

Corporate Credit Card Policy

2023



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| Further Document Information and Relationships | |
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| Related Legislation* | Local Government Act 1993 Local Government (General) Regulation 2021 Fringe Benefits Tax Assessment Act 1986 Goods and Services Tax Act 1999 |
| Related Policies | Payment of Expenses and Provision of Facilities to Councillors Policy Procurement Policy Risk Management Framework |
| Related Documents | Corporate Credit Card Procedure Financial Delegations Register OLG - Guideline on the Use and Management of Credit Cards September 2021 |

**Note: Any reference to Legislation will be updated in the Policy as required. See website <http://www.legislation.nsw.gov.au/> for current Acts, Regulations and Environmental Planning Instruments.*

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1. Purpose

The purpose of the Corporate Credit Card Policy is to ensure corporate credit cards are issued and used appropriately for Council's related business, and all expenses incurred are properly approved and acquitted.

2. Commencement

This Policy is effective from the date of resolution by Council and shall remain in force until repealed by resolution of Council.

3. Scope

The Corporate Credit Card Policy sets out Council's policy on the use of corporate credit cards. It applies to all corporate credit cardholders (the Cardholder), Managers responsible for authorising credit card transactions, and approvers of the Cardholder's acquittals.

4. Definitions and Interpretation

In this Policy, the following terms shall be interpreted to have the following meanings:

| Term | Definition |
|-----------------------|---|
| Acquittal | Refers to the monthly reconciliation of your Credit Card. You are required to match all transactions listed on your statement with receipts/invoices and submit for approval. |
| Cardholder | refers to a Councillor or member of staff authorised to use a corporate credit card and who is the person to whom a corporate credit card has been issued |
| Corporate Credit Card | A card issued to a Councillor or member of staff with a facility limit set on an individual basis based on operational requirements. The Card is issued under Council's Bank Account. |

5. Background

Whilst the use of Council credit cards is not subject to legislative or regulatory controls, the incurring of expenditure or creation of liabilities on behalf of Council are subject to legislation through the operation of the Local Government Act 1993 and Local Government (General) Regulation 2021.

Corporate credit cards have been implemented to allow Council to transact its business in an efficient manner and to provide Council officers and elected members with a more convenient method to pay for transactions incurred on Council's behalf.

Corporate credit cards should be recognised as a valuable tool for the efficient and effective operation of Council's daily business and not as a benefit assigned to specific individuals.

The use of corporate credit cards entails the expenditure of public funds and should therefore be undertaken in accordance with the principles of good governance, financial accountability, transparency, and sound procurement practices, as outlined in relevant Council policy, procedure and governance documents.

6. Policy Statement

6.1 Cardholder Authority

Council's *Financial Delegation Register* details all positions/staff that are approved to be issued with a Council Corporate Credit Card.

The Mayor will be issued with a Council Corporate Credit Card for use in relation to discharging the functions of civic office subject to the provisions of the policy for Payment of Expenses and Provision of Facilities to Councillors.

6.2 Credit Limits

The maximum credit limit for an individual Council Corporate Credit Card shall be \$5,000 unless approved otherwise by the General Manager. In any event, the maximum overall Credit Limit on all Credit Cards of Council is limited to \$60,000 unless Council approves otherwise.

The limits for each cardholder, will be listed in Council's Financial Delegation Register.

6.3 Register of Cardholders

Council's Chief Financial Officer shall maintain a Register of Credit Cardholders which shall detail the name of the cardholder, credit card limit and expiry date for all cards.

6.4 Cardholder Responsibilities

Cardholders are responsible for adhering to the Procurement Policy and this Credit Card Policy at all times.

Cardholders must ensure the following:

- Physical custody and security of the card.
- they obtain a tax invoice from the merchant for their transactions;
- card details are not shared
- Complying with the terms and conditions of the Card Issuer (bank).
- The monthly reconciliation of all transactions and copies of all receipts are to be returned to Accounts Payable with seven (7) business days.
- If the card is lost or stolen, immediately notify your Manager and Accounts Payable.
- Compliance with this Policy and all other relevant policies, procedural and governance documents issued by Council, as specified in 6.9 below.

6.5 Limitations Of Use

Corporate Credit Cards should only be used for the payment of goods and services associated with Council business.

- Credit Cards are to be used for one-off transactions. Any on-going purchases should be acquired through the use of purchase orders.
- A Credit Card payment is for the total of the invoice only. There is to be no splitting of amounts to stay below thresholds for tap and go purchases.
- The monthly credit limit is as per the Financial Delegations Register. Cardholders are not to exceed, in any single transaction or combined purchase from the same supplier, the financial delegation assigned to them.
- Expenses incurred in a foreign currency or from foreign suppliers should be limited to circumstances where the goods or services to be acquired are not obtainable in Australia.
- Where a cardholder is undertaking approved overseas travel, the card should be used for transactions to be denominated in the currency of the overseas countries.
- Credit Cards are not transferrable. You are not to share a credit card.

6.6 Circumstances in Which Cards May Not be Used

Activities that would not qualify for the use of a corporate credit card include the following:

- any use that is of a personal or private nature;
- cash advances;
- fines, for example a motor vehicle parking fine or a speeding offence which was incurred while on Council business.
- circumstances where Council can place an order and receive an invoice for the particular item to be purchased ie if a creditor is already established in the finance system, Council should raise a purchase order and request an invoice and not pay the account on a credit card.

Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder. See Section 6.11

6.7 Reconciliation Procedures

Credit Card Reconciliations are to be approved and returned to Council's Accounts Payable team within seven (7) business days of being issued the monthly Credit Card Statement. Failure to adhere to Council's reconciliation requirements may result in action taken as outlined in Section 6.10.

6.8 Authorisation Of Expenditures

The authorisation of expenditures incurred on corporate credit cards is to be undertaken as follows:

- Employee credit card expenditures will be authorised by their relevant Supervisor/Manger who has financial delegations;

- Directors' credit card expenditures will be authorised by the General Manager;
- The General Manager's credit card expenditures will be authorised by the Mayor; and
- The Mayor's credit card expenditures will be authorised by the General Manager (or delegated authority).

6.9 Compliance with Policies and Governance Documents

The provision and use of corporate credit card is subject to adherence to other policies and procedures. Documents with particular relevance to this policy include, but are not limited to the following:

- Payment of Expenses and Provision of Facilities to Councillors Policy
- Procurement Policy and Procedure
- Code of Conduct
- Fraud and Corruption Prevention Policy

Improper or unauthorised use of a corporate credit card may result in the cardholder being held liable for expenditures incurred on the card. The cardholder may be subject to disciplinary and/or legal action, up to and including termination of employment from Council.

Failure to comply with this policy and associated procedures may lead to approval for the use of a corporate credit card being withdrawn from a cardholder.

6.10 Action to be taken when transactions are not reconciled in a timely manner

Failure to reconcile monthly statements within seven (7) business days may lead to the suspension of the cardholder's credit card.

Failure to reconcile monthly statements within seven (7) business days on more than two occasions within a twelve-month period will result in the suspension of the cardholder's credit card for 30 days.

Continued breaches of a cardholder's credit card reconciliation requirements may result in the Credit Card being cancelled and the cardholder will not be eligible to hold a Corporate Credit Card.

6.11 Action to be taken when private use of the card occurs

Use of Council's Credit Card for private or personal use is not permitted.

Any private, personal or unauthorised transactions identified on a Council Credit Card will be referred to the cardholder and cardholder's Manager in writing requesting a response/justification within seven (7) business days from the date of notification. If no satisfactory response is received within seven (7) business days the transaction will be referred to the responsible Director. Continued private, personal or unauthorised transactions

identified on Council's Credit Card will be referred to the responsible Director or General Manager and may be suspended for a period of 12 months.

6.12 Formal Acknowledgement of Policy Conditions

Persons issued with a Corporate Card are in a position of trust in regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary/legal action/criminal prosecution.

All Corporate Cardholders are to acknowledge receipt of the corporate card and instructions for use. The acknowledgement will include a signed agreement to abide by all Council and card supplier (Bank) guidelines and conditions of use.

6.13 Annual Review of Cardholders

The Chief Financial Officer is to conduct a review of Credit Card holders on an annual basis. This is to ensure all card holders are current.

6.14 Procedures for Returns and Final Reconciliation of Card Accounts on Cessation of Employment

Upon notification of cessation from Council's employment, the cardholder must cease use of their Corporate Credit Card. The account is to be reconciled and approved by Manager prior to cessation from Council's employment.