



# Purchasing Card Policy

(Covers Purchasing cards, corporate cards, Virtual and Embedded/Lodged cards)

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Authors	Sarah Ascott
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## 1. Introduction

- 1.1 Purchasing via a purchasing card is an approved exception to the standard T1 purchase order to invoice route to meet business need and achieve value for money.
- 1.2 Individuals must adhere to this policy and understand their responsibilities under it. This policy aims to help staff comply with the [Terms and Conditions](#) of their purchasing card and the requirements of this policy.
- 1.3 The University's purchasing card is a charge card. The balance on the card is paid by the University in full each month by direct debit. Similar to a credit card, the purchasing card is primarily used to buy goods without the need to raise a Purchase Order in the Universities Finance System (T1).
- 1.4 The University's card provider is HSBC (Card Provider).
- 1.6 All purchases made using a University Purchase Card must comply with this policy, the Purchase Card Terms and Conditions and the University's [Finance Regulations](#).
- 1.7 This policy applies to all employees of the University and its subsidiary companies.

**Any card misuse will be subject to the University disciplinary procedures as set out in the University Code of Conduct. The Chief Finance Officer and Finance colleagues may remove cards from users in cases of suspected or actual misuse or persistent non-compliance with this Policy.**

## 2. Governance and Assurance

- 2.1 The following are required conditions of use:
  - Cardholders will be required to agree to a Declaration of Agreement to the University Purchase Card Terms and Conditions for the card and each time their card is renewed.
  - To ensure segregation of duties, Purchase card transactions will be subject to the applicable T1 approval rules.
  - Cardholders must operate within their set card limits. Limits are set by Procurement Operations.
  - Cardholders must comply with requirements relating to lost or stolen cards as set out in the [terms and conditions](#).
- 2.2 Card use will be subject to regular monitoring by Procurement Operations, who reserve the right to cancel and withdraw cards from individuals.

- 2.3 If a member of staff no longer has a business need to hold a card, or if they leave the University's employment, either for long-term absence e.g. parental leave or permanently, it is the cardholder and or their respective manager's responsibility to contact [Accounts Payable](#) and advise them that the card is no longer required. Once notified, Accounts Payable will provide further information of how to dispose of the purchase card. All outstanding transactions should be cleared and reconciled before the cardholder leaves the business.

### 3. When is it appropriate to use a Purchasing Card?

- 3.1 Cards should only be used for purchases of non-restricted commodities from a supplier that accepts VISA/MASTERCARD as a form of payment under the following circumstances:
- Where there is no preferred or approved supplier set up in the Finance System (T1)
  - The purchase is expected to be a one-off from a supplier not already set up on the finance System (T1)
  - The value is less than £1000 and deemed low value, low volume and low risk goods and services (e.g. conference registration fees)
  - To pay for goods being ordered from reputable internet on-line ordering suppliers, in line with this policy.
  - There is a business critical and urgent purchase requirement that cannot be processed in time as a purchase order. Budget Holder approval to proceed must be sought before placing the order.
  - Where Suppliers do not accept a purchase order (PO) and payment is by card only. Please refer to section 4.1 below.
  - It is not possible for the individual to access the University's Finance System (T1) at the point when the purchase is needed. For example, when travelling abroad and away from campus on university business.
- 3.2 Only expenditure relating to university business can be purchased using the card. The University [Finance Regulations](#), [Expenses Policy](#), Entertainment Hospitality and [Gifts](#) and [Travel](#) policies must also be adhered to at all times.

### 4. When is it not appropriate to use a purchasing card?

- 4.1 The following commodities are blocked across all cards and must **not** be purchased using purchasing card:
- Cash withdrawals or cash advances
  - Temporary labour/staff, including through agencies, or agency fees, temporary staff salaries, people providing services or temporary recruitment (any expenditure that could potentially be covered by IR35).

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- Items which qualify for VAT zero rating, e.g. some laboratory purchases. (The purchase card does not produce a zero rate certificate. These types of purchases should be bought by raising a requisition in T1).
- Chemical compounds, dangerous, radioactive or hazardous materials
- Any fuel for personal vehicles

### 4.2 Further commodities are restricted but may be purchased with approval from [Procurement Operations](#). Paying invoices (other than members of Procurement Team)

- Telecommunication services
- Stationary
- On Campus Catering
- Computer Hardware, Software and Peripherals (other than members of Exeter IT or with prior approval from IT)
- Charitable donations
- Travel costs such as flights/train tickets (this should be through our current [Travel Management Company provider](#) or unless exception is agreed by Procurement Operations).
- Domestic car hire (this should be booked via Enterprise). Overseas car hire is permitted where Enterprise are unable to assist.
- Gift vouchers (these should be sought via the Procurement Operations team)
- Under no circumstances must the card be used for personal purchases.
  - If this has happened accidentally, please contact the Accounts Payable ([AccountsPayableEnquiries@exeter.ac.uk](mailto:AccountsPayableEnquiries@exeter.ac.uk)) team to arrange repayment.

4.3 Splitting payments across multiple credit card transactions to bypass card limits is not permitted. Cardholders should contact Procurement Operations for advice on the payment they are trying to process.

4.4 Procurement Operations have blocked card use for certain merchant categories to minimise non-compliant transactions. Procurement Operations reserve the right to amend and block additional categories in line with business requirements.

4.5 Approved buying groups have been established within categories to allow those with a genuine business need to spend within a category to do so. These transactions are monitored to ensure compliance with policy and financial regulations.

4.6 Blocked categories are as follows:

#	Merchant Category Group
4	Utilities and Non-Automotive Fuel
5	Telecommunication Services
7	Cleaning Services and Supplies
10	Staff Temporary Recruitment

13	Personal Services
19	Office stationery, Equipment & Supplies
20	Computer Service Equipment
24	Miscellaneous Industrial/Commercial Supplies
26	Automotive Fuel
32	Leisure Activities
34	Cash

## 5. Applying for a Card

- 5.1 Where there is a genuine business need and their application has been supported by their line manager, staff are able to apply for a purchase card using the [initial application form](#). Procurement Operations will consider approval based on the likely usage of the card
- 5.2 Once approved a link to set up the account on HSBC will be sent to the card holder. Before the card is dispatched to the cardholder they must have completed the mandatory new card holder training, which can be booked [via the PS Connect Portal](#), and agree to the purchasing card terms and conditions.
- 5.3 A single transactional limit and a monthly credit limit will be assigned to the cardholder by Procurement Operations.
- 5.4 The default maximum financial limits are set according to business usage:

Level	Single transaction limit	Monthly credit limit	Indicative usage
1	£1,000	£5,000	Standard Use
2	£2,500	£10,000	Frequent Travel expenditure
3	£5,000	£25,000	Overseas Field Courses
4	Not Applied	£50,000	Procurement Team

- 5.5 Requests for increases or decreases to these financial limits should be made via HSBC's MiVision system. Requests will be reviewed by Procurement Operations who will either approve or reject it. All new cards will be set up with standard merchant category blocks in place.

## 6. What are my Purchasing Card Responsibilities?

- 6.1 Understand the use and purpose of a purchasing card prior to application, and that any breach of the rules may result in disciplinary action. By applying for a purchasing card, you have agreed to use it strictly in accordance with the provisions set out in the Purchasing Card Policy and understand that the University is liable for all charges made on the card.
- 6.2 Agreement from your line manager must be sought ahead of applying for a purchase card.
- 6.3 Obtain Budget Holder approval prior to any purchase being made.
- 6.4 Reconcile card transactions on the T1 finance system should be undertaken on a weekly basis and must be fully reconciled within thirty days from the date of purchase. A step-by-step guide on reconciling your purchasing card can be found online (<https://psconnect.exeter.ac.uk/information/knowledge-article/?article=reconciling-purchasing-card-transactions>). Where the cardholder does not reconcile within the required timescale notifications to cardholder will be issued by Finance Operations and if no further action by the cardholder it will be escalated to the individual line manager. If the transactions remain unreconciled, Finance Operations reserve the right to block the purchasing card until the reconciliation is completed.
- 6.5 Any discrepancies/errors must be rectified by the cardholder with the supplier directly and the card statement updated with information about the disputed charge.
- 6.6 Obtain a full VAT receipt wherever available for the purchase. This will enable the University to apply the appropriate VAT treatment. All supporting receipts / invoices must be scanned and attached to the transaction in T1. The original paperwork should be retained by the cardholder for a period of 6 years plus current year.
- 6.7 It is vital that budget information is as accurate as possible and sufficient detail provided. Failure to reconcile transactions, which includes the approval of transactions in T1, could result in all transactions being charged to the Faculty/Division core budget and the card being withdrawn from the cardholder.
- 6.8 Keep the card safe and secure at all times and not share the card or any details with a third party, including other members of staff or students. Never store the PIN number.

## 7. Supplier Disputes

- 7.1 If the cardholder is wrongly billed for a purchase, or fraudulent purchase suspected, the supplier should be contacted by the cardholder in the first instance. The receipt is the KEY document to substantiate the error. Both the original transaction and the credit will need to be processed separately through the purchasing card online

system. Do not delay the processing of the original transaction due to an outstanding credit or dispute, likewise, please ensure all other transactions are completed so your disputed payment can be easily identified as the only transaction not being completed.

- 7.2 If agreement cannot be reached with the supplier the cardholder should contact the Card Provider, within 90 days of the spend transaction date, providing full detail including the name and date of the last person from the supplier's organisation you have spoken with.
- 7.3 Where there are problems with goods which have not been received or are faulty:
- The cardholder should contact the supplier and request a credit is processed back onto the card. Faulty goods may need to be returned to the supplier.
  - Where the credit does not show on the statement the cardholder should contact the supplier again to clarify the date when the credit will be issued.
  - In the case of any difficulty in obtaining a credit please contact HSBC.
- 7.4 Please refer to the PS Connect portal for further guidance. [Home · PS Connect](#)

## 8. Card Security

- 8.1 Once a successful application is confirmed the member of staff will be contacted to arrange to receive/collect the card. Prior to receipt the cardholder will be asked to complete the purchase card training detailed here <http://www.exeter.ac.uk/finance/training/keytopics/purchasecards/>
- 8.2 Cardholders will be asked to sign a Declaration of Agreement Form confirming the cardholder will adhere to this guidance and the University policies and procedures. The cardholder's signature confirms that they are also aware of the Freedom of information Act under which the University may disclose spending information to third parties (<http://www.exeter.ac.uk/foi/summary/>).
- 8.3 The cardholder to ensure that the card is kept in a safe place at all times. The cardholder is also responsible for ensuring the card and associated PIN are kept separately.

In the event of the loss, theft or fraudulent usage of an individual's purchase card, the cardholder must **immediately report it to HSBC Card Services**. Contact details can be found on the University [Purchase Card webpages](#)

- 8.4 It is important that the cardholder remains alert to the illegal use of the card or associated details. There is always a risk of fraudulent transactions by others (including suppliers) and transactions must be monitored carefully and any suspicious transactions reported immediately to the Card Provider.
- 8.5 The card should only be used by the cardholder. In the event of this being breached the cardholder must contact the Card Provider immediately.

- 8.6 The cardholder must not share their purchase card details (number, csv number etc.) with anyone else. Sharing the card details increases the risk of the card being used fraudulently, for which the cardholder may be held responsible. If you suspect fraudulent activity is happening on your card, please ensure you contact the Card Provider to request your card is closed immediately and then inform Financial Operations.

## 9. What are the Line Manager and Budget Holder Responsibilities?

- Authorise cardholder applications, providing confirmation that there is a business need for the individual to be issued with a card
- Charges will automatically post to your budget without approval. Therefore, approval must be gained by the card holder before they apply.
- Confirm that the applicant has gained authorisation to spend against your budget, and accepting that the charge will be posted to your budget without prior approval
- Ensure that the cardholder has read the Purchasing Card [Policy](#), and agreed to comply with the cardholder responsibilities.
- Ensuring the cardholder uses the card & completes the weekly card reconciliation in accordance with [University guidance](#).
- Authorising purchases in principle and ensuring appropriate budgetary approval is in place.
- Monitoring all cardholder transactions & ensuring that disputed transactions are reported & resolved by cardholder to the Card Provider and Finance Operations in a timely manner.
- Ensuring the card is cut up if the card holder leaves or moves to a new position. Accounts Payable must be informed of the leaver as soon as possible. Where outstanding, unreconciled transactions remain the Line Manager will become responsible for the reconciliation of these transactions

## 10. Card Administration

- 10.1 Optionally, a cardholder can nominate another individual to act as the card administrator to undertake statement reconciliation tasks. However, the cardholder remains fully responsible for compliance with this Policy.
- 10.2 Finance Operations will maintain a register of all cardholders and their details (subject to GDPR), they also have full access to the Card Provider online services and can view cardholder data and run management information reports.

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- 10.3 Finance Operations will liaise with the Card Provider on all matters regarding “card administration”.
- 10.4 Changes to cardholder details i.e. a change of name, Faculty/Division/Professional Service must be reported to Finance Operations by emailing [AccountsPayableEnquiries@exeter.ac.uk](mailto:AccountsPayableEnquiries@exeter.ac.uk), who will instruct the Card Provider to issue a new card to the cardholder if appropriate.
- 10.5 If the cardholder is leaving the University, for an extended period of absence (e.g. maternity) or no longer requires the card - all expenditure on the card created during the notice period must be reconciled and authorised by the relevant line manager as expenditure occurs. Where a leaver has not fully reconciled their card prior to leaving the University, this responsibility will be escalated to the line manager for completion.
- 10.6 The card must be returned to the line manager prior to the cardholder leaving their post at the University or taking up a new position. It is recommended that this is done a month prior to departure date to align with the reconciling period. The cardholder’s line manager should inform Finance Operations by contacting Accounts Payable ([AccountsPayableEnquiries@exeter.ac.uk](mailto:AccountsPayableEnquiries@exeter.ac.uk)) to inform them that the cardholder has left the University employment or changed position. Finance Operations will arrange for the Card Provider to block card use and close the account.

## 11. VAT

- 11.1 The cardholder must obtain a full VAT receipt for each purchase made, wherever possible.
- 11.2 For on-line purchases it is essential that the appropriate box is ticked at check out, requesting a VAT receipt. Failure to do so will mean the University cannot correctly determine the appropriate VAT treatment. This could be to the detriment of the University and the College budget.

Purchase card transactions must be fully reconciled and approved by the relevant Budget Holder within 30 days. It is the cardholder’s responsibility to follow up on any unapproved transactions for resolution. Failure to reconcile on time will lead to the card suspension.

Purchase card transactions must adhere to the policy and any claims made which are found to be incorrect, inappropriate or fraudulent may result in the [University Fraud Policy](#) being followed based on the severity of the breach and disciplinary action.

## 12. IT equipment and online services and software

IT Services shall determine and maintain a standard range of IT equipment that meets the University's requirements for quality, security, and supportability. All approved equipment shall include appropriate support and warranty cover, provided by IT Services or an authorised third-party supplier.

The University shall fund an appropriate primary end-user device and associated peripherals for all staff and postgraduate research students through the central IT equipment budget.

The purchase of IT equipment, software, or online services through personal means, including expense claims, is prohibited and shall not be reimbursed. All such items must be requested and approved through IT Services.

For any Display Screen Equipment (DSE) requirements, please follow the established DSE assessment and approval process.

For further help or guidance on any items covered in this policy, please contact the Finance Helpdesk via the PS Connect Portal [Home · PS Connect](#).

## 13. Catering and Hospitality

All catering and hospitality-related purchases must follow the approved procurement procedures outlined in the PS Connect portal. Staff are required to adhere strictly to the designated purchasing routes and comply with all relevant guidelines and policies available within the PS Connect Portal [Home · PS Connect](#)

[Catering and hospitality guidance and FAQs · PS Connect](#)

*For full details of the University's rules and principles about providing entertainment or hospitality, please see the [Entertainment, Hospitality and Gifts Policy](#)*