

Debit Card Policy for Schools



Status	Statutory
Policy Written by	WBC, adopted by Governing Body
Date reviewed by Finance Committee	Due to Covid 19 this policy was presented to Governors by email in July 2020
Review cycle	Annual
Date of next review	Summer 2021

A School Debit Card is required to enable the school to purchase goods where the company being used provides the best value but either an invoice cannot be raised or a credit account cannot be set up.

1. Debit Card Issue

- 1.1. A card will be issued to each member of staff as determined by the school and agreed by the Local Authority. The card will be personal to the individual and can only be used by the named cardholder. There is no charge to the school or the individual for the provision of a card.
- 1.2. The Local Authority Children's Services Finance Officer (CSFO) and Principal Auditor for Schools (PAS) will determine the number of cards available to each school.
- 1.3. Each cardholder must sign an agreement to be countersigned by Headteacher and Chair of Governors, which states they understand the terms and conditions of use. A copy of each debit card agreement/indemnity should be kept on file in school for information. (See appendix 1). Please note if the agreement concerns a Headteacher it should also be countersigned by another member of the Finance Committee (preferably the Chair).
- 1.4. Any member of staff who is found to be misusing their card in any way will have the card removed and disciplinary action taken.
- 1.5. A security PIN will be issued to each cardholder and under no circumstances should this be given to anybody else. Cardholders should never change their PIN to anything obvious (e.g. significant dates) or simple sequence (e.g. 1234) or to the same PIN as other cardholders within the school.
- 1.6. Any cardholder who terminates their employment with the school, changes post, is no longer eligible to be a card holder or is requested to return the card, must surrender the card to the Head Teacher / CSFO at the LA as soon as possible. School must take all action necessary to achieve this. The card must be cancelled immediately.
- 1.7. Please note any charges incurred arising as a result of a card being misused will be charged to the schools delegated budget.

2. Limits

- 2.1. The expenditure limits are as defined by the Local Authority and subject to review at appropriate times. The current limits are detailed below for each school sector:

Cardholder	Transaction Limit £	Monthly Limit £
Secondary School		
Headteacher	5,000	10,000
Designated 1	2,500	5,000
Designated 2	500	2,500
Primary/Special School		
Headteacher	2,500	5,000
Finance officer	500	2,000

3. Use of the Debit Card

3.1. The debit card may be used to purchase any goods or services relating to Local Management of Schools Delegated Budget activities only i.e. not unofficial school fund activities. The debit card may be used for following types of purchases:-

Online ordering (only use secure sites)

Telephone ordering

Face to Face transactions

All the above are subject to all the appropriate assessment and adherence to the terms and condition regarding usage of cards.

Please refer to the "Secure ordering online" guide for further advice/information – Appendix 2

3.2. Schools are not allowed to use the cards to purchase good or services that fall into any of the following pre-determined merchant categories of expenditure

- a) Personal Services
- b) Contractual Freight & Storage arrangements
- c) Any purchase by auction
- d) Financial Services
- e) Miscellaneous commercial supplies
- f) Restaurants and bars

3.3. No personal purchases are to be made on the card.

3.4. Cash withdrawals are not permitted. Schools should continue to use their current cheque books should they require monies for petty cash purposes.

3.5. The card must not be used for any purchases relating to unofficial school fund.

4. Security

4.1. Each card holder will be responsible for the security of their own card at all times.

4.2. Suspected fraudulent use of the card is to be reported to Local Authority SIAS immediately.

4.3. Stolen Cards:

If a card is stolen the cardholder should immediately notify the bank of the theft to enable cancellation of the card.

The cardholder should also report a suspected theft to the police immediately and to the LA CSFO via e-mail at the earliest possible moment.

4.4. Lost Cards:

Any lost cards should be reported to the CSFO and the bank immediately.

If a lost card is subsequently found it must not be used under any circumstances. Its recovery should be notified, and the card forwarded to the LA immediately for disposal

In the case of a lost or stolen card the LA will be responsible for arranging a replacement card

5. Procedure for Purchasing Goods

5.1. The schools ordering procedures must be followed as detailed in the school's internal financial regulations.

E.g. quotes must be obtained to demonstrate that value for money is being achieved

5.2. Supporting documentation must be provided for all purchases e.g. screen printout. For telephone purchases the details should be recorded in an appropriate manner determined by the school.

5.3. Schools should ensure details of authorisations of transactions are maintained.

5.4. Schools should note that some organisations may charge a small handling fee for using the card as payment.

5.5. When purchasing on-line some providers will ask you to provide the cardholder's address; this is NOT the school address - the school address should only be used for the delivery address. All cards are registered to the LA, as such the cardholders address is: WBC, PO Box 13, Quattro, Buttermarket Street, Warrington WA1 1BN

6. Record Keeping, Payment of the Bill & Reconciliation

6.1. The school is responsible for ensuring that appropriate systems are in place to accurately record and monitor all expenditure incurred on the card(s). Where possible, schools should ensure that there is a segregation of duties between the cardholder incurring expenditure and the officer reconciling and authorising the monthly statement. If not possible a third party should review the statement at the earliest opportunity and indicate compliance.

It is highly recommended for each individual cardholder to maintain a manual logging record of all transactions – see appendix 3

Each individual record should be signed by the cardholder & forwarded to the finance officer within the school. The cardholder weekly report sheets must be maintained in schools for internal audit purposes.

A record of debit card transactions (copy of the logs, bank statement etc) should be reported to the Finance Committee on a termly basis.

6.2. The School shall maintain a summary record of debit card holders including limits to be reviewed on at least an annual basis.

6.3. The total cost of all transactions incurred in any one expenditure period (monthly) of all card held by each individual school will automatically be paid from the Local Authority's general fund account via direct debit.

6.4. A monthly statement is generated for each card holder and can be accessed at <http://www.rbs.co.uk/corporate.ashx> . It is the responsibility of the School to ensure that this is reconciled on a monthly basis.

- 6.5. Further to the statement, as per 6.3 above, the school will also have access to all individual transaction details via the Smart Data Online web-site.
- ~~6.6. Schools are required to access Smart Data Online on a weekly basis to authorise and code all transactions. Should the school not complete the authorisation and coding element on Smart Data Online all of those transactions will be automatically charged to detail code 44948 (Debit Card Exp – default code) on your school cost centre. to a debit card holding account on the school cost centre and may not be treated correctly with regards to VAT. The school is then required to clear this holding account via a journal.~~
- ~~6.7. Schools are required for audit purposes when updating the Smart Data Online to include a description as to what the transaction was for.~~
- 6.8. Processing transactions on FMS – once the process as per 6.6 above have been completed the individual debit entries will appear on your monthly central report 2 received from the Local Authority and must be entered onto FMS as a 'Direct Central Payment'.
- 6.9. The school must ensure that expenditure incurred via the card(s) is accurately recorded and reflected within the Schools FMS as per the information provided from the Councils financial system.
- 6.10. The school should make all arrangements to correctly account for VAT on debit card purchases.

7. VAT Issues

- 7.1. All appropriate VAT deductions will automatically be accounted for in accordance with Her Majesty's Revenue & Customs (HMRC) procedures for all Level 2 & 3 suppliers.
- 7.2. Full separation of transaction and VAT detail will be shown on Smart-Store and the monthly statements for all Level 2 & 3 suppliers used.
- 7.3. Please note schools must obtain a paper invoice for any items purchased over £5k from Level 2 suppliers.
- 7.4. Where a school purchases goods or services from a Level 1 supplier, VAT will not be automatically deducted and is shown as a "UK NON VAT" item on Smart-Store. Schools must ensure that they have a valid VAT receipt for any Level 1 transactions, complete with VAT Registration No. Providing that information is held by the school, the school can then choose the standard VAT deduction box on Smart-Store and the appropriate VAT deduction will be made.

8. General

- 8.1. The card(s) will remain the property of Warrington Borough Council at all times. The Local Authority reserves the right to cancel any card, refuse permission to distribute to any requested cardholder and demand return of any card, at any time.
- 8.2. The provision of debit cards to the school will remove the need for any employee to use their personal debit/credit cards to make purchases on behalf of the school. Please refer to Scheme for Financing Schools Section 3 10– Banking Arrangements
- 8.3. All school cardholders must be reviewed as a minimum annually in consultation with the LA CSFO.

8.4. Should any school wish to request a review of the current limits of a cardholder within their school, all such requests must be made in writing and submitted to the Local Authority CSFO and PAS. (See Appendix 3)

8.5. The Schools Governing Body is required to formally minute an agreement to approve the issue of the card(s), to accept responsibility of its use and to accept all the preceding terms and conditions.

Schools are recommended to record the debit cards user's post title, rather than name, to avoid having to reauthorise each time there is a staff change.

e.g The full governing body authorises the use of the WBC debit card by the Headteacher and Finance Officer Only

8.6. The above procedures are to also be formally incorporated into the Schools Financial Regulations.

8.7. Any issues, items or queries not covered by the above, shall be dealt with by the LA (CSFO and PAS) as appropriate.

This is to certify that (St. Monica's Catholic Primary School) has adopted the above policy.

Headteacher _____ Date _____

Chair of Governors _____ Date _____

This policy will be reviewed annually

Principal Auditor for Schools (PAS) –

Simon Bleckly – Tel 01925 442217 or e-mail: sbleckly@warrington.gov.uk

WARRINGTON BOROUGH COUNCIL

Appendix 1

St. Monica's Catholic PRIMARY SCHOOL DEBIT CARD AGREEMENT / INDEMNITY NAME OF CARDHOLDER: INSERT NAME

I am an authorised Debit Cardholder and I agree to the following conditions of use: -

1. As a cardholder I agree to comply with the terms and conditions as stipulated by the Local Authority regarding my use of the card.
2. My credit card limit is £(amount)
3. I have received and understood that I am being entrusted with a corporate charge card and will be making financial commitments on behalf of the school.
4. I agree to use the Card for official school business purchases only and agree not to charge personal purchases. I understand that the use of the Card will be subject to Internal Audit.
5. I agree to abide by the established procedures for the use of the Card. I understand that failure to do so may result in either removal of the Card or any other appropriate disciplinary actions, including termination of employment.
6. Receipts/vouchers must be obtained for all transactions with the card, including a full VAT receipt where possible, and passed to the Schools Finance Officer. Any VAT costs not supported by invoices/receipts will be met from the schools budget.
7. If the card is lost or stolen it is my responsibility to report it to the Bank immediately, giving details also to the Local Authority CSFO.
8. Under no circumstances will I give the PIN allocated to the debit card to anybody else.
9. I understand that if I terminate my employment with the school, or change post, and am no longer eligible to be an authorised card holder I must surrender the credit card to the Local Authority
10. I understand that I will be responsible for the security of my own card at all times.
11. I will always follow the school's ordering procedures when making card purchases.
12. I will provide supporting documentation for all card purchases e.g. screen printout. For telephone purchases I will record the details in an appropriate manner determined by the school.

Statement

I acknowledge receipt of this school debit card and will adhere to the conditions of use as above.

_____ Signed
Print name
Dated
Headteachers Signature (if different
from
above)
_____ Chair of Governors Signature

Appendix 2

Warrington Borough Council

Shop safely online

If you want to use your Visa card on a web-site, then you should use these simple safeguards:

- Make sure that your card details will be encrypted securely before being sent across the Internet – look for an unbroken key or lock at the bottom of your browser window or check the web-site address, which should begin https://
- Use the latest version of your browser's software and check to be sure your computer's operating system software is up to date.
- Shop with retailers you know about, or research them first to ensure they are reputable and reliable
- Keep a record of your Internet transactions, including the retailer's web-site address. Many online stores send customers e-mails summarising the purchase details – make sure you save or print these
- Before buying, read the delivery and return policies that should be on the retailer's web-site. Can unsatisfactory items be sent back? If the items are faulty, can you get a refund or a credit note?
- The retailers web-site should also have information about delivery arrangements and costs, currencies they accept and taxes that apply.
- Look for a telephone number or e-mail address and note them down in case you have any queries.

Appendix 4

WARRINGTON BOROUGH COUNCIL

REQUEST FOR AMENDMENT

(Temporary & Permanent)

INSERT SCHOOL NAME

Cardholder: **INSERT NAME**

Current / New * cardholder - * delete as appropriate

SPECIFIC DETAILS

This section is designed to detail all the variable data so that only this part needs to go to the governors when changes are made/requested.

Debit Card Issue

NATWEST Bank via Warrington Borough Council issues the debit card.

Debit cards are requested for the following staff only: -

(List the staff here detailing name and job title)

Limits

Please refer to terms and conditions note 2 re current limits available

(Detail the requested total credit limit for each cardholder per transaction based on levels of authority and total credit limit for each card holder).

Agreed by _____ Date

Headteacher

Agreed by _____ Date

Chair of Governors