

S-G14-P Corporate Credit Card Procedure

Purpose	To provide the guidelines by which the Authorised Persons and holders of Council corporate credit cards will implement the Corporate Credit Card Policy.	
Department	Governance	
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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. Authorised Persons

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

- 2.1. Authorise or decline the issuing of credit cards to a cardholder;
- 2.2. Authorise or decline applications for the top-up of funds to monthly credit limits;
- 2.3. Authorise or decline discretionary transactions, such as entertainment or gifts in accordance with the Corporate Credit Card Policy;
- 2.4. Direct a cardholder to reimburse Council for transactions deemed not to be in accordance with the Corporate Credit Card Policy;
- 2.5. May or may not be allocated a credit card; and
- 2.6. If they are allocated a credit card, may not authorise their own purchases, top-ups, or issuing of their own credit card.

3. Allocation and Issue of Credit Cards and Credit Limits

- 3.1. Allocation of corporate credit cards and monthly credit limits are allocated, issued and reviewed by a minimum of two Authorised Persons, or by Council for the Mayor and General Manager, on an as requested or as needed basis.
- 3.2. Before a card is issued, each cardholder must sign the Corporate Credit Cardholder Agreement confirming that they have read and fully understood and will be bound by the Corporate Credit Card Policy and Procedure.
- 3.3. Once the card is issued, the corporate credit card must be signed on the reverse side of the card.
- 3.4. The individual cardholder is responsible for the security and use of their card.
- 3.5. The card is not to be used for any use other than what is outlined in the Corporate Credit Card Policy and Procedure.
- 3.6. Upon termination of employment or office of Council, the credit card must be returned to Council with a full acquittal of expenses.
- 3.7. 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 shall be returned and cancelled.
- 3.8. The General Manager has the right to terminate a card at any time.

4. Top-Ups to Monthly Credit

- 4.1. A cardholder may apply for a top-up of funds to the monthly credit. Top-up applications are decided according to the following procedure:
 - 4.1.1. An Authorised Person, or any person, cannot authorise top-ups for their own credit card.
 - 4.1.2. Top-ups of the General Manager's credit card account are always reviewed by the Mayor (who is not an Authorised Person) and authorised by an Authorised Person.
 - 4.1.3. Top ups of the Mayor's credit card are authorised by the General Manager and another Authorised Person.
 - 4.1.4. Top ups of all other cardholders are authorised by two Authorised Persons.
 - 4.1.5. Authorised Persons review the cardholder's purchasing and top-up history for adherence to the Corporate Credit Card Policy and justification of purchases.
 - 4.1.6. For any given month, the total top-up amount for an account should generally not exceed 50% of the monthly credit limit.

5. Usage Documentation

- 5.1. Credit cards are provided strictly for business-related purchasing only. Cardholders must justify and prove every purchasing decision to Council in a manner that allows Council to be able to justify and validate its endorsement and validation of cardholders' purchasing decisions to auditors, investigators, and the public.

- 5.2. 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 a determination that the cardholder is personally liable for the purchase.
- 5.3. A Tax Invoice is a document which complies with the requirements determined by the Australian Tax Office.
- 5.4. A valid tax invoice must provide enough information to demonstrate that the document is intended to be a tax invoice and include the following:
 - 5.4.1. The seller's identity;
 - 5.4.2. The seller's Australian Business Number (ABN);
 - 5.4.3. The date the invoice was issued;
 - 5.4.4. A brief description of the items sold, including the quantity (if applicable) and the price;
 - 5.4.5. 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'.
- 5.5. If you make a transaction and fail to retain a valid tax invoice for it, or lose the invoice, 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. The cardholder must present the Statutory Declaration to the Corporate Services Coordinator promptly.
- 5.6. Repeated purchases without original supporting documentation (valid tax invoice), requiring the cardholder's explanation or a statutory, are a purchasing risk to Council and may result in a credit card being revoked or disciplinary action.
- 5.7. Where a private purchase does occur the card holder must arrange for a full reimbursement of the purchase and must provide the General Manager or Corporate Services Coordinator with an explanation of the breach of the policy.

6. Reconciliation and Acquittal Process

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

- 6.1. 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.
- 6.2. A delegated Council Financial Officer will:
 - 6.2.1. Reconcile transactions individually against the supporting documentation and the requirements of this policy; and
 - 6.2.2. Question with the cardholder any transactions:
 - (i) without supporting documentation;
 - (ii) that may be in conflict with this policy; or
 - (iii) that appear suspicious, unauthorised, excessive or of unknown purpose.
 - 6.2.3. If there are any outstanding transactions that cannot be adequately explained or reconciled with the Corporate Credit Card and Procurement Policies, the

Financial Officer must report these to the Corporate Services Coordinator for further investigation and appropriate action.

- 6.2.4. Any breaches of this procedure will be dealt with according to risk and severity of the breach in accordance with the Corporate Credit Card Policy.
- 6.3. If all transactions are supported by adequate documentation and purchases appear to be in accordance with Council Policies with no suspicious activity:
 - 6.3.1. The Financial Officer will complete a credit card expense form for the cardholder to sign; and
 - 6.3.2. 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
 - 6.3.3. The Financial Officer signs the statement to approve for payment.
- 6.4. Full statement reconciliation, acquittal and approval for payment must be completed before payment is due or within four (4) weeks of receiving the statement.

7. Certification of Purchases

- 7.1. The Corporate Services Coordinator will certify the purchases incurred on all cards held by staff.
- 7.2. The final certification of all cardholders' purchases will be made by the General Manager.
- 7.3. The final certification of the General Manager's purchases will be made by the Corporate Services Coordinator.
- 7.4. All Council credit card expense claims will be reviewed quarterly by the Flinders Council Audit Panel.

8. Security

- 8.1. In using a Council credit card, Cardholders must consider the alternative purchasing methods available, such as purchase orders and purchase contracts.
- 8.2. The individual cardholder is responsible for the security and use of their card and is accountable and liable for any misuse and associated costs. They are responsible for resolving use and transaction disputes and ensuring that use of the card is ethical and strictly in accordance with the Corporate Credit Card Policy.
- 8.3. The cardholder is responsible for all transactions that are incurred on their 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 of the Corporate Credit Card policy remains 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.
- 8.4. The cardholder should only use cards on online 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.
- 8.5. The credit card may be used to purchase work-related items on behalf of another Council staff member, provided the cardholder is satisfied the expense is appropriate

and approved in accordance with the Corporate Credit Card Policy. In this instance, the purchase must always be made, documented and justified by the cardholder.

- 8.6. 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.

9. Procedure For Lost, Stolen and Damaged Cards

- 9.1. The loss or theft of a credit card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered.
- 9.2. The cardholder must also formally advise the General Manager of the loss or theft on the first available working day.
- 9.3. Advice of a damaged card is to be provided to the General Manager or Corporate Services Coordinator who will organise replacement.

10. Related Legislation, Regulations and Policies

Local Government Act 1993

Code for Tenders and Contracts Policy

Corporate Credit Card Policy

Disciplinary Policy

Procurement Policy

Risk Management Policy

Travel and Accommodation Policy

11. Responsibilities

It is the responsibility of financial staff, Authorised Persons and all cardholders to adhere to this procedure.