



TITLE

**PROCUREMENT CARD PROGRAM**

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**NOTE:** The first appearance of terms in bold in the body of this document (except titles) are defined terms - please refer to the Definitions section.

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If you have any questions or comments regarding the information in this policy, please contact the Corporate Policy Department at [corporatepolicy@albertahealthservices.ca](mailto:corporatepolicy@albertahealthservices.ca). The Corporate Policy website is the official source of current approved corporate policies, procedures, and directives.

## PURPOSE

- To set out the general principles for Alberta Health Services' ("AHS") Procurement Card ("P-Card") Program.

## POLICY STATEMENT

AHS is committed to ensuring the sound financial stewardship of its financial resources. The P-Card program has been established to provide an efficient and economical method of purchasing and payment for eligible goods and services and shall adhere to AHS governance documents including the Code of Conduct, Conflict of Interest Bylaw, and applicable policies and procedures, P-Cards are issued to authorized individuals for AHS business purposes only.

## APPLICABILITY

Compliance with this policy is required by all AHS employees, members of the medical and midwifery staffs, students, volunteers, and other persons acting on behalf of AHS (including contracted services providers). This policy is subject to all applicable laws.

All individuals who have been issued an AHS P-Card, or have responsibilities around the P-Card process are required to comply with this policy and the requirements set out in the P-Card Program User Guide.

## POLICY ELEMENTS

### 1. General

- 1.1 The principles and requirements for the AHS P-Card program are set out in this policy and are supported by the processes set out in the P-Card Program User Guide (see 1.5 (b) below).
- 1.2 Transactions incurred on a P-Card must be for valid business purposes.
- 1.3 Cardholders are expected to consider the cost effectiveness of the transactions incurred on their P-Card.
- 1.4 P-Cards are a mechanism to make payments for allowable goods and services and not as authority to exceed any requirement or limit established in applicable governance documents, including, but not limited to:
  - a) delegated expenditure limits defined in the Delegation of Authority for Financial Commitments (#1118);
  - b) expenses set out in the Travel, Hospitality, and Working Session Expenses policy (#1122); and
  - c) contracts as set out in the Contracts policy (#1117) and the Consultant Engagement policy (#1124).
- 1.5 Management of the overall P-Card program includes, but is not limited to:
  - a) review, and revise as required, the program principles, requirements, and processes in conjunction with the review period of this policy;
  - b) publication of a user guide (P-Card Program User Guide), in support of this policy, as the operational authority for day to day use, requirements, processes, roles and responsibilities within the P-Card program;
  - c) oversee the selection and oversight of a P-Card issuer in accordance with applicable AHS contract policies, laws, and legislative requirements;
  - d) designate a P-Card program administrator to manage the day-to-day processes of the program as defined in the P-Card Program User Guide;
  - e) transaction scrutiny of P-Card transactions for personal expenses; and
  - f) compliance monitoring of the P-Card program.
- 1.6 The P-Card Program User Guide is a supplement to this policy and is to comply with this policy. Maintenance of the P-Card Program User Guide is the responsibility of the policy sponsor(s).

### 2. Eligibility

- 2.1 Only AHS employees, members of the medical and midwifery staffs appointed to AHS administrative leadership positions and certain designated individuals authorized to bind AHS are eligible to be issued an AHS P-Card. All requests for a P-Card must:

- a) meet operational requirements;
  - b) be approved at least one signing authority level above the applicant;
  - c) be approved at a minimum level of Director (or equivalent) or above within the applicant's department; and
  - d) be approved by the Executive Vice President (EVP) & Chief Financial Officer (CFO) for a monthly transaction limit over \$10,000.
- 2.2 Students, volunteers, casual and temporary employees, and other persons acting on behalf of AHS (including contracted services providers) are not eligible to be issued an AHS P-Card.
- 2.3 P-Cards are non-transferable.
- 3. P-Card Training**
- 3.1 All P-Card holders ("cardholders") and expenditure approvers must complete all required training, and be fully conversant and agree to comply with all relevant AHS policies governing the P-Card program.
- 3.2 P-Cards are issued only upon successful completion of the training requirements as detailed in the P-Card Program User Guide.
- 4. Appropriate Use**
- 4.1 All cardholders and expenditure approvers are responsible to ensure appropriate use of P-Cards, including adherence to delegated financial limits.
- 4.2 P-Cards are to be used only for authorized business transactions relevant to the cardholder's role and responsibilities within AHS only and must not be used for personal expenses or cash advances. All transactions must be in compliance with applicable AHS policies and the P-Card issuer's requirements. Eligible and ineligible transactions are as defined in the P-Card Program User Guide.
- 4.3 Redemption of any loyalty points or awards accrued under a P-Card is limited to business purposes only. Redemption for personal use or use of a personal loyalty points or awards card in conjunction with P-Card purchases is not permitted.
- 4.4 In the event that an expense has been incurred on a P-Card and is subsequently paid by a third party, the cardholder must reimburse AHS.
- 4.5 Any transactions incurred on a P-Card cannot also be claimed for reimbursement through any other means within AHS, including but not limited to, through the expense reimbursement process for travel, working session, and hospitality.

## 5. P-Cards Used for Travel Expenses

- 5.1 Individuals using a P-Card for travel expenses shall give consideration to the cost effectiveness of the travel expenses. Cost effectiveness does not necessarily mean the most inexpensive method of travel; consideration of time, impact to service delivery and safety should be considered when assessing cost effectiveness.
- 5.2 Travel expenses incurred on a P-Card must be in compliance with the requirements in the Travel, Hospitality, and Working Session policy, including but not limited to, adhering to the allowances, guideline limits and documentation requirements for meals, accommodation, transportation and hospitality.

## 6. P-Card Expenditure Approval

- 6.1 All P-Card expenditures require the verification of the cardholder and are to be approved in accordance with the Delegation of Authority for Financial Commitments policy requirements and authorized signing limits.
- 6.2 All transactions must have supporting documentation, including itemized, original receipts or scanned originals. Where scanned originals are submitted, the claimant must retain the originals for audit and examination in accordance with the AHS Records Management policy (#1133).
- 6.3 In addition, the monthly P-Card Statement must contain an attestation by the cardholder and approver that the transactions:
- a) are for valid business reasons and are cost-effective;
  - b) have not and will not be claimed through any other sources within AHS (e.g. expense claim) or through an external third party; and
  - c) are in compliance with the any and all applicable policies.
- 6.4 Only the EVP & CFO or President & Chief Executive Officer (CEO) have the authority to approve transactions which are not in compliance with this policy. The President & CEO shall approve transactions of the EVP & CFO and the Board Chair shall approve any transactions of the President & CEO which are not in compliance with this policy
- 6.5 Cardholders must reimburse AHS for all ineligible expenditures at time the cardholder P-Card Statement is submitted for approval.
- 6.6 P-Card expenditures must be approved and submitted within thirty (30) calendar days of the date of the monthly statement.

## 7. Responsibility and Accountability

- 7.1 Cardholders

All cardholders are required to comply with this and all other applicable AHS policies, directives, including and bylaws and expenditure and approval limits and requirements set out in applicable policies, including, Delegation of Authority for Financial Commitments and Travel, Hospitality, and Working Session Expenses). P-Cards must not be used to circumvent other AHS governance documents.

- 7.2 Cardholders are responsible for the security of the P-Card. Any lost or stolen card must be reported immediately to the:
- a) P-Card issuer;
  - b) cardholder's manager (or delegate); and
  - c) P-Card program administrator.
- 7.3 Cardholders are to be familiar with the latest version of the P-Card Program User Guide and adhere to the processes, requirements and responsibilities therein.
- 7.4 Cardholders must:
- a) attest that they have read and understand this policy and relevant applicable policies and that transactions being claimed are in compliance with the principles and mandatory requirements;
  - b) attest that transactions claimed are for valid business purposes for AHS;
  - c) certify that the transactions have been incurred using a cost-effective method, otherwise provide the rationale and supporting analysis.
  - d) confirm that the transactions will not be paid, or have not been previously claimed or paid, on their behalf from AHS or a third party; and
  - e) provide supporting documentation for each transaction as required.
- 7.5 Approvers must:
- a) ensure the transactions incurred were necessary to meet desired business objectives;
  - b) confirm the cardholder completed the attestation section of the P-Card Statement;
  - c) acknowledge that they have read and understand the relevant policies, and transactions incurred are in compliance with all applicable AHS policies;
  - d) attest the transactions incurred were for valid business purposes for AHS;
  - e) certify that transactions were incurred using a cost effective method, otherwise provide the rationale and relevant supporting analysis;
  - f) confirm that transactions have not been previously incurred;
  - g) ensure transactions are in accordance with internal budget(s);
  - h) ensure P-Card Statements are accurately completed, signed, coded correctly, and adequately supported, including where discretion has been exercised, as required;
  - i) approve the P-Card Statement in accordance with the authorization table; and
  - j) ensure that P-Cards are obtained and destroyed when cardholders terminate employment with AHS the day the termination notice is submitted.

- 7.6 Approvers must submit approved P-Card Statement directly to the Accounts Payable (AP). AP will review and return any P-Card Statements which have not been properly completed. These will be deemed non-compliant and will be reported accordingly.

## 8. Compliance

- 8.1 P-Cards are subject to compliance monitoring to ensure correct management of the program to safeguard against, but not limited to:
- a) fraud, theft or corporate wrongdoing;
  - b) non-compliant purchases;
  - c) policy non-compliance;
  - d) process non-compliance; and
  - e) program mismanagement.
- 8.2 Instances of non-compliance are to be reported directly to the P-Card program administrator and the relevant P-Card Compliance Monitoring Program. Reports of non-compliance may also be made in accordance with the Safe Disclosure/Whistleblower policy.
- 8.3 Non-compliance with applicable policies and the P-Card Program User Guide may result in:
- a) suspension or revocation of the P-Card; and
  - b) disciplinary action up to and including dismissal or revocation of an appointment or privileges.
- 8.4 Compliance monitoring findings will be shared, periodically, with Internal Audit, the Chief Financial Officer, and relevant senior vice president(s) responsible for the P-Card program.
- 8.5 The P-Card program is subject to audits by Internal Audit and the Government of Alberta's Auditor General.

## REFERENCES

- AHS Governance Documents
  - Code of Conduct
  - Conflict of Interest Bylaw
  - Contracts (#1117)
  - Consultant Engagement (#1124)
  - Delegation of Authority for Financial Commitments (#1118)
  - Safe Disclosure/Whistleblower (#1101)
  - Travel, Hospitality, and Working Session Expenses (#1122)
  - P-Card Program User Guide

- Records Management (#1133)

**REVISIONS**  
April 1, 2013