to the PCard Support team.

**Transactions pending from previous position**

If a PCard Holder has transactions pending from a previous position, they will need to advise the PCard Support Team that they require multiple cost centres and responsibilities for a period of time.

Once all transactions from the previous role have been coded, submitted and authorised the card holder will need to notify the PCard Support Team to remove the cost centre(s) no longer required via the Maintenance Form located on the intranet.

When a PCard Holder takes leave of more than one (1) month, their PCard will need to be suspended for the period of absence.

PCard Holders cannot allow peers or colleagues to use their PCard in their absence.

Current transactions will need to be coded and submitted for authorisation before the PCard Holder departs for leave. The PCard Holder's Coder will process any remaining transactions after the PCard Holder's departure.

The PCard Holder must:

- Submit the appropriate form to the PCard Support Team to have the card suspended for a period of time
- Process all outstanding transactions by coding, scanning supporting tax invoices and submitting for approval
- Ensure they have nominated a Coder to process any transactions remaining after their departure on leave
- Provide their nominated Coder with all supporting tax invoices (and other documentation required to support evidence of supply) for any remaining transactions that will need to be coded and submitted for approval whilst they are on leave.

**2.6.4 PCard Holders no longer requiring a PCard**

When a PCard Holder leaves NSW Health's employment or no longer requires a PCard, the card holder must:

- Destroy the card by cutting it into numerous pieces, in front of a witness, and return it to the PCard Support Team, located at the Service Centre Parramatta, with the Return Advice form located on the intranet
- Ensure all current transactions are coded, certified and submitted for authorisation
- Ensure there is a Coder to process any remaining transactions after their departure
- Provide their nominated representative with all supporting tax invoices for any remaining transactions that will need to be coded and submitted for approval.

### 2.6.5 Automatic replacement of expiring cards

When a card nears its expiry date, Westpac will automatically issue a new card. PCard Holders must ensure their contact details are accurate and up to date within the EMS.

When the card holder receives a new card they must sign the back of the card immediately and destroy the expired card.

### 2.6.6 Replacing a damaged card

If a PCard is damaged and a replacement card is required, card holders must submit the Lost-Stolen Form to the PCard Support Team [HSNSW-PCardSupportTeam@health.nsw.gov.au](mailto:HSNSW-PCardSupportTeam@health.nsw.gov.au).

Westpac will re-issue a replacement card with the same card number and expiry date.

### 2.6.7 Lost or stolen cards within Australia

In the event of loss or theft of a PCard in Australia, the card holder must:

- Immediately, regardless of time and day, notify Westpac's lost or stolen card hotline on 1300 650 107 (available 24/7) or go into any Westpac branch
- Complete the Lost Stolen Card Form available on the HealthShare intranet and submit to the PCard Support Team advising of Westpac's lodgement reference number.

Westpac, upon notification, will:

- Provide the card holder with a log reference number
- Cancel the card to prevent further use
- Issue a new PCard (with a new card number and expiry date).

### 2.6.8 Lost or stolen cards outside Australia

In the event of loss or theft of a PCard outside Australia, the PCard Holder must:

- Immediately notify Westpac's Lost or stolen card hotline on +61 2 9374 7082 (available 24/7)
- Westpac, via VISA International, will arrange for a temporary replacement card to be delivered within 72 hours to an address nominated by the card holder. This will be a manual card only, with no functioning magnetic strip or NSW Government design
- Upon return to Australia, the card holder must complete the applicable form and return it to the PCard Support Team at [HSNSW-PCardSupportTeam@health.nsw.gov.au](mailto:HSNSW-PCardSupportTeam@health.nsw.gov.au) where a new card will be arranged for issue.

### 2.6.9 Account/Cost Centre Maintenance

Should the need arise to add or delete an existing Oracle account or cost centre in the EMS, you must:

- Seek formal approval from your immediate supervisor
- Submit the appropriate form (PCard Maintenance Form) to the PCard Support Team at:  
[HSNSW-PCardSupportTeam@health.nsw.gov.au](mailto:HSNSW-PCardSupportTeam@health.nsw.gov.au)

The card holder will be notified by the PCard Support Team when the account or cost centre is set up and ready for use in The EMS.

## **CARD USAGE**

### **3.1 Overview**

PCards are issued subject to the Card Holder Application and Card Holder Agreement which is formally signed by the PCard Holder.

Any failure to comply with the conditions of this policy may result in cancellation of the card and any fraudulent activity may subsequently render the PCard Holder liable to disciplinary or legal action in accordance with the NSW Health Code of Conduct.

NSW Health bears the liability for all PCard transactions. Personal credit ratings do not apply.

### **3.2 PCard Security**

PCard Holders are responsible for the safe keeping and proper use of their PCard and associated security information. PCards are to be secured in the same way as personal credit cards in order to prevent fraudulent use by unauthorised persons.

PCard Holders must:

- Immediately sign the back of the PCard when received.
- Not allow another person to use the card under any circumstances.
- Card details are not to be shared with any other NSW Health employee or any other person.

### **3.3 Acceptable PCard payment methods**

The PCard can be used:

- To purchase goods and/or services to a total value of < \$3,000 (or agreed value as approved by the Chief Executive).
- To purchase goods and/or services over the counter, over the telephone, by fax, by email, by post or over the internet. International internet purchases require prior arrangement with the PCard Support Team.

## **4 Acceptable Purchase Criteria**

### **4.1 Acceptable purchase criteria**

PCards can be used to purchase goods and/or services that meet the following criteria only:

- Must be 100% business related expense and
- Are a total value of < \$5,000 (or agreed value as approved by the Chief Executive).

PCards can be used for transactions that:

- Are an emergency purchase (refer to Section 4.1.2)
- Relate to emergency travel and accommodation (refer to Section 4.5.1).

#### 4.2 Emergency purchase definition

An emergency purchase is defined as a purchase required to:

- Protect life and property and prevent injury or harm
- Prevent substantial economic loss
- Prevent the interruption of essential services
- An unusual deadline that cannot be resolved by using the designated procurement system and process.

Failure to anticipate a purchasing need, or a lack of planning, is not considered a valid reason for an emergency purchase. Emergency purchases are not to be used to circumvent the procurement system and processes.

#### 4.3 Circumstances where PCards cannot be used

PCards cannot be used for any transactions where:

- The cost of the transaction exceeds the card holders financial delegation
- The transaction is a prohibited purchase (refer to Section 4.4)
- The supplier does not have an ABN and is an Australian supplier
- The transaction is of a personal nature.

#### 4.4 Prohibited purchases

PCards must not be used to purchase any of the following:

- Personal expenditure – expenses of a personal nature that benefits the PCard Account Holder and is not of a business nature
- Alcohol (except in accordance with Policy Directive PD2005\_540 -c Out of Pocket Expenses)
- Supplier has no ABN (except for overseas purchases)
- Cash advances
- NSW Health fleet motor vehicle expenses – including fuel, oil, repairs, spare parts (other than in emergency situation)
- Infringements and fines (including motor vehicle infringements incurred by the driver of a NSW Health vehicle)
- Expenditure in excess of the PCard Holder's financial delegation
- Expenditure in excess of cost centre or budget
- Personal rewards or benefits – implicit at point of purchase including frequent flyer programs, bonus point schemes or gifts designed as benefit for utilising the card
- Gratuities and/or tips – of any nature, both domestic and international
- Workers compensation payments
- On-line Advertising – including Business Directory Listings.

## **4.5 Travel**

### **4.5.1 Domestic Travel Approval**

All NSW Health employees must use public transport such as train, bus, ferry or light rail wherever practicable for domestic business travel. PCards can be used for this purpose.

All domestic travel bookings are to be made with CWT – Domestic Travel – telephone no. 1300 307 852 or 02 8666 1751; Facsimile no. 02 8905 9631;

PCards can be used for unplanned or emergency domestic travel including accommodation but requires the employee to obtain their direct line manager's written approval and in accordance with the NSW Health Policy Directive PD 2009\_016.

### **4.5.2 Overseas Travel**

All international travel bookings are to be made with CWT – International travel – telephone no. 1300 657 378 or 02 8666 1703, Facsimile no 02 8905 9646.

Overnight accommodation for employees travelling on official business should be of the middle of the standard range. All accommodation arrangements are to be in accordance with the NSW Health Policy Directive PD 2009\_016.

PCards can be used for unplanned or emergency overseas travel including accommodation but requires the employees to obtain their direct line manager's written approval and in accordance with the NSW Health Policy Directive PD 2009\_016.

### **4.5.3 Meals and Subsistence**

The Online Travel Booking Company can organise meals as part of the staff travel booking request.

A PCard can be used where no prior arrangement was made for meals, or deemed necessary. Relevant documentation must be obtained to substantiate the transaction in the EMS and the value of a meal is not to exceed the prescribed NSW Government meal allowance rate.

## **5 PCARD OPERATIONAL GUIDELINES**

### **5.1 Approving transactions**

Approval is permission to incur or commit expenditure of behalf of the Health Agency. Approval can only be given by those specifically delegated.

In the case of PCard transactions, expenditure is formally approved when the card holder authorises a vendor to make an over-the-counter, telephone, fax, email, mail or internet purchase i.e. at time of purchase.

### **5.2 Acquitting transactions**

Acquitting a transaction is confirmation that an approved payment is correct.

PCard transactions (i.e. individual payments) are acquitted when the PCard Holder (or their nominated Coder) codes the correct account, cost centre and entity and attaches supporting documentation to the online transactions in the EMS.

The PCard Holder or their nominated Coder acquits each transaction by formally making the following declaration:

I certify this purchase/payment is correct:

- Correct performance of service (except where a deposit or advance payment is unavoidable)
- Correct rates of charge
- Approval having been given
- Available discounts having been taken
- It being due and unpaid
- Correct account code(s) charged
- Availability of budgeted funds
- Correct tax liabilities are acknowledged and
- All required supporting documentation available.

### **Certification Process**

The certification process is the coding of PCard transactions to a General Ledger account.

The EMS enables the online certification of PCard transactions by:

- Importing transactions from Visa on a nightly basis
- Allowing online coding, certification and authorisation
- Attachment of relevant tax invoices (if the card holder has not received a tax invoice for a specific transaction, the item must be left as uncoded - do not code to disputed item)
- Should the value of the purchase be below \$75.00 plus GST, the supplier has no obligation to provide a tax invoice and therefore the employee may only receive a receipt which needs to be attached to the transaction
- Submit to selected workflow approver for authorisation.

PCard Holders should refer to the PCard User Guide for the complete guide on how to action these steps in the EMS, available on the HealthShare NSW intranet.

### **5.3 Authorising Transactions**

Authorising a transaction in the EMS is the endorsement process. This is an independent review to permit the release of a payment that has been endorsed by a delegated officer and certified as to its correctness.

Payments can only be endorsed by a PCard Holder's direct line manager under financial delegation.

#### **Endorsement Process**

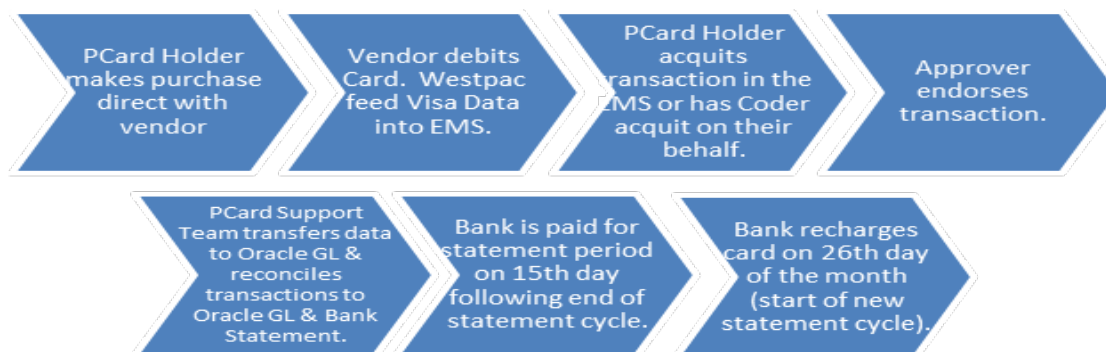
The Authorising Officer endorsing the transaction will review each PCard transaction and endorse/challenge online. Should a transaction be challenged, the Authorising Officer is able to attach comments and submit back to the PCard Holder for review/re-submission.

The Authorising Officer may request that the PCard Holder produce hard copy supporting documentation/receipts at any time.

PCard Authorising Officers should refer to the PCard User Guide for the complete guide on how to action these steps in the EMS. Guide can be found on the intranet:

<http://intranet.hss.health.nsw.gov.au/procurementlogistics/procurement-PCard-card>

### The Expense Management System Transaction Process



Health Agencies should be aware of the cash flow implications: that is, one payment will come direct from their nominated account fifteen days following the end of the Statement Period, being the 25th day of each month, and this should be taken into consideration for cash flow forecasting.

#### 5.4 Repayment of Unauthorised Transactions

Should a transaction be made in error, repayment by the card holder is mandated. Following consultation with their supervisor and the PCard Services Manager, the card holder will mark the transaction as a dispute and refund the funds directly to the Card Account by attending a Westpac Branch and depositing the outstanding amount directly to the Card Account. The following working day they shall acquit the EMS by matching the deposit to the disputed transaction and attaching a copy of the original Tax Invoice for the transaction and the Deposit Receipt Slip provided by the bank to the EMS Transaction. This will allow for direct matching of the subject transaction.

Any transaction made in error is defined as a purchase made by the card holder incorrectly with a NSW Health PCard, where a personal card was to be used. In this instance, the card holder has mistakenly used the NSW Health PCard.

#### 5.5 Disputed Transactions

A disputed transaction is an unknown transaction amount appearing on the PCard Holder's on-line account.

The PCard Holder has 30 days to investigate disputed transactions by contacting the supplier (if known) to ascertain and resolve the problem. After 30 days, unresolved transactions are borne by NSW Health.

In the instance of unknown transactions and those that are unable to be resolved, the PCard Holder must:

- Allocate the transaction to the Dispute queue in the EMS
- Complete the Dispute Form produced out of the EMS
- Inform their supervisor of the transaction(s)
- Forward the Dispute Forms to the PCard Support Team and Westpac.
- The PCard Support Team will follow the dispute through to resolution.

All staff are responsible for promptly trying to resolve any disputed transactions to avoid unknown charges being processed through the Health Agencies bank account.

#### 5.6 Discrepancy Transactions

A Discrepancy transaction is when a portion of the transaction is incorrect. For example, the invoice amount is greater/less than the charge, over/under delivery of purchased goods.

The diagram as shown at **Annexure A** outlines the process of a Discrepancy transaction.



### 5.7 Credits/Refunds

Should the PCard Holder account be entitled to a credit/refund, under no circumstance is the credit/refund to be received in cash. The transaction is to be processed back to the original card and reflected in the EMS. It will then follow the normal coding/authorisation process.

In the case where goods are returned or the supplier issues a credit for unsatisfactory supply, the credit note must be provided in hard copy and contain:

- The supplier name and ABN;
- The date and the invoice number that the original debit refers to
- A brief description of the goods and or services returned and
- The GST amount and the total amount refunded.

This must be included in the supporting documentation attached to the line item when the transaction is recorded online.

### 5.8 Credit Card Surcharge

A credit card surcharge is an extra fee charged by some suppliers when paying with a credit card to recover the cost of the merchant interchange fees. The surcharge is clearly marked on the Tax Invoice and is set by the vendor. In the event that a charge does apply card holders will be trained in how to code to allow monitoring using the appropriate account code.

### 5.9 System Checks Against Unusual Transactions

The following system checks relate to the Satori Continuous Control Monitoring tests which are run daily. Identified exceptions are received by the PCard Team and will be referred to the Health Agency for investigation:

- Identification of excessive adjustments, credits or disputes
- Identification of transactions made on Sundays
- Identification of possible split transactions within PCards
- Identification of duplicate transactions: same invoice number, invoice amount and invoice date for different vendor name
- Identification of duplicate transactions: same vendor name, invoice amount and invoice number for different invoice date
- Identification of duplicate transactions: same vendor name, invoice amount and invoice date for different invoice number
- Identification of employees whose credit cards are dormant for more than 30 days
- Identification of transactions with suspicious key words.

In addition, the following list is an example of the ProMaster Reports available for use by the Health Agency:

- Accounts Credit Limit
- Admin Audit Report
- Card Statement Report
- Expense Detail Report
- Multiple Transactions Report
- Prohibited Merchant Usage
- Unverified Transactions Summary Report
- Merchant Analysis Report

### **5.10 Idle Cards**

Where an issued PCard has not incurred at least one transaction during a 6 month period, the PCard Holder is to be informed that the PCard will be cancelled within 14 days of notice unless the Chief Executive of the Health Agency provides a written request for the continuation of the PCard.

## **6 Goods and Services Tax**

GST is a broad-based consumption tax of 10% levied on the supply of most goods and services consumed in Australia since 1 July 2000.

A tax invoice is a document containing information about a taxable supply that must be provided by the supplier to the purchaser. It is the supplier's responsibility that they are charging for the correct GST if applicable.

When purchasing from an Australian supplier, the card holder must:

- Obtain original or endorsed fax/copy tax invoices as evidence of approval for each PCard transaction and to enable the health service to claim back any GST and
- Ensure all invoices have an ABN.

## **7 Accounting Treatment**

The Accrual Accounting Method will be used to manage PCard transactions within the EMS.

### **7.1 Month End Reconciliation**

At month end all transactions will be reflected in the Oracle General Ledger) and any items not yet verified will then be accrued to allow for future verification.

All transactions will be reconciled from the EMS GL Reconciliation Detail report to the General Ledger Module of the Oracle eBusiness Suite (EBS) and the Westpac Monthly statement.

Any transaction that appears in the EMS after the statement cycle date (25th day of the month) and before the actual calendar month end will be taken up in the General Ledger module of Oracle as an accrual and will be identified on the PCard reconciliation as a reconciling item to be cleared the following month.

## **8 LIST OF ATTACHMENTS**

1. PCard Discrepancy Process

ANNEXURE A

**PCard Discrepancy Process**

