



CORPORATE CREDIT CARD POLICY & PROCEDURE

Policy Owner:	CEO
Distribution:	Management
Person Responsible:	Finance Manager
Date of Approval:	17 November 2015
File Reference:	ADM

Objective To regulate the use of Shire of Dowerin Council Credit Cards held by Council employees.

The CEO and staff issued with a Corporate Credit Card in accordance with this policy are in a position of trust in regard to the use of public funds. Improper use of that trust may render the card holder liable to disciplinary/legal action/criminal proceedings. It is the card holder's responsibility to ensure the card is only used for approved purchases and that this can be clearly demonstrated.

Legislation The use of Corporate Credit Cards is not specifically mentioned in the Local Government Act 1995. However the impacts of the use and control of corporate credit cards are related to the following sections of the Local Government Act 1995;

1. Section 2.7(2)(a) and (b) requires the council to oversee the allocation of the local government's finances and resources and determine the local government policies.

2. Section 6.5(a) requires the CEO to ensure that there are kept, in accordance with regulations, proper accounts and records of the transactions and affairs of the local government.

Local Government (Financial Management) Regulation 11(1) (a) requires local governments to develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained.

Policy

Statement

Shire of Dowerin Council Credit Cards are to be used only in pursuit of official Council business. The Chief Executive Officer, Works Manager and Finance Manager will be given access to a Council Credit Card.

Credit Cards assist in achieving efficiencies in the purchasing and payment process as:

- The steps required to process a purchase and the associated payment can

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- be reduced.
 - Credit Cards are a more flexible payment tool.

These advantages result in prompt payment of suppliers, reduction in paperwork, reduced administrative costs, improved cash management and greater convenience.

General

1. Agreement must be signed by the cardholder and the Shire setting out the cardholder's responsibilities and legal obligations when using the Corporate Credit Card and a copy to be kept on the officer's personnel file;
2. Register kept of all current cardholders including, card number, expiry date of the credit card, credit limit and details of goods and services the cardholder has authority to purchase;
3. All new and existing cardholders are provided with a copy of the policy relating to the use of credit cards on an annual basis;
4. In the event that a cardholder ceases employment, takes an extended period of leave, or they move to a position which does not require the use of a Corporate Credit Card, the cardholder must notify Finance Manager two weeks before termination date, to arrange cancellation and to ensure all receipts and their account has been settled;
5. In the event that the cardholder loses or misplace their credit card they will need to report this to the issuing financial institution by telephone. Written notification must also be forwarded to the Finance Manager;
6. Cardholders cannot transfer the Corporate Credit Card account to other users. An account number will only be assigned to one cardholder;
7. Under no circumstances is the reward scheme to be used on Council Corporate Credit Cards; and
8. All surrendered Corporate Credit Cards must be returned to Finance Manager who will make arrangements for the destruction of the card.

Cardholders breaching Corporate Credit Card Policy

1. Any officer that believes a cardholder is entering into transactions that seem to be unauthorised, excessive, and unreasonable will be reported to the Chief Executive Officer. Any breach by a cardholder will require an investigation into activities and if necessary action taken by the Chief Executive Officer, resulting in withdrawal of the card or termination of employment.
2. Cardholders that do not follow any component of the Policy, at the discretion of the Chief Executive Officer, may have their Corporate Credit Card cancelled.

Purchasing

1. Corporate Credit Cards are only be used for purchasing goods and services on behalf of the Shire which is authorised in the current budget. Cardholders must follow Shire of Dowerin Purchasing Policy;
 2. Personal expenditure is prohibited;
 3. Corporate Credit Card are not be used for cash withdrawals;
 4. Maximum credit limits are be based on the cardholder's need; and
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5. Where the purchase has been made via facsimile, telephone, or over the internet an invoice or receipt is required in all circumstances and must contain details of the purchase.

6. For Fringe Benefits Tax purposes, any expenditure for entertainment must include the number of people who were in attendance and the full names of any Shire staff.

Payments

1. All paperwork must for credit card purchases must be returned to Accounts Officer within 7 days of expenditure;

2. There will be a monthly account statement that will be provided to the respective cardholder to certify statement and they will also be required to check all invoices/receipts for transactions. All paperwork must be returned to Accounts Officer within 7 days of receiving statement;

2. Once the cardholder has returned the statement, it must be signed by Finance Manager. The Shire President will be required to authorise and sign the Chief Executive Officer's statement;

3. All invoices/receipts must include the suppliers ABN, amount and whether GST applies, and a brief description of goods and services purchased.

Financial Institution

The Shire's Corporate Credit Cards are to be issued by the financial institution that municipal transactions are made (referred to as transaction account). The National Australia Bank (NAB) are the issuing financial institution.

Authorised Use and Limits

1. Corporate Credit Cards may be issued to the Chief Executive Officer and any authorised officers that would benefit from using this payment method;

2. Council must approve the use of a credit card to the Chief Executive Officer and any changes to their credit card limit;

3. The Chief Executive Officer may approve the use and any changes to credit card limits for any authorised officers;

4. The Local Government Act 1995 does not allow for the issue of Corporate Credit Cards to elected members. There are no provisions within the Act which allow an elected member to incur a debt, as would be the case with a credit card.

Delegated Authority

TBA

Other Relevant Policies and Documents

Local Government Act 1995

Other relevant legislation

Roles & Responsibilities

Chief Executive Officer

Council approve the following conditions for the Chief Executive Officer;

1. That a Corporate Credit Card be issued;
2. The card limit is \$5,000 and may only be used for official Shire of Dowerin transactions;
3. The Shire President must approve the monthly statements for the Chief Executive Officer;
4. All other terms and conditions set out in this policy and other relevant policies must apply.

Finance Manager Responsibilities

The Finance Manager must;

1. Arrange the issues and cancellations of Corporate Credit Cards when requested by the Chief Executive Officer;
2. Maintain a register of all cardholders;
3. Provide cardholders with the Policy, and where required any changes to the policy and their responsibilities and obligations as cardholders;
4. Process payments of Corporate Credit Cards. This includes ensuring all receipts and tax invoices have been attached and the relevant authorising officers have signed off on the statements;
5. Arrange for all cardholders to sign the Corporate Credit Cardholder Agreement (refer to Appendix A) on receipt of the issue of the new card and ensure the signed agreement is placed in the Corporate Credit Card Register in Council's Records Management System.
6. The Finance Manager is to review six monthly the operation of the credit card payment process and report to the CEO as to the level of compliance of the cardholders to the conditions of use and the credit card provider's level of performance.

Cardholders Responsibilities and Obligations

Cardholder's must;

1. All holders of Corporate Credit Cards must refer to and follow the guidelines for use that are provided by the financial institution at the time of the card issue;
 2. Keep their card in a safe place and under no circumstances permit another person to use their card to make a purchase or use the card for cash advances;
 3. Make payments that are within their card limit, budget, and authority to do so;
 4. Only make purchases over the internet on secure sites after the approval by the Chief Executive Officer or relevant Manager and must be accompanied by a signed purchase order and purchase print out;
 5. Report immediately any lost or stolen credit card to the financial institution issuing the card and to Council's Finance Manager;
 6. Adhere to policy and procedures in relation to Corporate Credit Policy and Council Purchasing Policy;
 7. Ensure all receipts and tax invoices are kept and submitted to Accounts Officer with credit card statements, within seven (7) days of receipt;
 8. Costing accounts must be against each item of the credit card statements.
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Appendix A - AUTHORITY FOR ISSUE OF CORPORATE CREDIT CARD

Name of Cardholder:	
Position:	
From:	Chief Executive Officer
Date:	

CORPORATE CARD USER AGREEMENT

As the Chief Executive Officer, I have authorised the issue of a Shire of Dowerin Corporate Credit Card in line with your official duties as a Shire officer. The following conditions apply;

1. You have been authorised a card limit of \$_____.
2. All transactions are within the allocated budget provisions of the _____(respective business unit) you have authority to purchase under.
3. The card is issued in your name, however it is a corporate credit card and all transactions must be official transactions on behalf of the Shire of Dowerin. Under no circumstances must the card be used for private purposes. When a transaction has a small component of private expenditure in nature, the Finance Manager must be notified in writing as soon as possible and the entire transaction must be refunded.
4. At any time, the Chief Executive Officer can call an inquiry into the use of the card, and any findings of transactions that are unauthorised, excessive or unreasonable will result in disciplinary action.
5. The card must be kept in a safe place.
6. Under no circumstances can cash can be withdrawn from the card.
7. All tax invoices and receipts must be kept to validate transactions. Note, a credit card statement or EFTPOS receipt is not acceptable (GST cannot be claimed as it does not meet GST requirements to claim a refund). Cardholders must ensure tax invoices and receipts contain the following;
 - i) Suppliers Name.
 - ii) Suppliers ABN.
 - iii) Brief description of goods and services supplied.
 - iv) Identifies transactions where GST applies.
 - v) If the transaction relates to entertainment, the cardholder must document how many people they entertained, and the names of Shire officers that attended (for Fringe Benefit Tax purposes)
8. Cardholders must mark next to all transactions the costing accounts and ensure all tax invoices and receipts are attached to the monthly statement. The cardholder must certify that the transactions on the statement are correct and has seven (7) working days, from receipt of statement, to return to Finance Services.
9. Only supervisors can sign off on credit card statements, and in the case of the Chief Executive Officer, this must be signed off by the Shire President.
10. If the card is lost or stolen, you must immediately contact NAB Commercial Cards Customer Service. The Finance Manager must also be notified in writing to arrange replacement card.
11. If your employment is terminated, you card and all tax invoices and receipts must be submitted to the Finance Manager, two (2) weeks before employment is ceased to ensure account is settled.
12. If you agree to abide by the terms above and all other conditions set out in Council Policy – Corporate Credit Cards please sign and return this statement to the Executive Manager Finance Services.

Signature

Date