Important Changes to UoS Departmental Purchasing Cards Terms and Conditions Q&A'S

1. **Why there is an increase in threshold approval from £200 to £5,000 (excluding VAT)?**

   **Answer:** The aim of increasing the threshold to £5,000 (excluding VAT) is to reduce the costs and processing time associated with setting up one-off vendors for low value purchases (below £5,000 excluding VAT).

   Therefore all new Vendor requests that meet all of the following criteria will be rejected automatically:

   i)  Purchase value of less than £5,000 (excluding VAT)
   ii) The Supplier is expected to be used only once
   iii) The Supplier accepts payment via Purchasing Card
   iv) The Department has a Departmental Purchasing Card to use

   If you believe that there is a valid reason for setting up a new Vendor for your purchase (even though it meets the above criteria), please contact the Procurement Helpdesk

2. **I’m unsure whether to use a departmental purchasing card, or to submit a new vendor request.**

   **Answer:** There are a number of different factors that need to be taken into account when deciding whether to pay via Departmental Purchasing Card or setting up a vendor.
You should pay via Purchasing Card, if the following apply:

- The value is below £5,000 (excluding VAT).
- The vendor is only going to be used only once.
- The Vendor accepts payment via Purchasing Card.
- If the payment is for travel/accommodation costs (all
  travel/accommodation can be paid via Departmental Card).
- The purchase cannot be made from a contracted supplier. (see Supplier
  Information Database - SID)
You should set up a new vendor, if the following apply:

- The vendor cannot accept purchase card payments
- The value exceeds the £5,000 (excluding VAT) threshold
- The vendor is expected to be used more than once

If you are unsure about whether you should use your purchasing card or set up a new vendor, it’s best to seek advice from the Procurement Helpdesk Officer first.

3. **The vendor I want to use accepts purchasing card payments, but can only do this if I fax the details across to them. Can I still do this or should I set up a vendor?**

   **Answer:** Even if your chosen vendor falls into the category of preferably being paid via Purchasing Card, but can only receive the details by fax, then a new vendor needs to be set up. It isn’t safe to fax over Department Purchasing Card details, as once it’s left us then we have no control over who can see those details/ use them. So it is best to set them up as a vendor, where they can be paid via the purchase order route.

4. **What are the differences between a contracted supplier, a framework supplier and a non-contracted supplier?**

   **Answer:** For the definitions on contracted, framework and non-contracted suppliers, please see the Financial Regulations. When looking to purchase an item, contracted or framework suppliers should always be contacted first as the University currently holds a contract with that supplier. Please see SID for further information.

5. **Why can’t I pay contracted suppliers with a purchasing card? The price I’m paying on the purchase order is same so what is the difference?**
Answer: It is the responsibility of the Procurement Team and Category Managers to negotiate the terms and conditions of the contract with a supplier, including payment methods. Paying contracted suppliers via Purchasing Card rather than purchase order may result in unnecessary costs to suppliers charged by the Credit Card Company.
6. **With the new increased £5,000 limit, I worry that my staff will spend over budget in a short space of time.**

   **Answer:** All purchases need to be approved by the Head of Department, the budget holder or the designated approver for the card. It is the responsibility of the Head of Department to ensure that adequate procedures for budgetary control and authorisation of expenditure are in place and that these are communicated to all relevant staff.

   In addition, Cardholders should be aware that the misuse of University Purchasing Cards shall be grounds for the card being revoked and, potentially the instigation of disciplinary action.

   Goods/Services purchased that are not for University business will be recovered from the card holder through Payroll deduction.

   If you have any questions about your Purchasing Card limit, or would like to investigate an increase to your cards limit, please contact the [Payments Office](#).

7. **How will departmental purchasing card spend be monitored and what actions will be taken should their use break the University’s Financial Regulations?**

   **Answer:** As well as the checks and monitoring that is undertaken in the Department, Purchasing Card spend is monitored by the Purchasing Card Team as well as the Procurement Team, who will be carrying out spot checks to ensure that Purchasing Card users adhere to the University’s Financial Regulations. This means that users must abide by the following:

   - Approval must be obtained from the Procurement Team, prior to making a purchase which is over the value of £5,000 (excluding VAT).
   - Use a contracted supplier ([See SID](#)) if the goods or services are available from them.
   - The Purchasing Card is only used for the purchase of goods or services in connection with University business authorised by the Head of Department
• The purchase meets budget and approval requirements.
• Follows all University Financial Regulations.