

Credit Card Policy

October 2018

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POLICY

This Policy applies to all Elected Members and Staff issued with a Council Business Card.

PURPOSE

The purpose of this policy is to provide guidance on how Council corporate credit cards are to be allocated, used and administered to ensure they assist the efficient delivery of local government services while minimising the potential for misuse and fraud.

ELEMENTS OF THE POLICY

- 1 Applicability
- 2 Education and Awareness
- 3 Roles and Responsibilities
- 4 Procedures
- 5 Disciplinary Action
- 6 Legislation and Related Documentation
- 7 Review of Policy

1 APPLICABILITY

This Policy applies to all Councillors and Staff who have been issued with a Commonwealth Bank Mastercard for Business Use.

2 EDUCATION AND AWARENESS

All Councillors and Staff issued with a Commonwealth Bank Mastercard will be required to read this Policy and sign the acknowledgement form (Appendix A).

3 ROLES AND RESPONSIBILITIES

- (a) The Mayor, General Manager, Directors and other cardholders are responsible for:
 - (i) Using their Business Card for appropriate Council business only.
 - (ii) Using their Business Card only when suppliers will not accept payment on account via EFT or cheque.
 - (iii) Allocating internal expense codes.
 - (iv) Recording any additional information required.
 - (v) Recording the number of staff (including associates) and the number of guests when Business Cards are used for meal entertainment subject to Fringe Benefits Tax.
 - (vi) Authorising all transactions.
 - (vii) Providing a valid 'Tax Invoice' for all transactions.

- (viii) Transactions that do not have a valid 'Tax Invoice' must be supported by other documentation such as cash dockets, receipts or invoices.
 - (ix) Forwarding the monthly statement and supporting documentation to the Authorising Officer within one week of issue.
 - (x) The card is not to be used for cash advances, fuel purchases or fines incurred by the holder.
 - (xi) During periods of leave in excess of two weeks the cardholder must return the card to the Assistant Accountant for safe storage.
- (b) The Assistant Accountant is responsible for:
- (i) Reconciling the individual cardholder statements and the 'Business Card Consolidated Report'.
 - (ii) Allocating expenditure to the applicable internal expense account.
 - (iii) Properly accounting for GST Tax Credits.
 - (iv) Using the information recorded regarding meal entertainment to complete the annual Fringe Benefits Tax return.
 - (v) Ensuring expenditure is authorised in accordance with this Policy.

4 PROCEDURES

The issuing of all Credit Cards must be authorised by the General Manager. Cards are issued where there is a proven requirement. Cards are issued to those organisational roles where the operating benefits of efficient purchasing outweighs any increased risk.

A credit card will not be allocated to Councillors.

A credit card may be issued to the Mayor if the operational benefits to Council of efficient purchasing significantly outweigh the administration of managing an additional card.

The credit limits are set as part of the adoption of this policy by Council.

The limits per card are:

Position	Limit
General Manager	\$10,000
Mayor	\$3,000
Director Infrastructure	\$5,000
Director Community Services	\$5,000
Director Organisational Services	\$5,000

Corporate Services Group Leader	\$2,500
Group Manager Childcare Services	\$1,500

Should a new card be issued then the limit of the card will not be greater than \$2,000.

Should a card need to be replaced it will be replaced with the same limit.

All amounts applied are well within the financial delegation for each of the positions.

The maximum total credit limit of all cards is set at \$40,000.

Transaction limits have not been set as usage is determined by the applicability of the usage rather than amount of the transaction.

Any changes to the existing limits of the cards can only be considered as part of a review by Council.

Each cardholder will receive a monthly statement of expenditure which is to be completed, authorised and forwarded with Tax Invoices/receipts to the Assistant Accountant within one week of issue.

The General Manager's card will be utilised where required for any Councillor expenditure.

The authorisation procedure is as follows:

- . The General Manager will authorise the expenditure of the Mayor and the Directors.
- . The Mayor will scrutinise the expenditure of General Manager, and the Director Organisational Services will authorise the expenditure of the General Manager.
- . The Directors will authorise the expenditure of any responsible staff issued with credit cards.

The purpose of the Statement Reconciliation and acquittal process is to ensure that:

- . Cardholders justify and prove every purchasing decision to Council; and
- . Council is able to justify and validate its endorsement and validation of Cardholders' purchasing decisions to auditors, investigators and the public.

Payment is automatically deducted from the Council's operating bank account at the end of each month.

The Assistant Accountant will reconcile the individual cardholder statements and the 'Business Card Consolidated Report'.

The Assistant Accountant will prepare and input journal transactions to allocate Mastercard expenditure to applicable internal expense and GST Tax Credit accounts. Journals are to be processed within one week after receipt of authorised statements.

The Director Organisational Services will review the cardholder statements to ensure compliance with the Policy.

5 DISCIPLINARY ACTION

Any breaches on this policy by any Cardholder, Authoriser, staff or elected member, depending on the nature and extent of the breach, may result in

- . Counselling and retraining in the policy and requirements;
- . Reimbursement of costs;
- . Cancellation of card;
- . Disciplinary action in accordance with Council's Human Resource Disciplinary Action Policy; or
- . Referral to police or civil proceedings

6 LEGISLATION AND RELATED DOCUMENTATION

- . Employee Code of Conduct
- . Code of Conduct of Councillors
- . Fraud Control Policy
- . Human Resource Disciplinary Action Policy
- . Resignation/Termination Checklist

7 REVIEW OF POLICY

This Policy will be reviewed every two years unless organisational and legislative changes require more frequent modifications.

ATTACHMENTS

- . Acknowledgement of Policy Declaration Form.

Appendix A
Credit Card Policy
ACKNOWLEDGEMENT FORM

I have read and understood the contents and agree to abide by the Credit Card Policy.

Employee Name:

Employee Signature:

Date:/...../.....

Please return this acknowledgement to the Assistant Accountant.

Date of approval:/...../.....

Approved by:

.....

Sandra Ayton
GENERAL MANAGER