



The Acquisition Card

Updates & Important
Reminders on purchasing

Hello everyone and welcome to the Acquisition Card WebEx. We would like to thank you for attending this information session!

My name is Mona Gardyne, I am one of the National Acquisition Card Support Officers, and I have some of my colleagues here to assist me.

Before we begin, please put your phones on mute.

AGENDA



1. When to use the Acquisition Card
2. Acquisition Card and Service Fees
3. Acquisition Card Limits
4. Misuse of Acquisition Card
5. Advance Payment & Payment Beyond One Fiscal Year
6. Attractive Assets
7. Common Reconciliation Issues
8. Reconciling and Submitting Hard Copies
9. PAYE on Acquisition Cards
10. Key contacts



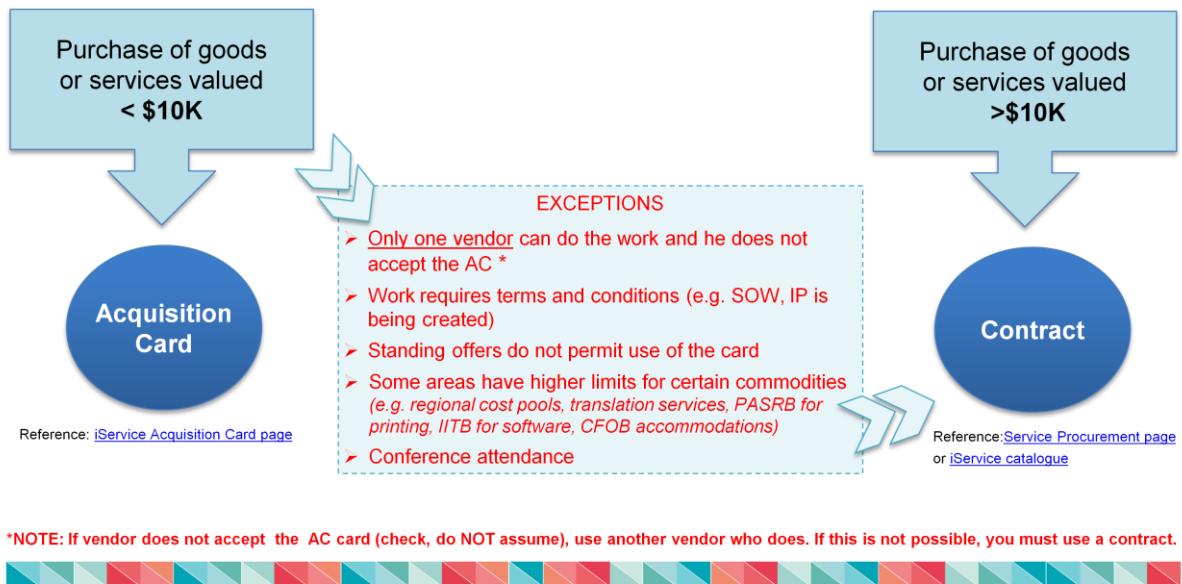
Throughout the presentation we will be using the abbreviation AC to signify the Acquisition Card

Our agenda for today's WebEx is the following:

- We will be sharing with you information on how to choose appropriate procurement tools to purchase goods and services and when you should use your Acquisition card.
- We will be discussing how to proceed when the vendor charges service fees.
- We will be discussing cases when you can ask for a temporary increase of your AC limits
- We will be talking about the Misuse of Acquisition Cards and give you some examples that often come up.
- The steps to follow when you purchase attractive assets
- The processing center will discuss topics on the reconciliation
- And finally, we will be sharing with you information on who to contact for certain questions.
- Please note that we invite you to ask your questions at the end of the presentation that should be relevant to the topics discussed. Also, you can always send us your questions on NC-PURCHASING_PORTAL-PORTAIL_D'ACHATS-GD.

This WebEx will be recorded and made available on iService

ACQUISITION CARD – When to use it



When should I use my Card?

When making a purchase, it is important to know which method to use. Either a funds commitment, using your acquisition card, creating a contract, or by requesting a convenience cheque.

You should use your acquisition card for all goods and services under \$10,000, except...

- If you have found a vendor and it is the only vendor that can provide you with what you need and this vendor does not accept credit cards
- If you will need contractual clauses or a Statement of Work
- If you are dealing directly with another department (with the exception of CORCAN) OR
- If there is a mandatory Standing Offer associated with your purchase. To view the list of goods and services associated with mandatory Standing Offers, you can visit Public Services and Procurement Canada's website which is the Standing Offers and Supply Arrangements Application (SOSA App) <https://buyandsell.gc.ca/standing-offers-and-supply-arrangements-application/my-agreements>
- This information is also available on the acquisition card iService page.

Please note our iService page is under construction and will be more user friendly within the month.

ACQUISITION CARD – When not to use it

Special Circumstances approved
by the Chief Financial Officer
(CFO) *
Revised list displayed on next page

Funds
Commitment

Reference: [iService ESRP SAP FAQs](#)

Special cases when vendor or individual does not accept the AC,
if deemed acceptable by the Convenience Cheque Coordinator,
such as (*convenience checks can be made up to \$400*):

- To provide remuneration to focus group participants; Cover cost of conference room rental when the AC not accepted;
- To pay Elders providing traditional knowledge and teaching

Convenience
Cheque

Reference: [iService Convenience Cheque page](#)

➤ Should not be used to avoid
AC purchases (or contracts /
confirming orders

***NOTE:** Any purchases for goods or services, other than those listed under FC list require a contract which you can request through an SAP requisition, the use of the AC, or convenience cheque.

When not to use my Card?

You should not use your acquisition card for all purchases.

In special circumstances, purchases need to be made by funds commitment, or a convenience cheque.

Remember that funds commitments should never be used to avoid using the acquisition card or to avoid contracts or confirming orders.

When choosing the appropriate procurement method, have a look at our new Procurement Roadmap. This step-by-step is intended to give you an overview of the four main phases in the procurement process, and provides links to tools, templates and training. At the end of the presentation, we will have the links available for you.

ACQUISITION CARD – When not to use it (cntd.)

Funds Commitments - Revised List Approved by CFO

Memorandum of Understanding (MOU)	<ul style="list-style-type: none"> ➤ With other government departments, agencies or Crown corporations (Cf. Procurement Bulletin 2015-11) ➤ With other levels of government (Cf. Procurement Bulletin 2015-11 & Changes in Procurement Bulletin 2018-8 regarding use of MOUs and FCs for agreements with universities or colleges) ➤ Non-Salary Interdepartmental Settlement (IS)
Grants and Contributions (Gs & Cs)	<ul style="list-style-type: none"> ➤ Common System for Gs & Cs (CSGCM) Funds Commitment interfaced through Partner Systems ➤ Gs & Cs Commitments used for non-CSGC Gs & Cs (such as Labour Market Development Agreements (LMDAs))
Employee's	<ul style="list-style-type: none"> ➤ Reimbursement of tuition ➤ Conference attendance ➤ Relocation costs – reimbursement to employees or costs paid to Brookfield Global Relocation (under contract with PSPC) ➤ Employee reimbursement for medical expenditures ➤ Payments to medical professionals for employee medical expenditures up to \$200 only
Other	<ul style="list-style-type: none"> ➤ Use of departmental forms and publications contracts (under ESDC contract) ➤ FCs related to travel will be handled by the Integrated Corporate Accounting and Accountability Directorate (ICAAD) ➤ Fleet costs paid through the ARI fleet credit card (under contract with PSPC) ➤ Accommodations services with Brookfield Global Integrated Solution (BGIS, under contract with PSPC) ➤ Claims against the Crown ➤ Postage meter refills

NOTE: Funds commitments should not be used to avoid the AC purchases or contracts/confirming orders / Source: Bulletin 2018-9: [Acceptable Use of Funds Commitments \(vs Contracts\)](#)

Here is the revised list of acceptable purchases to pay through funds commitments that was approved by the CFO. Any purchases for goods or services, other than those listed, require a contract which you can request through a SAP requisition or the use of the acquisition card. Monitoring on the use of FCs will continue.

Examples of acceptable purchases made through a funds commitments are:

1. MOUs with other government departments
2. Reimbursement of Tuition
3. Conference attendance
4. Employee's relocation costs and medical expenditures
5. Please note that universities and colleges no longer fall under the Funds commitments lists. You need to pay with the AC or a contract.

This list is available on iService in the procurement bulletin section – Bulletin 2018-9
If ever you have any questions about a specific case, you can always contact us via the portal and we would be happy to analyse and provide assistance.

ACQUISITION CARD – What you can or cannot buy

You
can
buy

- ☑ **Goods, services and printing** for operational requirements up to card transaction limit (usually \$10K all taxes included) and card monthly limit (usually \$25K all taxes included)

You
cannot
buy

- ☒ **USB keys** or other **portable memory devices, computers, laptops, printers, software, IT services** (iService instructions must be followed for these)
- ☒ **Travel** related expenses
- ☒ **Vehicle** operating and maintenance expenses
- ☒ **Cash advances**
- ☒ **Personal purchases**
- ☒ **Interdepartmental transactions** (transactions with Other Government Departments (OGDs))
- ☒ **Tuition fee expenditures**
- ☒ **Acquisitions** where either contractual clauses or statement of work (SOW) applies (e.g. purchases that involve creating new Intellectual Property or require Security Clearances or Privacy Protections)

Here are what you can and cannot buy with the acquisition card.

- ☑ You can buy: **Goods, services and printing** for operational requirements up to the card transaction limit (usually \$10K all taxes included) and the card monthly limit (usually \$25K all taxes included)

Note: If a Standing Offer (SO) exists, employees must buy from a vendor included on the SO and quote the SO number to ensure that the Crown receives the pricing and benefits of the SO. Also, if the vendor does not take the card (check, do NOT assume), use another vendor who does. If that's not possible, you must do a contract.

You cannot buy:

- ☒ **USB keys** or other **portable memory devices, computers, laptops, printers, software, or IT services** (iService instructions must be followed for these)
- ☒ **Travel** related expenses

- ⊗ **Vehicle** operating and maintenance expenses
- ⊗ **Cash advances**
- ⊗ **Personal purchases**
- ⊗ **Interdepartmental transactions** (*transactions with Other Government Departments (OGDs)*)
- ⊗ **Tuition fee expenditures**
- ⊗ **Acquisitions** where either contractual clauses or statement of work (SOW) applies
(e.g. purchases that involve creating new Intellectual Property or require Security Clearances or Privacy Protections)

ACQUISITION CARD – Service Fees

Service fee disclosed prior to purchase

- Request vendor remove fee and agree there will be no additional charge to use AC.
- If vendor will not remove fee, you should determine:
 - whether the service fee is an acceptable amount when compared to the cost of obtaining the service or good from another merchant who does not charge the fee; and
 - whether the service fee represents a lower cost to the department than issuing a purchase order (PO). If in doubt, contact the [NC-PURCHASING PORTAL](#).

Note: If issuing a PO would be more cost effective to the department, submit a PReq in MyEMS and clearly include your rationale in the header text.

Service fee disclosed after purchase

- Inform the merchant that the department refuses to pay the service fee as it was not disclosed on the quote he provided.
- All fees must be clearly disclosed to cardholders before the transaction is completed and cardholders must be able to cancel the transaction without penalty.
- Report the vendor to the National Acquisition Card Coordinator through the [NC-PURCHASING PORTAL](#) who will raise the issue with the card provider.

Reference Bulletin 2018-6: [Acquisition Card Purchases and Service Fees \(PDF, 124 KB\)](#)

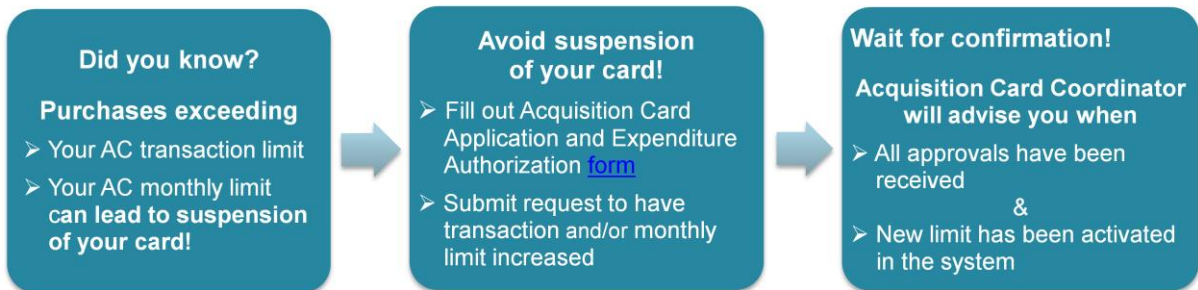
On this slide we will go through the guidelines that should be followed related to Service Fees.

It is the responsibility of the cardholder to confirm with the vendor the cost, the method of payment as well as the terms and conditions PRIOR TO THE PURCHASE. This is usually done at the time of requesting a quote.

It is up to the authorized manager signing Section 32 to decide whether to proceed or not with the purchase.

This to say, Vendors who accept the AC for payment reap considerable benefits to outweigh the cost related to card acceptance, including processing cost reduction, electronically deposited funds, faster receipt of payments and improved cash flow as well as customer satisfaction. However, an increasing number of cardholders have reported that certain vendors charge service fees that range from 1 to 10 percent to use the acquisition card. According to Visa's merchant rules, **vendors generally cannot charge a service fee when consumers use their credit card**. However, Visa permits eligible vendors to charge a service fee for certain types of transactions.

ACQUISITION CARD – Limits and Temporary Increase



Reference: Section "Spending Limits & Changes" of [Acquisition Card page](#)
Sections [7.3 Card Limits](#) , [7.4 Departmental Guidelines of Acquisition Card Policy, Procedure and Guidelines](#)

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On this slide we will talk about AC limits.

For example:

You would normally pay for a requirement using your Acquisition card but the amount exceeds your card's transactional limit, or the expected volume of purchases may exceed your monthly limit.

In some cases, you can consider the option to request a temporary limit increase of your AC's limit **before creating a Purchase Requisition.**

Did you know?

- Purchases exceeding your AC transaction and monthly limit can lead to suspension of your card
- To avoid the suspension you need to fill out the form and submit the request for the limit increase
- And wait for the confirmation, we will advise you when all approvals have been received and the limits have been activated in the system

ACQUISITION CARD – Limits and Temporary Increase

How to justify an increase?

Temporary Increase Justification Example

- We are organizing departmental event that was approved by the Minister (see TCHEE attached).
- We received the quote for room rental in the amount of \$11.5K (taxes included). Current transaction limit of Cardholder's AC is \$10K, monthly limit is \$25K.
- We request to increase transaction limit up to \$12K and monthly limit up to \$35K to allow for monthly volume of transactions.

Permanent Increase Justification Example

- The Cardholder is responsible for all low-dollar value purchases for our regional office. She will now take over training expenses, and purchases related to events.
- Currently she has \$5K transaction limit, and \$10K monthly limit.
- We estimate that monthly volume of purchases will increase up to \$25K and therefore request you to increase AC monthly limit to \$25K.

Reference: Section "Spending Limits & Changes" of [Acquisition Card page](#)
Sections [7.3 Card Limits](#) , [7.4 Departmental Guidelines](#) of [Acquisition Card Policy, Procedure and Guidelines](#)

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Here are examples how to justify a temporary or a permanent limit increase.

You organize a departmental event that was approved by the Minister. The room rental quote for the event is for the amount of 11.5K (taxes included). Your Current transaction limit of the AC is 10K and monthly limit - 25K. Since this particular service can be paid with the AC, you can request a temporary limit increase to pay for the room rental.

To do so,

First, confirm with the vendor if they accept the AC as a method of payment.

Then, **BEFORE ordering services and goods or signing any agreement, contact Purchasing Portal via email** by sending us details about your requirement along with your completed **ADM5061 form signed by the cost center manager**.

We will analyse information you have provided, and request clarifications if necessary. Following our analysis, we will advise you of our decision.

All requests for card limits that exceed the general Departmental guidelines require approval from the Director of AMPP (IPPM, CFOB) before the card is updated. The following require approval:

Transactional limit over \$10,000;

Monthly limit over \$25,000;

and/or more than 2 Acquisition Card per division under a Director.

Keep all relevant documents in your Acquisition Card file for monitoring purposes.

ACQUISITION CARD - Misuse

Most
common
types of
misuse

- Splitting a requirement/contract
- Not keeping your card in a secure location
- Using your card to make a Personal Purchase
- Letting someone else use your card
- Making a purchase contrary to financial or procurement policies

Reference [Acquisition Card Policy, Procedure and Guidelines Annex H: Consequences for Acquisition Card Misuse](#)

Moving on with AC misuses

On October 2018, we presented you with new consequences of misuse that were approved by the CFO. For reference, the consequences for AC Misuse can be located in the Acquisition card Policy, Procedures and Guidelines under the Annex H.

We have 5 very common types of misuse that comes up again and again:

1. Splitting a requirement
2. Not keeping your card in a secure location
3. Personal purchase
4. Someone else using your card (unauthorized use)
5. Purchases contrary to financial or procurement policies (e.g. IT Hardware/Software such as cloud services and microsoft office, Travel related expenses)

On next couple slides we will show you a few examples of misuse and how to avoid them.

ACQUISITION CARD - Misuse

Misuse – Contract splitting

Contract Splitting

You receive a request to buy 100 chairs for the new office, priced \$300 each

- total requirement = \$30K
- chairs are on a Standing Offer which allows payment with AC for orders below \$25K
- your card's transaction limit is \$25K

You consider placing two orders for 50 chairs each within 2 weeks.

You would receive 2 invoices of \$15K and pay each one separately.

STOP! This is considered contract splitting.

It is very important to understand that **you must not separate** the value of the requirement in two or more components in order to stay within your allowed thresholds.

Splitting an invoice or splitting a requirement – there have been some occasions where people split their invoices or split their requirement into separate orders with separate invoices because the total amount is above their transactional limit. It is not permitted to split an invoice in order to circumvent a control such as your transactional limit. If you are ever in a situation where you become aware of a requirement that will cost more than your transactional limit will allow, please contact the purchasing portal BEFORE making your purchase to discuss possible options.

We can help you to find a solution that may involve raising your limit to pass the transaction, or moving forward with a competitive process through contracting, depending on the estimated amount of the purchase.

Here is a great example where a cardholder had a request to buy 100 chairs for the new office, priced \$300 each. Therefore, **total requirement was \$30,000**. The chairs were on a Standing Offer that allowed payment with the AC for orders below \$25K. The cardholder's transactional limit was 25K, so he placed two orders for 50 chairs each within 2 weeks. The vendor sent two invoices and the Cardholder paid them separately.

REMINDER: This is considered contract splitting. It is very important to understand that **you must not separate the value of the requirement** in two or more components in order to stay within certain allowed thresholds.

ACQUISITION CARD - Misuse

Misuse – Using your card for a personal purchase / not keeping your card in a secure location

Personal purchase

You need to buy scent-free markers for tomorrow's meeting

- you have no time to order online and ask for delivery
- you go to Staples on your way home to pick up markers
- you bring your acquisition card with you to make purchase

Then, you stop for a coffee / tap your wallet on the merchant's card reader to pay. Inadvertently, your coffee gets paid with your government's acquisition card.

STOP! Your AC should be kept in a safe, locked place at all times, at the office.

Remember that carrying your AC with you for no specific reason is considered a misuse.

Should you have to bring your AC with you to make an emergency purchase, be mindful to keep it separate from your other cards.

If you place the AC in your wallet, AVOID placing it on or waving it close to a tap reader.

Even if a personal transaction occurs by accidental tap, it is still considered a misuse.

Consequently, the card will be suspended and the consequences of misuse will apply.

Another case:

It was brought to our attention that an AC was read by a tap reader through a wallet instead of the personal credit card presented for payment. This resulted in a personal purchase using the government's Acquisition Card.

Here is an example which is based on a true story:

You need to buy scent-free markers for tomorrow's meeting

- you have no time to order online and ask for delivery
- you go to Staples on your way home to pick up markers
- you bring your acquisition card with you to make the purchase

Then, you stop for a coffee / tap your wallet on the merchant's card reader to pay. Inadvertently, your coffee gets paid with your government's acquisition card.

First, remember that **your card should never be kept in your wallet**, it should be locked in your desk or filing cabinet at all times (except of course when you take it out to make a purchase). Many cases of personal use arise when someone is keeping their card in their wallet and they accidentally use it instead of their personal card.

If you put your AC into your wallet to make a purchase outside of work, **do not place it**

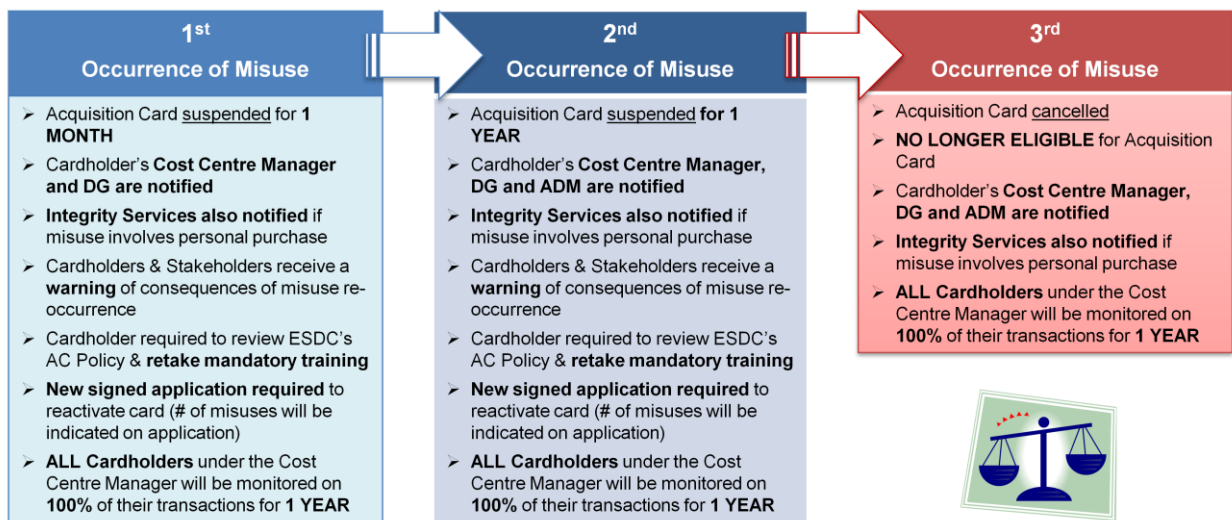
close to a tap reader.

We reached out to Visa and they confirmed that the card has to be within a couple of centimeters from the tap reader to be read. So it is highly unlikely that a card in a wallet would be read rather than a card presented for payment. It is more likely that the cardholder, waved their wallet containing both cards in front of the terminal and the purchasing card was read first and used for the transaction.

An important Reminder: **If you have the AC in your wallet to make a government purchase, AVOID placing it or waving it close to a tap reader.**

If a transaction occurs by accidental tap for a personal purchase, the card will be suspended and the consequences of misuse will apply.

ACQUISITION CARD – Consequences in case of misuse



Reference [Acquisition Card Policy, Procedure and Guidelines](#) [Annex H: Consequences for Acquisition Card Misuse](#)

As you all know, a new tiered approach to consequences of acquisition card misuse has been approved and is being implemented by the department. The Receiver General Manual requires us to impose punitive consequences and this has always been done within the ESDC's acquisition card program. CFOB has always had the authority to impose consequences when situations of misuse come up – and always has imposed consequences, although now a framework has been established to ensure the consequences are being applied in a consistent manner.

This came about after a small number of individuals had several cases of misuse and we needed to develop a consistent and fair approach to dealing with this type of situation. For the majority of cardholders, this tiered approach should never apply as most cardholders have never had a case of misuse and those that have more than 1 case of misuse are very few and far between. (Out of approximately 50,000 transactions, we have had fewer than 20 cases of misuse.)

Never the less, it is important to be aware of the possible consequences. It is also very important to be aware of what constitutes misuse and to take the time to familiarize yourself with the department's acquisition card policy – it is only a few pages long so it does not take too much time to read and we are here to provide clarification whenever you need it.

The consequences imposed for cardholders who are identified as having misused the

acquisition card or who have made a personal purchase using the acquisition card, or other actions in contradiction to the policy, are:

Communication with Cardholders and other Stakeholders:

- The cardholder will receive a warning to advise them of the consequences of re-occurrence. If the misuse involves a personal purchase made with the AC, Integrity Services are made aware (Accounts Payable is also made aware if the purchase requires reimbursement).

Requirements and Monitoring:

- The cardholder will be required to review ESDC's AC Policy and retake the mandatory AC departmental training. All cardholders under the CC Manager will be monitored on 100% of transactions for a period of 1 year. If the cardholder is assigned to a new CC Manager, the new manager is made aware of the number of instances of misuse that have occurred and the cardholder will continue to be monitored for the remainder of the 1-year period. (Note that in the past, we have had situations where a CC Manager has split a requirement or an invoice between 2 separate cardholders, which is one of the reasons why we always look at all cardholders under CC Managers, and not just 1.)

Amount of Time the Card is Suspended:

- 1 Misuse – Card is suspended for a period of 1 month
- 2 Misuses – Card is suspended for a period of 1 year
- 3 Misuses – The cardholder will not be eligible to have a departmental acquisition card for an indefinite period of time.

Superiors Notified of the Misuse:

- 1 Misuse – The cardholder's CC Manager and Director General (DG) are both notified.
- 2 or More Misuses – The cardholder's CC Manager, DG and Assistant Deputy Minister (ADM) are all notified.

ACQUISITION CARD – Important Reminder on Contracting Authority

Reminder – Limits in Contracting authority

Contracting Authority and AC

- Your acquisition card's transaction limit is \$10K
- Your Cost center manager signed agreement for a group training with total cost of \$11K
- Training took place
- Upon receiving invoice, you send request to temporarily increase your AC transaction limit to pay for the training

STOP! The invoice cannot be paid using your AC. You cannot ask for a temporary increase after the fact.

In this case, the invoice can't be paid using AC and a **Confirming Order is required.**

Cost Center Managers are authorized to approve contracts from vendors that will be paid by the acquisition card **up to the acquisition card transaction limit.**

It is imperative that Cost Centre Managers do not sign agreements exceeding their cardholders' transaction limit as this would contravene the [Delegation of authorities' instrument](#).

Purchases exceeding your AC transaction or monthly limit can lead to suspension of your card.

Reference Bulletin 2018-7: [Contracting Authority and the Acquisition Card](#)



Limits in Contracting authority, an example:

- Your acquisition card's transaction limit is \$10K
- Your CC manager signed an agreement for a group training with total a cost of \$11K
- Training took place
- Upon receiving the invoice, you send a request to temporarily increase your AC transaction limit to pay for the training

STOP! The invoice cannot be paid using your AC. You cannot ask for a temporary increase after the fact.

The CC manager can only sign the agreement if they are paying by acquisition card and **up to the acquisition card transaction limit.** If the Acquisition Card cannot be used then the cost-centre manager does not have the contracting authority. It is imperative that cost centre managers do not sign agreements exceeding their cardholders' transactional limit as this would contravene with the Delegation of Authorities Instrument.

CC managers should also review the terms and conditions proposed and negotiate any contentious points with the vendor before signing the agreement.

In case the CC manager signed an agreement exceeding their cardholder's transactional limit, the invoice can't be paid using AC and a **Confirming Order will be required**. This is a much longer and more costly process.

Solution? Contact us (The national Acquisition Card Team) **BEFORE** signing such an agreement and we will help you to choose the most appropriate procurement method.

PURCHASING – Advance Payment & Payment Beyond One Fiscal Year

Advance payments are possible under strict conditions

We reviewed the [FAA](#), [GCR](#), and [TB Contracting Policy](#). Section 34 of the FAA allows for advance payments when linked to a contract for services. **The TB Contracting Policy allows for advance payments when the following applies:**

1. Adequate security for the payment is ensured;
2. The Crown receives value commensurate with the amount of the payment;
3. The contracting authority has adequate funds to provide the financing; **and**
4. One or more of the following criteria are met:
 - a) *economic advantage to the Crown;*
 - b) *contractor could suffer hardship or provide financing only with difficulty or at rates considered to be uneconomic in relation to prevailing chartered bank prime lending rates;*
 - c) *the value of the contract is considered to be beyond the assessed financial capabilities of the contractor;*
 - d) *long duration for the contract performance;*
 - e) *an entrenched tradition or practice or receiving advance or progress payments for the purchaser exists in a particular industry or segment of industry. (Supply Policy Manual Article 4202)*

It is at the discretion of the contracting authority to determine whether the department is willing to make an advance payment or payments that go beyond one fiscal year. **If you pay for this service with the Acquisition Card, the decision lies with the Fund Center Manager who would sign off the Acquisition card transaction.**

Before proceeding with the payment in advance, we advise you to make sure that it's a trustworthy vendor and verify the terms and conditions of reimbursement in case of cancellation or changes.



We often receive questions about advance payments, if they are allowed and what the conditions are.

The answer is yes, it is possible to make advance payments, and these are the conditions that apply:

This is covered in the FAA, GCR and TB Contracting Policy Section 34 of the FAA allows for advance payments when linked to a contract for services. **The TB Contracting Policy allows for advance payments when the following applies:**

1. adequate security for the payment is ensured;
2. the Crown receives value commensurate with the amount of the payment;
3. the contracting authority has adequate funds to provide the financing; and
4. one or more of the following criteria are met:
 - a) economic advantage to the Crown;
 - b) contractor could suffer hardship or provide financing only with difficulty or at rates considered to be uneconomic in relation to prevailing chartered bank prime lending rates;
 - c) the value of the contract is considered to be beyond the assessed financial capabilities of the contractor;

- d) long duration for the contract performance;
- e) an entrenched tradition or practice or receiving advance or progress payments for the purchaser exists in a particular industry or segment of industry. (Supply Policy Manual Article 4202)

It is at the discretion of the contracting authority to determine whether the department is willing to make an advance payment or payments that go beyond one fiscal year. **If you pay for this service with the Acquisition card, the decision lies with the CC**

Manager who would sign off the AC transaction ●

Before proceeding with the payment in advance, we advise you to ensure that the vendor is trustworthy and verify the terms and conditions of reimbursement in case of cancellation or changes.

PURCHASING– Advance Payment & Payment Beyond One Fiscal Year

Before proceeding, Cost Center Manager Should Consider the following:



- Does the tradition or practice of receiving advance or progress payments exist in this particular industry or segment of industry?
- Is there an economic advantage to the Crown to make an advance payment?



- Will the department's requirement for this service continue for multiple years or is there a chance that the requirements could change?
- How substantial is the cost savings for paying beyond one fiscal year and in advance rather than annually in advance?



- Is this vendor trustworthy?
- What are the terms and conditions of reimbursement in case of cancellation or changes? Are they acceptable?



When determining whether to make an advance payment or payment that goes beyond one fiscal year, consider asking the following questions:

1. Does the tradition or practice of receiving advance or progress payments exist in this particular industry or segment of industry?
2. Is there an economic advantage to the Crown to make an advance payment?
3. Will the department require this service to continue for multiple years or is there a chance that the requirements could change?
4. How substantial is the cost savings for paying beyond one fiscal year and in advance rather than annually in advance?
5. Is this vendor trustworthy?
6. What are the terms and conditions of reimbursement in case of cancellation or changes? Are they acceptable?

On the next slides one of our colleagues will be addressing the process of Attractive

Assets.

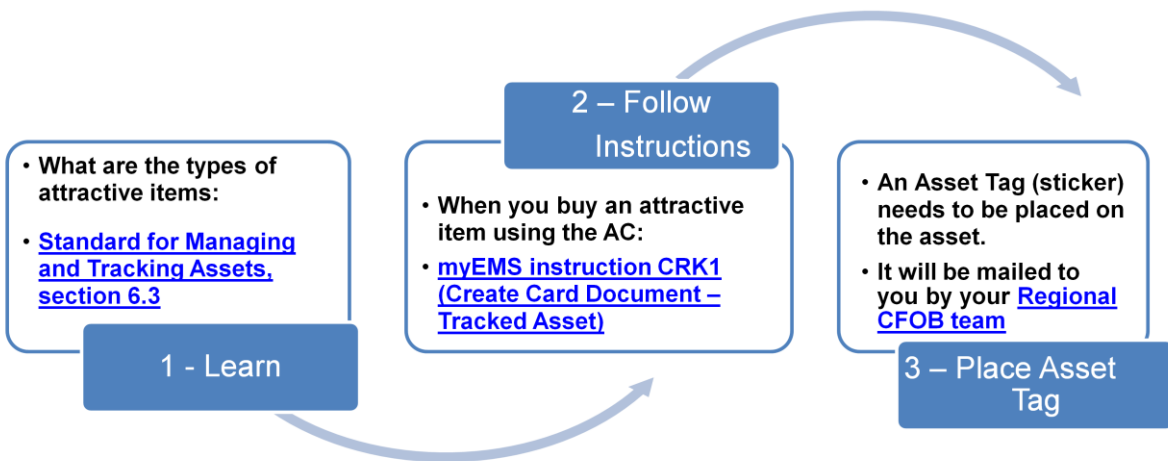
ASSETS – Attractive Items Purchases

- Attractive Assets, are departmental assets (<\$10K) that are not capital assets and are considered attractive and portable.
- Attractive assets need to be properly coded in SAP as attractive assets.
- Follow the instructions under Tracked Assets in [Phase 4 of the Procurement Roadmap](#) on iService.

References Bulletin 2018-13: [Attractive Items Purchases \(DOCX, 128 KB\)](#)
[ESDC Standard for Managing and Tracking Assets](#)

Attractive assets are assets below \$10K in value. They are considered attractive and portable. We will touch more on types of assets in a couple of slides. It is important that these assets are coded correctly in SAP. There is a new section in the procurement roadmap to help facilitate this process.

ASSETS – Attractive Items Purchases Process



References: Bulletin 2018-13: [Attractive Items Purchases](#) and [ESDC Standard for Managing and Tracking Assets](#)

This slide is a process flow of purchasing a tracked asset.

1. Is the standard that must be followed.
2. Are instructions for entering a card document required when purchasing an attractive asset on acquisition card.
3. These are instructions for the process on physically affixing asset tags to the actual asset.

TRACKED ASSETS – What are they, and how do we track them?

Attractive Assets

Are departmental assets that are under \$10k in value, and are considered to be attractive and portable. Attractive assets include:

- Flat screen televisions;
- Photography equipment valued over \$600;
- Portable mobile printers;
- Artwork (e.g. painting or sculpture) valued over \$500 or has heritage value;
- Tablets or iPads; and any other portable assets that are deemed attractive and have a value greater than \$600.

Capital Assets

Are assets which are valued over \$10k including software. However since software is an intangible asset it is not tagged and tracked with an equipment master record (EMR) as other tracked assets. Examples of Capital Assets include:

- Fleet vehicles
- Postal Equipment such as sorting and folding machines
- Mobile shelving
- Cabinet Storage

Non-Capital Information Technology (IT) Assets

Non-Capital IT assets are IT assets with a value under \$10k in value such as:

- desktop computers;
- laptops and;
- computer monitors.

Cost Centre Managers Responsibilities

To ensure all assets are being tracked in myEMS (SAP), CC Managers (including AC) are responsible for the following:

- Inform the [CFOB Regional Asset Manager](#) (RAM) of tracked asset acquired;
- Ensure that tags are affixed to these assets, in order to complete the goods receipt;
- Report any movement or transfer of a tracked asset to your CFOB RAM.
- Report surplus assets to CFOB RAM.

Source: [ESDC Standard for Managing and Tracking Assets](#), [ESDC Asset Management Policy](#).

Source: [8.7 and 8.8 of ESDC's Asset Management Policy](#).

Basically, before talking about proper disposal of assets, I think it is important to describe what are TRACKED assets, and how do we track them.

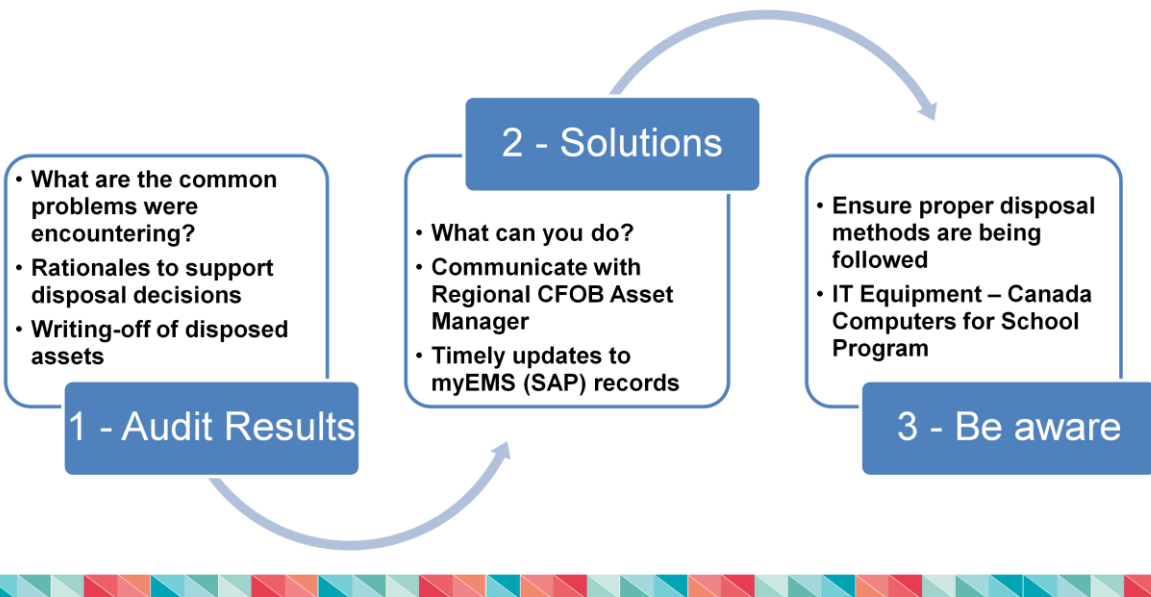
Attractive Assets – under 10\$K in value, considered attractive and portable. EX. Flat screen tvs,

Capital Assets – Over \$10K in value. Ex include specialty furniture/very large furniture

Non-Capital IT assets – under 10\$K in value, ex: desktop computers, laptops, computer monitors

CC Managers Responsibilities – It is important for CC managers to keep up with their responsibilities. They must Ensure myEMS (SAP) records are up to date. Inform CFOB Regional Asset Manager when an asset is to be tracked. Ensure tags are affixed to asset to complete the goods receipt. Report movements or transfers of assets, & Report surplus assets to RAM (say full acronym.)

ASSETS – Disposal of Assets



As per an internal audit of capital and attractive assets in 2018, there were common problems found that we are encountering:

1. Rationales to support disposal decisions
 - Each regions disposal requests can only be approved by a Regional Asset Manager. It is important to document rationale behind the disposal decision as it is the only effective way to manage the process, whether through e-mail or additional forms that we will be adding to the process.
2. Writing off of disposed assets
 - Must be done in a timely matter and within the same Fiscal Year in order to correctly capture accounting records for Capital Assets and to recuperate revenue for all assets.

Solutions - What can you do?

Effectively communicate with your CFOB Regional Asset Manager to track assets throughout their entire life cycle. When an asset is deemed surplus or end of life, ensure myEMS (SAP) records are kept up to date to match current status. Only CFOB has the delegated authority to authorize disposal, and this is exercised by Regional CFOB managers or directors. Communicate and work with one another to keep records up to date. Monitoring procedures are in place to maintain records as best we can.

DISPOSAL INFORMATION MUST BE REFLECTED IN myEMS IN A TIMELY MANNER.

Be Aware – Ensure you are following proper disposal methods. Ex, not all assets are disposed of in the same way. For IT equipment, such as laptops and monitors, departments must offer right of first refusal of all surplus equipment to the Industry Canada Computers for Schools Program. Departments who have surplus books must place them in the care or custody of the Librarian and Archivist of Canada. For more information on proper disposal methods please visit the TBS policy on Management of Materiel, and the TBS Directive on disposal of surplus materiel.

ASSETS – Disposal of Assets (cntd.)

CFOB Asset Management Services Group Contact by Region

Regional Accommodations, Assets & Managed Services (RAAMS)

Atlantic:

[ATL-CFOB-REAL-PROPERTY-ASSET-MANAGEMENT-DGAPF-GESTION-IMMOBILIER](#)

Quebec:

[QC-DGAPF-CFOB-GESTION-DES-BIENS-ASSET-MANAGEMENT-GD](#)

NCR:

[Stores GD Mailbox](#) also for asset tags contact

Contact your Accommodation Client Coordinators using form: [Accommodation Service Request Form \(ADM5073\)](#)

Ontario:

[ON-CFOB_DGAPF-SD_IS-GD](#)

Western:

[CFOBW-T Service Portal](#)

References: <http://iservice.prv/eng/finance/amp/caam/nam/index.shtml>



Here are the links to the Asset Management Services Group Contact by region.

On the next 3 slides, our colleagues from the processing center in Winnipeg will be talking about reconciling and submitting your AC statements.

ACCOUNTS PAYABLE – Common Reconciliation Issues

- **Clearing a credit on the Unaccepted Transaction Report:**
You do not need to create a new Card Document for Credits. In your Unaccepted Transaction Report, you will just need to match the transaction with the original card document that was created when the initial purchase was made.
- **US currency transactions:**
If you purchased something from the US and your Card Document did not match, you will need to change the amount that is in your statement and select CDN currency. Then you will be able to match the Card Document in your Unaccepted Transactions Report. Select '10' for tax and 'CAZZ' for tax jurisdiction.
- **Cancelling Outstanding Card Vouchers that are no longer needed:**
Go into "Change Card Document – CRK2" screen. Enter the card document that you want to cancel. Click 'F6' or the puzzle piece icon. Check off the 'Completion ind' box and click back and save. This amount will now be uncommitted.
- **Multiple cost centres being charged on a statement:**
If you have multiple cost centres that you are charging, please have the Card Activity Report signed off by each Section 34 manager before submitting.
- **Hospitality/Conference Fee charges:**
Please ensure to include a signed THCEE pre-approval for any Hospitality or Conference Fees before submitting your package.



In Accounts Payable, we receive many questions when it comes time to reconcile. These are the most common types of questions we get asked. Whenever possible, our team will do a Remote Access with the cardholder and guide them through the reconciliation process when required. In order to reconcile, cardholders must first check their Unaccepted Transactions report and clear all the items by either accepting the charge or manually matching it to a card document. Once this report is cleared, they can run their Acquisition Card Activity Report and print it off for Section 34 signature.

ACCOUNTS PAYABLE – Reconciling and Submitting Hard Copies

- If a transaction shows up unmatched in your Unaccepted Transactions, it will default to the Office Supplies GL. It is important to change it into the correct GL so that the purchase is captured correctly.
- Please submit your signed Acquisition Card Activity Report with all supporting documents in a timely fashion to your [Accounting Operations Processing Centres](#) (Winnipeg or Montreal office). These are required for auditing, ATIP Requests, Parliamentary Questions, and proper document retention.
- If the cardholder has not completed the reconciliation process after a total of 8 weeks from the statement's upload in SAP, ICAAD will request the National AC Coordinator to suspend the card.



Once you have reconciled, you need to submit the signed hard copy and all supporting documentations to your Accounting Operations Processing Centre.

ACCOUNTS PAYABLE – PAYE on Acquisition Cards

- Goods or services must have been received prior to March 31, 2019. The charges must not appear on the P13 (first week of April) Visa Statement.
- There are 3 steps to create a PAYE for Acquisition card charges:
 - Step 1: Create a card document for old year using old year financial coding with a transaction date of March 31, 2019 or prior. **Do not input the authorization number on this card document.** Do not close this card document, Finance will do so once the PAYE is set up.
 - Step 2: Create a card document for new year using PAYE coding with a transaction date of April 1, 2019. Once the transaction is charged to your VISA card, please go in and add the authorization number. You will use this card document when you complete your reconciliation in the New Year.
 - Step 3: Complete the [Manual PAYE - Supplier](#) form and submit through [PAYE/RAYE Submission and Inquiry](#) on iService by April 8, 2019. Please record both card document numbers on the Manual – PAYE Supplier form and ensure it is signed by Section 34.

***There is a minimum PAYE threshold of \$500 for each Acquisition Card PAYE request.**

**** Please refer to the [2018-2019 Year-End Instructions](#) located on iService for more details and cut off dates.**

Read the slides

QUESTIONS - Who to contact



NC-PURCHASING_PORTAL- PORTAIL_D'ACHATS-GD

- Questions about procurement
- Obtaining and canceling a card
- Change of Manager/Cost Centre
- **Changes** to your Payment Card Master Record in SAP
- Resetting your **password** and/or memorable word for VISM website

[myEMS portal](#) Report an "Incident"

- Errors with the creation of card documents (ex. CRK1, CRK2)
- Errors in SAP
- Problems with your SAP password

National Accounting Operations via *iService* or by phone at 1-855-684-7827 (option # 1)

- Submission of your statement
- Account reconciliation
- Unaccepted transactions of your card document monthly statement (ex. ZZCR, ZZCCVR, ZZCCAR)
- Enquiries on General Ledgers (GLs)

It can be hard sometimes to figure who within the department we can contact for different things.

When it comes to travel-related questions, please refer your questions to the [Gateway for Travel support](#). Their information is available on iService by clicking on the Travel icon near the bottom of the homepage.

Essentially,

- If you are looking for information concerning the procedures surrounding requests to obtain or cancel an acquisition card, to change information linked to your acquisition card account, such as your cost center, manager information, mailing address, temporary increases, or if you are looking for information concerning the policies related to the use of the acquisition card, please communicate with us by writing to the purchasing portal.
- If you are looking for information regarding card documents, you can report an incident via the (myEMS) SAP portal.
- If you are looking for information regarding your monthly reconciliation and the submission of your statement, you can communicate directly with **National Accounting Operations** online via (*iService*) Acquisition Card Support or by phone at 1-855-684-7827 (option #1).
- [Also, please note that you receive an email every month concerning your monthly](#)

reconciliation from the NC-CARTEDACHAT-VISA-ACQUISITIONCARD-GD account. This email address solely exists to provide information to cardholders from Accounts Payable, therefore please do not email this account with regards to the acquisition card.

If you write to us on the Portal and we are not able to help you, we will direct you to the right group who will be able to help you.

Remember ...

When in doubt, give us a shout!

Thank you!



This concludes our WebEX. Our AC page on iService is becoming more user friendly and we will continue to add relevant questions to the FAQ section.

Please take the time and to complete the survey about this course in SABA. We will now be taking questions relating to this presentation. Due to the high number of participants, we will be limiting questions.

You can also take note of your questions and email your inquiry to the purchasing portal where they will be answered in priority.

Thank you for joining us today!