



TO: Chair and Members of the Finance & Facilities Committee
FROM: Christopher Mackie, Medical Officer of Health
DATE: 2013 November 7

ADMINISTRATIVE POLICY 4-130 - CORPORATE PURCHASE CARDS

Recommendation

It is recommended that the Finance & Facilities Committee make the following recommendations to the Board of Health:

- 1) That the Director of Finance & Operations submit on an annual basis, a summary report on the purchases made by corporate credit card by category; and further*
- 2) Receive Appendix A to Report No. 015-13C “Administrative Policy 4-130 Corporate Purchase Cards” for information.*

Key Points

- 81 purchase cards are currently in circulation, which are mainly used to facilitate the efficient payment for program expenditures relating to travel and accommodation, purchase of office supplies and program supplies
- On average, 202 transactions from 63 purchase cards are used each month.
- A total of \$374,031 has been purchased to September 30th, 2013 (during the past 9 months)

Background

At the October 3rd, 2013 Finance & Facilities Committee meeting [Report No. 010-13C](#) “Review of Financial Policies” was tabled. During the review of the report the Committee discussed the use of corporate purchasing cards and requested further information to be brought back including which staff members hold a Health Unit credit card, the average spending, and whether or not all cards are utilized.

Corporate Purchase Card Information

The following two tables provide summary level data in regards to the distribution of the corporate cards, the frequency of use, and the total number of transactions.

Table 1 – Distribution of Active Cards

Category	Number of Cards in Circulation
Non-Union Management	39
Program Assistants	37
Other Program Staff	4
MLHU Van	1
Total	81

Currently there are 81 active cards are in circulation, with 39 being held by Non-Union Management staff, another 37 cards are being held by Program Assistants, 4 are held by other program staff, and 1 is being used as a fleet card for the MLHU van. The main purpose of this distribution is to facilitate the efficient payment of expenses for items relating to travel, accommodation, purchase of office and program supplies, and the health unit also processes the monthly Rogers cell phone payment through the corporate purchase card. All purchases are reviewed as part of a monthly reconciliation process.

The following table provides data in regards to how often the 81 cards are used. This chart shows that 85 cards have been used over the past nine months. Four staff no longer have access to a corporate purchase cards because they have either left the organization or transferred to another position.

Table 2 – Purchase Card Frequency

Frequency of Use (Jan – Sept 2013)	Number of Cards	Total Transactions in Grouping
1 or less transactions / purchases	15	5
2 – 5 transactions / purchases	9	29
6 – 10 transactions / purchases	12	97
11 – 20 transactions / purchases	17	242
21 – 30 transactions / purchases	12	318
31 – 50 transactions / purchases	11	423
51 – 100 transactions / purchases	6	393
Greater than 100 transactions / purchases	3	341
Total	85	1,848

For the first 9 months, a total of 1,848 transactions worth \$374,031 were made from corporate purchase cards. On average 63 cards are used per month, with an average of 202 transactions per month.

Corporate Purchase Card Policy

As part of the financial policy review, attached as [Appendix A](#) is Policy 4-130 “Corporate Purchase Card” which has been reviewed and update recently. The purpose of the policy is to ensure purchase cards are available and used appropriately by health unit staff. They are issued to facilitate the efficient procurement and payment of day-to-day business transactions. The policy includes information on applying for a corporate purchase cards, requesting credit limit changes, making and authorization of purchases, and procedures relating to reporting lost or stolen purchase cards.

This report was prepared by Mr. John Millson, Director of Finance & Operations.



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