

# Corporate Credit Card Policy (V2016)

## 1 Document Information

<b>Version Date</b> <i>(Draft or Council Meeting date)</i>	27 August 2019
<b>Author</b>	Finance Manager
<b>Owner</b> <i>(Relevant director)</i>	Director of Finance and Corporate Services
<b>Status –</b> <i>Draft, Approved, Adopted by Council, Superseded or Withdrawn</i>	Adopted by Council
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<b>Minute number</b> <i>(once adopted by Council)</i>	19/08/12

## 2 Summary

This policy sets out the controls which apply to the allocation and use of corporate credit cards. Cabonne Council provides credit cards to staff and the Mayor to enable the purchase of goods and services.

## 3 Approvals

Title	Date Approved	Signature
Director of Finance and Corporate Services		

## 4 History

Minute No.	Summary of Changes	New Version Date
19/08/12	Adopted by Council	27 August 2019

## 5 Reason

This policy will ensure that the control and allocation of corporate credit cards is monitored and authorised in a more efficient manner.

This policy will provide a clear framework to enable the use of corporate credit cards. The policy will ensure that the Mayor and staff issued with a corporate credit card have clear guidelines outlining its use.

This policy will reduce the risk of fraud and misuse of the corporate credit card.

## 6 Scope

This policy applies to Mayor and staff who have been issued with a corporate credit card. The card holder is responsible for the correct use of the card at all times.

## 7 Associated Legislation

Local Government (General) Regulation 2005

## 8 Definitions

## 9 Responsibilities

### 9.1 General Manager

The General Manager is responsible for the overall control and implementation of the policy.

### 9.2 Managers

The Finance Manager is responsible for updating and maintaining the list of authorised staff and elected members.

## 10 Related Documents

Document Name	Document Location
Procurement (Incorporated Local Supplier Preference) Policy	Policy folder on Magiq – Doc ID 956479
Code of Conduct Policy	Policy folder on Magiq – Doc ID 987777

## 11 Policy Statement

### 11.1 Usage

Cabonne Council corporate credit cards shall be used only:

- For Council business activities
- When outside the LGA on business
- For the purchase of goods in accordance with Council's Procurement Policy.

Cabonne Council corporate credit cards do not have a cash advance facility.

## **11.2 Eligibility and application procedures for new Corporate Credit Cards**

Allocation of a corporate credit card can only be approved by the General Manager. Once approved, the application must be signed by the cardholder and two (2) signatories to Council's bank accounts.

Corporate credit cards will only be issued when it is established that the anticipated usage of the card is warranted.

A credit limit of \$10,000 is to be applied to the General Manager's corporate credit card.

A credit limit of \$5,000 is to be applied to corporate credit cards approved for other employees and the Mayor.

The cardholder shall acknowledge and accept conditions of use of the Cabonne Council Credit Card. Refer Attachment 1: Corporate Credit Cardholder Agreement.

## **11.3 Corporate Credit Card reconciliation procedures**

Corporate credit card statement accounts will be issued to the relevant cardholder who will, within seven (7) days, acquit the transactions on the account. A template is attached to this policy identifying the reconciliation requirements.

Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable a GST rebate to be applied.

An approved purchase order must accompany the reconciliation template, and shall be accompanied by a succinct explanation of why the expense was incurred.

Transactions shall be accompanied by an account/job number for costing purposes as detailed on the purchase order.

If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'. Approval of this expense is referred to the General Manager. Should a lack of detail be a regular occurrence for a particular cardholder, the cardholder may be refused access to a credit card in the future. Use of a statutory declaration is for exceptional cases rather than the norm.

Should approval of expenses be denied by the General Manager, the expense shall be met by the cardholder and a Debtor invoice be raised.

The cardholder shall sign and date the credit card statement with supporting documentation attached stating 'all expenditure is of a business nature'.

## **11.4 Review of Corporate Credit Card use**

Monthly reviews of expenditure shall be undertaken by the Finance Manager, Director of Finance and Corporate Services and the General Manager to ensure the integrity of the purchases.

A list of approved card holders is presented along with all the signed reconciliations by card holder. All invoices will be attached for review and appropriateness.

External scrutiny of the credit card expenditure will also be encouraged as part of the external

audit process of Council's finances.

### **11.5 Review of Credit Card Limits**

Credit limits are reviewed annually for all cardholders. If there is a request for a variation to the monthly limit, approval is sought from the General Manager for consideration.

### **11.6 Procedures for lost, stolen and damaged cards**

The loss or theft of a credit card must be immediately reported by the cardholder to the Commonwealth Bank regardless of the time or day discovered. The cardholder must also formally advise the Finance Manager of the loss or theft on the next working day.

Advice of a damaged card is to be provided to the Finance Manager who will organise a replacement card.

### **11.7 Corporate Credit Cardholders responsibilities**

The cardholder is to ensure corporate credit cards are maintained in a secure manner and guarded against improper use. Credit card details are not to be released to anyone. Credit card purchases are to be through the Cardholder.

Corporate credit cards are to be used only for Cabonne Council official activities, there is no approval given for any private use.

All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.

Credit limits are not to be exceeded. Where credit limits are to be exceeded, the Finance Manager is to be notified so appropriate steps can be taken to ensure sufficient funds are available or balances are refreshed.

The use of the credit card shall not be tied to any type of reward system that provides cardholders with any personal benefit or reward.

Purchases on the corporate credit card are to be made in accordance with Cabonne Council's Procurement Policy.

Monthly reconciliations of the credit card purchases are to be completed within seven (7) days of the date of the corporate credit card statement being issued by the Creditors department with all reconciliation dockets attached to equal the balance of credit used.

Corporate credit cards are to be returned to the Finance Manager on or before the employee's termination date with a full acquittal of expenses.

## **ATTACHMENT 1**

### **Corporate Credit Cardholder Agreement**

I (insert cardholder name) acknowledge and accept the conditions listed below which govern the use of the Cabonne Council Corporate Credit Card:

#### Conditions of Use

1. Ensure corporate credit cards are maintained in a secure manner and guarded against improper use.
  2. Corporate credit cards are to be used only for Cabonne Council official activities, there is no approval given for any private use.
  3. All documentation regarding a corporate credit card transaction is to be retained by, or provided to the cardholder and produced as part of the reconciliation procedure.
  4. Credit limits are not to be exceeded.
  5. The use of the credit card shall not be tied to any type of reward system that provides cardholders with any personal benefit or reward.
  6. Observe all cardholder responsibilities as outlined by the card provider.
  7. Purchases on the corporate credit card are to be made in accordance with Cabonne Council's Purchasing Policy.
  8. Monthly reconciliation of credit card purchases is to be completed on the supplied template within seven (7) days of the date of the credit card statement being issued.
  9. Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable a GST rebate to be applied.
  10. Transactions shall be accompanied by a succinct explanation of why the expense was incurred.
  11. Transactions shall be accompanied by a job number for costing purposes.
  12. If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'.
- Approval of this expense is referred to the General Manager for a decision.
- Regular failure to provide documented records may result in the card being forfeited.
13. Should approval of expenses be denied by the General Manager the expense shall be met by the cardholder.
  14. The cardholder shall sign and date the corporate credit card statement with supporting documentation attached stating 'all expenditure is of a business nature'.
  15. Lost or stolen cards shall be reported immediately to the card provider and a written account of the circumstances shall be provided to the Finance Manager on the next working day.

16. Corporate Credit Cards are to be returned to the Finance Manager on or before the employee's termination date with a full acquittal of expenses.

Failure to comply with any of these requirements could result in the card being withdrawn from the employee.

In the event of loss or theft through negligence or failure to comply with the Cabonne Council Corporate Credit Card Policy any liability arising from the use of the card may be passed to the cardholder.

The use of a Cabonne Council Corporate Credit Card is subject to the provisions of the Code of Conduct of Cabonne Council. Serious transgression of the above listed responsibilities or the Code of Conduct may result in an appropriate referral under the Corruption and Crime Commission Act 2003 and/or termination of employment.

Signed: (cardholder)

Date: (insert date)

Witness Name: (insert name)

Witness Signature: (signature)

Date: (insert date)

**ATTACHMENT 2**

**CORPORATE CREDIT CARD RECONCILIATION TEMPLATE**

Cardholders Name: \_\_\_\_\_

Month Ended: \_\_\_\_\_

All expenditure items must be listed:

DATE	Purchase Order	SUPPLIER	REASON FOR EXPENDITURE	AMOUNT	Job Number Allocation

I certify that all the purchases are of a business nature.

Cardholder Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Approving Officer: \_\_\_\_\_

\*\*If no tax invoice is supplied a declaration of expenditure must be provided for consideration to the General Manager.