

Corporate Credit Card Policy



Responsible officers:	<i>Chief Executive Officer</i>
Policy adopted	<i>November 2020</i>
Last revised date:	<i>-</i>
Minutes reference:	<i>2020/11-10</i>
Next review date:	<i>November 2024</i>
Related Policies:	<i>Procurement Policy</i>

1. PURPOSE:

This policy sets out the allocation process, permitted use and controls which apply to corporate credit cards and seeks to ensure that the credit cards assist Council in the delivery of its services while minimising the potential for misuse and fraud.

It is recognised that corporate credit cards are an efficient and flexible method of paying for goods and services. They offer a convenient and highly traceable payment option which assists to streamline business processes, improve purchasing efficiency and reduce administrative costs. Overall, Council's credit card use accounts for a small proportion of total expenditure, however, it is important that the corporate credit card system is effectively managed to reduce and control the risk of improper or unauthorised use.

2. LEGISLATIVE CONTEXT

The use of credit cards is not prescribed by legislation. However, legislation and Council policies are in place to control purchasing and the use of credit cards must be undertaken in line with legislation and policies, and adhere to the following principles:

- 2.1 Use of corporate credit cards is allowed for situations outlined in this policy;
- 2.2 Expenditure on corporate credit cards shall be incurred in the exercise of Council business only and in line with Council's Procurement Policy A19;
- 2.3 Authorised card holders must ensure the principles of good governance, financial accountability and transparency, and sound procurement processes as determined by Council Procurement Policy, are followed.

3. OBJECTIVE(S):

The objectives of the policy are to ensure probity, accountability and transparency in procurement activities where corporate credit cards are used and provide corporate card holders with clear guidance when using a corporate card as a procurement method.

4. TERMS OF CREDIT CARD USE:

Corporate credit cards are provided to a limited number of Council employees who hold positions where it can be demonstrated that there is a regular and ongoing business requirement to purchase specific goods or services using a credit card. The CEO will authorise the issuing of a credit card based on the assessed need and financial delegations. Where allocation of a credit card is deemed appropriate, it will be issued with a set maximum credit limit; equal to or less than the employee's financial delegation.

The corporate credit cardholder **must** conform to sound principles of purchasing in accordance with this document, Council's *Procurement Policy*, any other relevant Council Policy or procedure, the employee's financial delegation and the approved budget. In doing so, the cardholder will ensure expenditure meets the following characteristics:

- Necessary – for an official business purpose;
- Reasonable – expense must not be extreme or excessive;
- Reflect value for money;
- Appropriate – able to withstand public scrutiny; and
- Allowable – within council policy and legislative requirements.
- As per Council's Procurement Policy criteria

The Chief Executive Officer (CEO) will hold a register of Financial & Credit Card Delegations which details credit limits per officer. While credit limits issued to positions held will generally not alter, the CEO has the delegation to exercise alteration to credit limit(s) within the scope of Council's overarching ANZ credit card facility. In addition, the CEO can exercise delegated authority to change the number of cards issued as deemed appropriate.

The issue or re-issue of Corporate credit cards, must be signed for using the form provided at Appendix 1, by the card holder and the Chief Executive Officer (or for the Chief Executive Officer's card, the Manager Finance).

Should the CEO seek to increase Council's overarching ANZ credit card facility, an amendment to this Policy will be required.

5 PREFERRED PURCHASING METHODS

Cardholders must consider alternative purchasing methods available to them in accordance with Council's Procurement Policy, before using a Council credit card.

Credit cards may be appropriate for purchasing in any of the following instances:

- 5.1 invoices for approved goods or services requiring immediate or out-of-cycle payment, when payment has been authorised;
- 5.2 where purchase orders are impractical or inappropriate such as online purchases; or where raising a purchase order would take too long or unreasonably impact operational efficiency. This includes but is not limited to items such as parking; taxi fares; work-related meals; subscriptions; small value or unique IT items including monthly subscriptions and licence fees.
- 5.3 where payment by credit card has been formally authorised, such as emergency situations;
- 5.4 for purchases which cannot be made in the office, such as work-related travel expenses incurred while travelling or undertaking field work; and
- 5.5 for purchase of flowers or gifts under certain circumstances, which include occasions when it is appropriate, necessary or expected to offer a token of acknowledgement to community members/volunteers, staff and Council Members; or to thank an unpaid guest speaker.

Cardholders are expected to operate with some discretion, but must justify their purchasing decisions, including the purchasing method chosen in accordance with Council's Procurement Policy. Cardholders shall seek guidance or written instruction from Manager Finance if clarification is required.

6. LIMITATIONS

Each credit card represents a risk of accidental or intentional misuse of public funds and each credit limit amount is the extent of that risk. To minimise the risks associated with credit cards, the cardholder must adhere to the following:

- 6.1 Cash advances to the corporate credit card are strictly prohibited;
- 6.2 Personal expenses of any kind are not to be incurred on a corporate credit card;
- 6.3 No private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure.
- 6.4 Corporate credit cards are not to be linked to any form of loyalty point's program or airline club memberships;
- 6.5 Corporate credit cards must not be used to pay fines of any nature;
- 6.6 Every effort must be made to avoid using a corporate credit card for the purchase of fuel when a fuel card is available. In the event that the purchase of fuel to a corporate credit card is unavoidable, the cardholder must provide an appropriate receipt.
- 6.7 A cardholder found to have used a card in contravention of this policy; may be subject to disciplinary action.

7. GENERAL GUIDELINES FOR CREDIT CARD USE:

All expenses must be for a legitimate council purpose – meaning they are reasonable and appropriate in the circumstance, and able to withstand public scrutiny.

It is the cardholder's responsibility to ensure that:

- 7.1 use of the corporate credit card complies with the requirements of this Policy, Council's Procurement Policy and ANZ Card Conditions of Use;
- 7.2 the card and card password and PIN (if applicable) are kept safe and guarded from improper use at all times;
- 7.3 the card is returned immediately to the Finance Officer on cessation of employment; transfer to another position of employment; upon request from the CEO or delegate; expiry of the credit card; or voluntary surrender;
- 7.4 all purchases must be supported by an appropriate tax invoice/receipt that meets the requirements of the Good & Services Tax Act 1999. Where a tax invoice has not been retained, the cardholder should obtain another from the supplier;
- 7.5 if all avenues have been exhausted and the cardholder is unable to obtain a tax invoice from the supplier, the cardholder must provide a Statutory Declaration detailing all details regarding the nature and purpose of the expense, along with details as to why no tax invoice/receipt was received;
- 7.6 monthly credit card transactions are accurately recorded on the monthly Credit Card Reconciliation Form and appropriate authorisations are obtained;
- 7.7 all supporting documentation is retained and attached to the Credit Card Reconciliation Form before being returned to the Accountant as part of the monthly reconciliation process.

8. LOST, STOLEN OR REPLACEMENT CARDS

Due to the issuing bank's privacy laws, it is the responsibility of the cardholder to immediately contact the bank (ANZ) to report their credit card is lost or stolen. Similarly, if the cardholder notices unauthorised (fraudulent) transactions on the monthly statement, it is the responsibility of the cardholder to immediately report to the bank. The cardholder must also advise the Manager of Finance, and CEO as soon as practicable to advise when their credit card is lost or stolen.

9. BREACH OF POLICY OR MISUSE

Misuse of a credit card by a public officer is a breach of trust, intentional or otherwise, which may expose Council to financial or reputational risks. Intentional misuse of a credit card may lead to one or more of the following:

- revocation of the credit card issued to the employee;
- disciplinary action in accordance with Council's relevant HR Policies and/or procedures;
- independent investigation to determine if repayment of the expense is required by the employee.

Any fraudulent credit card use must be immediately reported to the CEO for referral to the appropriate agency.

10. REPORTING

All credit card transactions, card holder position and amount spent will be reported to Council on a quarterly basis. All breaches of this policy or misuse, will be reported to Council as soon as practical.

11. REVIEW OF POLICY AND PROCEDURE:

This Policy shall be reviewed every 48 months, or more frequently if required by legislation or Council.



WAKEFIELD
REGIONAL COUNCIL

Appendix 1 – Credit card Issue Form

Name: _____

Position: _____

Credit Card Number: _____

Date Issued: _____

Credit Limit Issued: _____

I hereby acknowledge that I have read and understood Council's Corporate Credit Card Policy and shall abide by this policy when expending council funds on the issued credit card.

I acknowledge that failure to abide by council's Corporate Credit Card Policy may result in investigation and potential disciplinary action.

Signed: _____

Title: _____

Name: _____

Date: ____/____/____

Signed: _____

Name: _____

Title: Chief Executive Officer

Date: ____/____/____