

## S-G14-P Corporate Credit Card Procedure

<b>Purpose</b>	To provide the guidelines by which the authorised persons and holders of council corporate credit cards will implement the Corporate Credit Card Policy.	
<b>Department</b>	Governance	
<b>File No.</b>	FIN/0502	
<b>Council Meeting Date</b>	17 December 2019	
<b>Minute Number</b>	330.12.2019	
<b>Next Review Date</b>	Four (4) years from Council Resolution Date	
<b>Review History</b>	222.08.2019	20 August 2019
	330.12.2019	17 December 2019

## PROCEDURE

### 1. Introduction

Flinders Council operates a corporate credit card facility for use by approved persons for purchases in accordance with Council policies. A Corporate credit card is recognised as an efficient and flexible method of paying for goods and services when alternative, preferred, purchasing methods are unavailable.

This procedure provides the basis on which to implement the Corporate Credit Card Policy, which provides guidance on the allocation, use and administration of Council Corporate Credit Cards. Where there is an inconsistency between this procedure and the Corporate Credit Card Policy, the provisions of the policy shall take precedence over the provisions of the Corporate Credit Card Procedure.

### 2. Authorising Persons

Authorisers have a key role in the control of credit cards, managing purchasing risk and maintaining compliance with this policy. Authorisers may:

- Authorise or decline the issuing of credit cards to a Cardholder;
- Authorise or decline applications for the top-up of funds to monthly credit limits;
- Authorise or decline discretionary transactions, such as entertainment or gifts in accordance with this policy;
- Direct a Cardholder to reimburse Council for transactions deemed not to be in accordance with this policy;
- May or may not be allocated a credit card; and
- If they are allocated a credit card, **may not** authorise their own purchases, top-ups, or issuing their own credit card.

The following roles are Authorisers for the purpose of this policy:

- General Manager
- Financial Organisational Performance Manager
- Works and Services Manager

### 3. Allocation and Issue of Credit Cards and Credit Limits

Credit cards are allocated and issued according to the rules in the following sections.

Council approval; all other roles and limits are set according to Council operational requirements, as determined by the General Manager and Financial Organisational Performance Manager.

*Schedule 1 - Allocation of Credit Cards and Credit Limits* will be reviewed every two years, as a minimum, in conjunction with the review of Corporate Credit Card Policy. The aim of each review is to ensure that credit card allocation and limits are facilitating efficient purchasing and delivery of Council's services while effectively managing purchasing risk. Unnecessary or insufficiently justified cards should be withdrawn and destroyed. Credit limits should be adjusted to the lowest monthly amount needed to facilitate efficient purchasing, as evidenced by purchasing history and adherence to this policy.

In addition to the periodic review, *Schedule 1 - Allocation of Credit Cards and Credit Limits* is recommended to be reviewed if:

- (a) Requests are received to add or remove roles from the Credit Card Allocation Table or alter individual credit limits.
- (b) Proposed changes to the Credit Card Allocation Table require changes to the maximum number of credit cards or the maximum total credit limit.
- (c) A Cardholder terminates employment or returns their card.
- (d) A card is lost or stolen or the subject of fraud or identity theft.
- (e) A significant breach of the policy (under section 3.2) occurs.
- (f) Significant re-organisation of Council roles is undertaken.

Where the operational benefits to Council of a role holding a credit card no longer outweigh the increase in risk of the extra card, the credit card should be returned and cancelled.

**The last review of credit cards and limits was: August 2019**

**The next review of credit cards and limit is: August 2021**

### **3.1. Top-Ups to Monthly Credit – Deciding Applications**

A Cardholder may apply for a top-up of funds to the monthly credit. Top-up applications are decided according to the following procedure. A top-up requires the following approval:

- (a) An Authoriser, or any person, cannot authorise top-ups for their own credit card.
- (b) Top-ups of the General Manager's credit card account are always reviewed by the Mayor (who is not an Authoriser) and authorised by an Authoriser.
- (c) Top ups of the Mayor's credit card are authorised by the General Manager and another Authoriser.
- (d) Top ups of all other Cardholders are authorised by two Authorisers.
- (e) Authorisers review the Cardholder's purchasing and top-up history for adherence to this policy and justification of purchases.
- (f) For any given month, the total top-up amount for an account should generally not exceed 50% of the monthly credit limit.

### **3.2. Breach of Policy or Misuse**

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

- (a) Counselling and retraining in the policy and requirements.
- (b) Reimbursement of costs.
- (c) Cancellation of card.
- (d) Disciplinary action in accordance with Councils' Disciplinary Policy.
- (e) Referral to police or civil proceedings.

Breaches or misuse of the Corporate Credit Card Policy or Procedure must be immediately reported to an Authoriser. Policy breaches or misuse should also be reported to Council and credit card allocation should be reviewed.

### **3.3. Statement Reconciliation and Acquittal Process Cardholders and Authorisers**

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

On receipt of the account transaction statement each month, the statement will be reconciled according to the following process:

1. The Cardholder must collate all purchase evidence (including tax invoices with purchase purpose with a signed expense claim form) with all written approvals for discretionary purchases or top-ups and provide them to Council's Accounts Department.
2. A delegated Council Financial Officer will:
  - (a) Reconcile transactions individually against the supporting documentation and the requirements of this policy; and
  - (b) Question with the Cardholder any transactions:
    - (i) without supporting documentation;
    - (ii) that may be in conflict with this policy;
    - (iii) that appear suspicious, unauthorised, excessive or of unknown purpose.
  - (c) If there are any outstanding transactions that cannot be adequately explained or reconciled with this policy, the officer must report these to the General Manager or Financial Organisational Performance Manager for further investigation and appropriate action.
  - (d) Any breaches of this policy will be dealt with according to risk and severity of the breach in accordance with section 3.7 *Breach of Policy or Misuse*.
3. If all transactions are supported by adequate documentation and purchases appear to be in accordance with this policy with no suspicious activity:
  - (a) The Cardholder will sign the account statement to confirm the purchases; and
  - (b) For the General Manager's credit card, the Audit Panel will review the statement on a quarterly basis and sign to confirm purchases are in accordance with this policy; and
  - (c) The Financial Officer signs the statement to approve for payment.
4. Full statement reconciliation, acquittal and approval for payment must be completed before payment is due or within four (4) weeks of receiving the statement.

## **4. Security**

The individual Cardholder is responsible for the security and use of their card and is accountable and liable for any misuse and associated costs. You are responsible for resolving use and transaction disputes and ensuring that use of the card is ethical and strictly in accordance with the policy. The card can only be used by the Cardholder. You must not let another person use your credit card or account or record or share your credit card number, including other staff or elected members, **at any time.**

You may use your credit card to purchase work-related items on behalf of another Council staff member, provided you are satisfied the expense is appropriate and approved in accordance with this policy. If you choose to do so, the purchase must always be made, documented and justified by the Cardholder, in accordance with this policy.

Credit cards are provided strictly for business-related purchasing only. Cardholders must be able to justify and prove their purchasing decisions to Council in a manner that allows Council to be able to justify and validate their endorsement of purchasing decisions to auditors, investigators, and the public. Always follow this policy and seek guidance from an Authoriser if in doubt. Cardholders must comply with any terms and conditions of use provided by the card issuer and should follow the guidelines and recommendations of the issuing institution.

## 5. Usage Documentation

A Tax Invoice or receipt to support all purchases must be provided promptly to the Accounts Department. Failure to provide this documentation may result in the General Manager or Financial Organisational Performance Manager determining that the Cardholder is personally liable for the purchase.

A Tax Invoice is a document which complies with the requirements of a Tax Invoice as determined by the Australian Tax Office. If a Tax Invoice or receipt is not supplied, then a signed Statutory Declaration to that effect must be provided by the Cardholder to the General Manager or Financial Organisational Performance Manager.

In accordance with the Statutory Rules for Audit Panels, the council Audit Panel will review the internal controls which are in place for the payment of credit card purchases.

A valid tax invoice must provide enough information to demonstrate that the document is intended to be a tax invoice and include the following:

- (a) The seller's identity;
- (b) The seller's Australian Business Number (ABN);
- (c) The date the invoice was issued;
- (d) A brief description of the items sold, including the quantity (if applicable) and the price;
- (e) The GST (goods and services tax) amount payable (if any) – this can be shown separately or, if the GST amount is exactly one-eleventh of the total price, as a statement such as 'Total price includes GST'.

If you make a transaction and fail to retain a valid tax invoice for it, you must complete and sign a statutory declaration that includes all the required supporting information to justify the purchase, including the transaction purpose, date, time, amount, vendor name and ABN.

Cardholders are liable for the cost of transactions that cannot be verified to follow this policy. Repeated purchases without original supporting documentation (valid tax invoice), requiring the Cardholder's explanation, or a statutory declaration are a purchasing risk to Council and may result in a credit card being revoked or disciplinary action.

## 6. Prohibited Use and Transactions

The following types of transactions and purchases are prohibited and must not be made on a Council credit card.

- (a) **Cash Advances / Withdrawals** - Council credit cards must not be used for cash advances or withdrawing cash.
- (b) **Refunds** - Any refunds for purchases made on a Council credit card must be refunded back to the credit card account. Refunds must not be accepted in cash.
- (c) **Purchases of a private or personal nature** - Council credit cards must not be used for purchases of a private or personal nature, even if you intend to reimburse Council. Only approved, work-related expenses in accordance with this policy may be incurred.
- (d) **Fines** - Council credit cards must not be used to pay fines of any nature. Fines must be paid by the individual who incurred the fine.

- (e) **Alternative Online Payment Methods and Storing Credit Card Details** - Use of Council credit cards on, or linking to, alternative online payment methods and e-commerce payment systems or accounts, such as PayPal, Google Pay, Apple Pay, iTunes, or any system that records and stores credit card details, are prohibited.
- (f) Council credit cards must never be linked to personal online payment systems or accounts.

## **7. Certification of Purchases**

The Financial Organisational Performance Manager will certify the purchases incurred on all cards held by staff. The final certification of all Employee and Mayor's purchases will be made by the General Manager.

The final certification of the General Manager's purchases will be made by the Financial Organisational Performance Manager. All expense claims by the General Manager will be reviewed quarterly by the Flinders Council Audit Panel.

## **8. Breach of Principles**

Any breach of these principles must be reported to the General Manager or the Financial Organisational Performance Manager by the card holder.

Where a private purchase does occur the card holder must arrange for a full reimbursement of the purchases and must provide the General Manager or Financial Organisational Performance Manager with an explanation of the breach of the policy.

Where there is an inconsistency between this policy and the Corporate Credit Card Procedure, the provisions of this policy shall take precedence over the provisions of the Corporate Credit Card Procedure.

## **9. Related Legislation, Regulations and Policies**

*Local Government Act 1993*

Code of Tenders and Contracts Policy

Corporate Credit Card Policy

Disciplinary Policy

Risk Management Policy

## **10. Responsibilities**

It is the responsibility of financial staff and Cardholders to ensure this procedure is adhered to.

**Schedule 1 – Allocation of Credit Cards and Credit Limits**

This Policy permits the issue of credit cards only to the Council roles and with the limits stated in **Table 1** below.

**Table 1. Credit Card Allocation Table**

<b>Role/Position</b>	<b>Issue</b>	<b>Credit Limit</b>	<b>Transaction Limit</b>	<b>Discretionary Expense Limit</b>
General Manager		2,000	Nil	Nil
Mayor		2,000	Nil	Nil
Works & Airport Manager		5,000	Nil	Nil
Office Team Leader		2,000	Nil	Nil
Community Development Officer		2,000	Nil	Nil
Financial Performance Organisational Manager		2,000	Nil	Nil
<b>TOTAL</b>		<b>15,000</b>		

**Table 1. Credit Card Allocation Table** is authorised by:

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

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

Position: \_\_\_\_\_

Position: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

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

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

**Schedule 2 Cardholder Declaration**

I have read and understood Flinders Council’s Credit Card Policy. I understand the requirements of me as a Cardholder and agree with comply with them.

I agree:

- That I understand and will follow the rules and procedures of credit card use outlined in this policy;
- That I will adhere to all related Council policies.
- That my credit card is to be used for Council business only;
- That I must retain receipts and documentation to support all transactions made with my card;
- That I am responsible for the safekeeping and security of my card and account and liable for any misuse;
- That I will not allow any other person to use my Council credit card; and
- That disciplinary action will be taken for any breaches of the policy.

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

Position: \_\_\_\_\_

Signed: \_\_\_\_\_

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

**3 Authorisation**

A Council credit card is approved to be issued to the Cardholder named above, who is authorised to hold and use a Council credit card in compliance with this policy.

Authorised by:

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

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

Position: \_\_\_\_\_

Position: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

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

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