



CORPORATE CREDIT CARD POLICY

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Purpose

This policy outlines the requirements, effective controls, and procedures regarding the use of credit cards by Central Darling Shire Council (CDSC).

Corporate credit cards are a routine aspect of accounts payable management and procurement for local government organisations.

Corporate credit cards allow for the efficient and effective operation of CDSC business and are not a benefit assigned to specific individuals. They are allocated to positions in accordance with financial delegations and operational requirements. The use of corporate credit cards creates savings in staff administration time and are an efficient means of payment, especially for low-value purchases.

Compared to the use of petty cash, credit card transactions provide better transparency and accountability for expenditure.

Council credit cards are subject to appropriate controls to protect organisational funds, maintain the integrity of governance processes and maintain public confidence in CDSC operations.

All local government organisations are obliged to maintain an effective system of internal control, in accordance with the *Local Government (General) Regulation 2021* to address the significant risks of fraud and misuse of corporate credit cards.

The objective of this policy and associated procedures is to detail standard credit card practises across CDSC and to highlight the obligations of those with the delegated authority to purchase goods and services of any value or type on behalf of Council by way of corporate credit card. Credit Card usage is a function that is high risk in terms of corruption and therefore it is subject to tight rules and processes. Successful corporate credit card usage provides great flexibility and potentially increases efficiency of services, expediting lead times and reducing administrative burden.

Application

All CDSC cardholders and employees are accountable for applying this policy within their areas of responsibility and financial delegation.

Position-specific responsibilities are as follows:

The General Manager has ultimate responsibility for procurement and delegated authority of expenditure of funds across Council.

The Director Business Services is the primary Credit Card administrator and responsible for the development of all policies and procedures in relation to credit card usage and associated procurement across Council.

Directors and Managers of each department are accountable for the implementation, maintenance, and the management of any breach of policy within their areas of responsibility in accordance with this policy and related policies.

CDSC cardholders and employees are responsible for ensuring that they fulfil their obligations in relation to this policy, procedures and Code of Conduct when spending public funds.

This policy is to be made available for public viewing as required under the *Government Information (Public Access) 2009, NSW*.

Provisions

Policy Statement

Corporate credit cards have been implemented to allow the Council to transact its business in a more efficient manner and provide a more convenient method to meet costs incurred.

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

Corporate Credit Cards should not be used when the normal requisition, purchase order and invoicing process through CDSC's Corporate Finance system is viable.

Corporate credit cards should not be used for recurring purchases, or as a substitute for the use of purchase order. The preferred method of purchasing is by using purchase orders.

Issue and Use of Credit Cards

Every corporate credit card application requires an approval from the General Manager before any card is issued.

The below authorising officers will review and approve the monthly expenditure undertaken by each cardholder:

Cardholder	Authorising Officer of Credit Card Statement
Administrator/Mayor	General Manager
General Manager	Administrator/ Mayor
Directors	General Manager
Managers	Relevant Director

Purchases of goods and services must be in accordance with CDSC's Procurement Policy and Financial Delegations. In addition, the Administrator or Mayor must also adhere to CDSC's policy on Councillors' Expenses and Provision of Facilities for Councillors when using their credit cards for purchasing.

Corporate credit cards are only to be used by the person whose name appears on the card. This means they are issued to individuals and are not transferable.

Corporate credit cards can be used to purchase or pay for legitimate business expenses by CDSC cardholders who have authorisation and financial delegation to do. Examples are:

- Payment of fares, accommodation, and meals for work purposes, including approved travel, conferences, or functions.
- Payment of membership fees, conference fees or incidental travel costs such as taxi fares.
- Miscellaneous items of small value, such as flowers or items for staff recognition awards.
- Internet purchases, where an account is not able to be established.
- Emergency purchases to ensure operational works can continue.

The following payment methods are allowed on corporate credit cards:

- Over the counter (the cardholder signs a purchase slip or enters a Personal Identification Number (PIN) at the time of purchase).
- By telephone (transaction completed by quoting corporate credit card details).
- By mail (quote Corporate Credit Card number on orders to suppliers).
- Online ordering (ensuring secure online payment service is used).

Appropriate Use

- Each individual credit limit must be strictly adhered to, each month, with no over expenditure, and purchases must not be split to avoid the transaction limit.
- Cardholders must ensure funds are available within the budget prior to purchasing goods and services and the expenditure is justified.
- Credit cards are not to be used for cash advances, Automatic Teller Machine (ATM) transactions, bank cheques, over the counter withdrawals, Traveller's Cheques, or wire of money transfers.
- CDSC credit cards shall not be used for private or personal expenditure.
- Use of a corporate credit card for business purchases over the internet should be restricted to trusted secure sites.
- Cardholders must provide an original Tax Invoice/Receipt as evidence to support all charges. Failure to produce an official Tax Invoice will result in the cardholder having to provide a Statutory Declaration as substantiation and proof that a business-related purchase has occurred.
- Any Information Technology (IT) related purchases must have prior approval of the Director of Business Services, to ensure compatibility with existing IT resources.

Roles and Responsibilities

The General Manager is responsible for:

- Informing the Director Business Services and Finance Team that the Administrator or Mayor's civic duty is about to end at least a week before the end of their civic duty, or if already ended, at the earliest opportunity possible.
- Final approval of all credit card requests.

The Finance Team is responsible for assessing and setting the monthly credit limit for each corporate credit card. This is to be done in consideration of:

- The combined monthly limit of all corporate cards.
- The evaluation of the requirements of the role requiring a corporate credit card.
- The role's delegations and authorisations.
- Any secondments which have taken place and the relevant delegations and authorisations.
- Ordering and distributing the corporate credit cards once they have received all the properly completed documentation.
- Maintaining a register of all persons who have been issued with a corporate credit card, their respective limits, and any if, when and for what purpose they have received a replacement corporate credit card.
- Assessing and determining all requests for increasing the card limit or a transaction limit.
- Terminating or cancelling the use of corporate credit cards.
- The coordination of the monthly credit card statements.
- Bringing to the attention of and documenting any transactions which appear unusual to the Director Business Services, Finance Manager or Senior Finance Officer.
- Liaising with the issuing bank regarding any disputed transactions.
- Conducting annually trend analysis and a review of the transactions to be provided to the Director Business Services and reported to the Audit, Risk and Improvement Committee.

The Human Resources Officer is responsible for:

- informing the Director Business Services and Finance Team that a Council staff member's employment/engagement is about to end at least a week before the end of their employment, or
- if the employment/engagement has already ended, at the earliest opportunity possible.

- informing the Director Business Services and Finance Team of internal secondments for the purpose of credit card management.

Cardholders are responsible for:

- familiarising themselves with the issuing bank's instructions concerning the use of credit cards and in particular the requirement for reporting lost, stolen or damaged cards.
- reporting missing corporate credit cards to the Director Business Services or Finance Manager immediately, for notification to the issuing bank.
- checking the monthly statements for accuracy.
- costing all transactions to correct job numbers.
- attaching ALL related tax invoices/receipts.
- providing detailed relevant comments on the expenditure items.
- signing and dating the monthly statements with the declaration "all expenditure is solely for CDSC's business purposes" and obtaining approval sign-off authorisation from their authorising officer.
- forwarding authorised statements to CDSC's Finance Team for processing each month to enable inclusion in the monthly results.
- notifying the Finance team of any disputed transactions with merchants immediately.
- notifying the Finance team of any expenditure that is not related to Council official business.
- repaying expenditure that cannot be shown to be related to Council official business.
- ensuring CDSC as the purchaser receives any eligible loyalty bonuses, promotional benefits, gift cards, discounts, reward points, or similar that are associated with the credit card transaction.
- before taking extended leave (longer than four weeks) returning the corporate card to the Finance Team for safekeeping and providing the authorising officer with supporting invoices and details of purchases for reconciliation.
- returning all corporate credit cards before end of employment/engagement or civic duty, along with all outstanding documentation for reconciliation.

Reporting of suspected or actual fraud and/or corruption

The Administrator/Mayor and all employees are responsible for reporting any instances of suspected or actual fraud and/or corruption being committed, in accordance with the Public Interest Disclosure Policy.

Records Management and Confidentiality of credit card transactions

All records relevant to administering this policy must be maintained in accordance with CDSC's Records Management Policy. Information that is considered sensitive and may have commercial implications for CDSC and staff matters of a personal nature will be considered confidential. Such information may possibly still be accessed under the requirements of the *Government Information (Public Access) Act 2009*.

Risk Management and Fraud and Corruption Prevention

To ensure compliance with this policy, The Finance Manager and Senior Finance Officer will undertake random reviews of transactions and procedures from time to time. The undertaking of these random reviews will be documented in CDSC's Electronic Document Management System.

The Director Business Services may arrange appropriate enquiries before treating the discrepancies as formal breaches.

Policy Breaches

Corporate credit cards are not to be used for the following purposes:

- Any personal or not business-related purposes.
- To circumvent compliance with normal purchasing procedures.
- To obtain cash advances, over the counter withdrawals or for the purchasing of bank cheques.
- Payment of infringement fines, even when these were incurred while on Council business.
- Payment of utility accounts (electricity, gas, water, phone) except by the General Manager in exceptional circumstances.
- High value goods or services that should be accounted for in the planning and commitment costing for resourcing works or projects.
- Asset purchases.
- To purchase fuel where a fuel card could be used.
- To purchase power tools or small plant, unless prior approval is obtained from the authorising officer.

The Finance Manager can recommend to the Director Business Services that a cardholder be required to surrender their corporate credit card. This recommendation will be based on evidence that the cardholder has failed to utilise their corporate credit card in accordance with this policy.

Any cardholder who permits another person to utilise their card by allowing the other person to pass themselves off as the approved cardholder, whether for work purposes or not, is committing an offence of fraud and disciplinary actions and/or criminal proceedings may be initiated.

Instances of card misuse when detected will be reported to the General Manager, cardholder's Authorising Officer and the Human Resources Officer to determine the most appropriate way to investigate and handle the misuse. Examples of misuse include, but are not limited to:

- Purchasing goods and services for reasons other than official Council business.
- Repeated instances of not obtaining supporting documentation for transactions.
- Splitting transactions to avoid detection.
- Failure to adhere to the responsibilities set out in this policy.

Where a cardholder or any other employee is found to have breached the provisions of this policy, they may be subject to one or more of the following:

- Reimbursement to Council for unauthorised or unsubstantiated purchases.
- Surrendering their corporate credit card.
- Reducing the cardholders card delegation limit.
- Participation in training.
- Disciplinary action in accordance with the provisions of the Award, which may include termination of employment, or in the case of Councillors, censure in accordance with the Act.

In some circumstances the matter may be referred to the Police.

Legislation

Local Government Regulation (General) 2001

Related Documents

External

Office of Local Government Code of Accounting Practice and Financial Reporting 2009

Office of Local Government Credit Card Policy Guidelines September 2021

Internal

Codes of Conduct

Public Interest Disclosure Act Internal Reporting Policy

Monitoring and Review

This policy will be monitored and reviewed by the Director of Business Services to ensure compliance. Once adopted, it remains in force until it is reviewed by Council. It is to be reviewed approximately every two (2) years to ensure that it meets requirements, or sooner if the General Manager determines appropriate.

Attachments

1. Acknowledgement and Acceptance of Conditions of Use of Corporate Credit Card.

DRAFT

Attachment 1 – acknowledgement and acceptance of conditions of use of corporate credit card

ACKNOWLEDGEMENT AND ACCEPTANCE

Acknowledgement and Acceptance of Conditions of Use of Corporate Credit Card

CARDHOLDERS’ RESPONSIBILITIES

Cardholders’ must ensure that:

1. They have read and understand the “Corporate Credit Card Policy”. It is essential that each cardholder understands his or her responsibilities in relation to the correct use of the corporate credit card.
2. The corporate credit card is maintained in a secure manner and is guarded against improper use in accordance with the Policy.
3. Corporate credit cards are only used for official Council business purposes.
4. Adequate funds in the Council budget are available to cover the expenditure before it is incurred and that purchases are made in accordance with delegations.
5. Corporate credit cards limits are not exceeded.
6. Deposits are not to be made to the corporate credit card accounts by the cardholder.
7. Corporate credit cards are returned to the Finance Manager upon going on extended leave (more than four weeks) and on termination of employment.

ACCEPTANCE OF CONDITIONS

I acknowledge and accept the above conditions and will act in accordance with CDSC’s Corporate Credit Card Policy. I certify that I have read and understand the information provided to me in CDSC’s Corporate Credit Card Policy, including being provided with the opportunity to seek clarification on areas that are unclear.

Name:

Position:

Signature:

Date: