



# Credit Card Policy

February 2022

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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 the Mayor and Staff who have been issued with a Commonwealth Bank Mastercard for Council Business Use.

### *2 EDUCATION AND AWARENESS*

The Mayor 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) Reviewing and verifying all transactions, and notifying the Assistant Accountant of any suspicious, fraudulent or unauthorised transactions.
  - (iv) Allocating internal expense codes.
  - (v) Recording any additional information required.

- (vi) 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.
  - (vii) Authorising all transactions.
  - (viii) Providing a valid 'Tax Invoice' for all transactions.
  - (ix) Transactions that do not have a valid 'Tax Invoice' must be supported by other documentation such as cash dockets, receipts or invoices.
  - (x) Forwarding the monthly statement and supporting documentation to the Authorising Officer within one week of issue.
  - (xi) The card is not to be used for cash advances or fines incurred by the holder.
  - (xii) Cards should not be used for the purchase of fuel unless in an emergency situation, where fuel outlets for the Council issued fuel cards issued to the vehicle are not available.
  - (xiii) Only use cards online on websites which have appropriate security (e.g. encryption) and privacy protection in line with the Payment Card Industry Data Security Standards (PCIDSS).
  - (xiv) Not allowing websites to save card details on payment gateways.
  - (xv) During periods of leave in excess of four 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) Notify and follow up with the bank in relation to any transactions identified in 3(a)(iii).
  - (vi) Ensuring expenditure is authorised in accordance with this Policy.

The cardholder is responsible for all transactions that are incurred on a card. A cardholder may authorise a Council staff member to use the card for Council business, but the responsibility for meeting the requirements under section 3 remain with the

cardholder. Credit card details are not to be stored and retained on file for future use by staff members, unless specifically authorised by the General Manager in writing.

#### 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 for the payment of conference or official Council related business expenses. 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 Services	\$5,000
Director Community Services	\$5,000
Director Corporate Services	\$5,000
Manager Childcare Services	\$1,500

Should a new card be issued then the limit of the card will be at the General Manager's discretion but no greater than \$3,000.

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 \$35,000.

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.

A seniority principle will apply in the event where multiple cardholders are present at an event where payment is to be made by credit card. The most senior role in attendance is required to make the payment.

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 review and scrutinise the expenditure of the General Manager. In the absence of the Mayor, the Director Corporate 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 Corporate 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 one or more of the following:

- 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*

- A New Tax System (Goods & Services Tax) Act 1999
- Employee Code of Conduct
- Code of Conduct of Councillors
- Fraud Control Policy
- Human Resource Disciplinary Action Policy
- Resignation/Termination Checklist
- AS 8001:2021 Fraud and Corruption Control

*7      REVIEW OF POLICY*

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

**ATTACHMENTS**

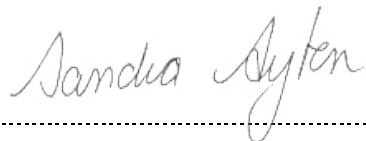
- Acknowledgement of Policy Declaration Form.

SANDRA AYTON  
**GENERAL MANAGER**

Date of approval:            21 /    2 / 2022

Minute Ref No. 60/2022

Approved by:

  
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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.