POLICY:-	
Policy Title:	Corporate Credit Card Policy
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PROCEDURES/GUIDELINES:-	
Date procedure/guideline was developed:	
Procedure/guideline reference number:	

RESPONSIBILITY:-	
Draft Policy developed by:	Director of Finance and Administration
Committee/s (if any) consulted in the development of this Policy:	N/A
Responsibility for implementation:	General Manager
Responsibility for review of Policy:	Director of Finance and Administration

INTRODUCTION

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

Corporate credit cards are a valuable tool for the efficient and effective operation of Council business. The use of corporate credit cards will create savings in staff administration time in matters such as arranging transport, accommodation and conference registration.

The *Local Government Act 1993* (Section 8B) and the *Local Government (General) Regulation 2021* (Clause 209) require all councils to establish effective internal control mechanisms for financial management, expenditure and accounting records.

Credit cards must be subject to appropriate controls in order to protect council funds, maintain the integrity of governance processes and maintain public confidence in Council operations. Council credit card program, shall be in accordance with the Office of Local Government (OLG) Guideline on the Use and Management of Credit Cards to address the significant risks of fraud and misuse of corporate credit cards.

The use of credit cards is not intended to avoid or bypass established governance and procurement procedures, but is to be used in accordance with the policy conditions and guidelines established to complement the procurement procedures.

CORE RESPONSIBILITY 1

The General Manager is responsible for the proper management and administration of credit cards within the Council. This responsibility includes:-

1.1 The Chief Financial Officer shall ensure that an internal approval process is established for Council senior management and Councillors (the Cardholder) to obtain and use credit cards. This process is to be consistent with the requirements of the Card Issuer.

1.2 Council's internal approval process shall ensure the Cardholder has the appropriate financial and operational delegations to incur expenditure on behalf of the Council.

1.3 The internal approval process ensures Cardholder has appropriate credit card limits set (monthly spend limit and transaction limit). This process is to ensure Council is not exceeding its total borrowing limit or budget limits by issuing the credit card to the Cardholder.

1.4 The Director of Finance and Administration shall establish and implement this policy as well as guidelines to support this policy.

1.5 Establish internal control by the independent reconciliation and sign off of the General Manager and Mayor's credit cards by the Chief Financial Officer.

1.6 A credit card register will be maintained by the Chief Financial Officer detailing approval records for credit card issuance, credit limit and individual Cardholder details and credit card numbers.

1.7 The Chief Financial Officer shall ensure Council's credit card program is subject to a regular risk assessment.

CORE RESPONSIBILITY 2

Cardholders understand and are accountable for the responsible use of credit cards.

2.1 Cardholders must use credit cards for business purposes only and in a manner compliant with Council's Corporate Credit Card Policy and related policy conditions and guidelines outlined.
2.2 Cardholders must comply with terms and conditions of credit card issuer and ensure credit limits are not exceeded.
2.3 Cardholders to ensure all credit card transactions are substantiated with an official tax invoice or receipt regardless of the amount.
2.4 Cardholders to advise Chief Financial Officer on awareness that an unauthorised credit card transaction has occurred, at time of occurrence or at end of month reconciliation (whichever is the earliest).

POLICY CONDITIONS AND GUIDELINES

The following will apply to the use of credit cards by Council employees:-

- Council will only use credit cards in circumstances where there is a clear business case to support their use (purchases from providers at which Council does not have account facilities where Council business expenditure is valid in accordance with Council policy and budget allocations).
- Corporate credit cards will only be provided to the following position holders in Council; the Mayor, General Manager and Departmental Directors.
- Credit limits available on credit cards are a maximum of $10,000 per month for Council Departmental Directors and the General Manager.
- Credit limit on credit card is a maximum of $5,000 for the Mayor.
- Each individual credit limit must be strictly adhered to, each month, with no over expenditure.
- Credit cards shall not to be used for cash advances.
- Council credit cards shall not be used for private or personal expenditure.
- Credit cards are to be maintained in a secure manner by the cardholder and guarded against improper use.
- The General Manager is to authorise the establishment of all Council corporate credit cards. Applications for credit cards are to include details of the need for the facility and proposed use of the credit card.
- Council employees will not be entitled to any rewards program or access to rewards that may be offered as part of Council incurring expenditure.
- Cardholders will be required to formally acknowledge policy conditions.
- Use of a corporate credit card for business purchases over the internet should be restricted to trusted secure sites.
- Corporate credit cards are to be used with a unique PIN for each card and the PIN is to remain confidential.
- Authorisation of monthly credit card bank statements is to include the signature of the relevant Director and counter signed by the General Manager approving payment. Each corporate credit card will be automatically debited to Council's General Fund bank account at the end of each month.

- Cardholders are to retain purchase documentation, tax invoices and reconcile with bank statements at the end of each month (including allocation of costing numbers to each transaction and authorisation of expenditure). Types of approved expenditure may include; accommodation, meals, petrol and other travel expenses, conference fees, and professional membership subscriptions.
- The Chief Financial Officer will review credit card limits, usage patterns, internal controls and risk management relating to credit card usage. A summary of the review will be reported to the General Manager.
- Lost, stolen and / or damaged cards are to be reported immediately to the financial institution and to the Chief Financial Officer.
- Credit cards will be returned to Council a minimum of two (2) weeks prior to the cessation of employment (of a cardholder) with Council. This will include a reconciliation of expenditure incurred on the card.
- The use of corporate credit cards is only to be in accordance with this policy and adherence to the financial institution's conditions of use.

PROCUREMENT PROCEDURES AND FORMAT

i. Council's credit card application form for the issuing of a corporate credit card is completed and signed by the applicant and authorised by General Manager.

ii. Council's credit card application form for the issuing of a corporate credit card is completed and signed by the General Manager as the applicant and counter signed and delegated authority for use by the Mayor.

iii. The financial institutions corporate credit card application is completed and has been signed by the applicant.

iv. The Chief Financial Officer is to initial that the forms have been completed and that signatures have been checked.

v. The bank's Corporate Credit Card application is completed (including the appropriate credit card facility number) and countersigned by two authorised signatories of the Council's General Fund bank account.

vi. The Corporate Credit Card may be issued directly to the cardholder and / or forwarded to Council's Finance and Administration Department.

vii. A copy of the signed and authorised 'Policy and Procedures for the Issue and Control of Corporate Credit Cards' is to be returned to the applicant and the original is placed on the individuals personnel file.

Applicant Statement for the issue of a Corporate Credit Card

I hereby apply for a corporate credit card for use on Council authorised expenses. The applicant acknowledges that they have read and will abide by the conditions of the policy and procedures for the issue and control of corporate credit cards, as stated within.

…… Signature – Applicant

…… Name – Applicant

…… Date

Authorisation for the issue of a Corporate Credit Card

I hereby authorise the person described above to be issued with a corporate credit card with a credit limit of $.....

…… Signature - General Manager

…… Name – General Manager

…… Date

1. Tax Invoices

(a) All documents (tax invoices, receipts and transaction slips) supporting transactions on the credit card must be returned to the Chief Financial Officer at the end of each month.

(b) Cardholders must obtain a tax invoice for all purchases subject to Goods and Services Tax (GST).

(c) Cardholders should be aware that if they do not obtain or are not able to provide a tax invoice for expenditure, Council would not be able to recover any GST that may be applicable on that expenditure.

(d) In the event that GST is deemed payable by the cardholder, Council will issue a tax invoice to the cardholder equal to the amount of GST forfeited.

2. Fringe Benefits Tax

When the cardholder uses a Corporate Credit Card to provide food or drink at a social function or corporate lunch, the number of people attending and the number of those who are employees must be advised on the monthly documentation returned to the Chief Financial Officer.

3. Misuse of Credit Cards

Any misuse of credit cards will result in future use by the cardholder being withdrawn and / or reviewed. In addition, action in respect to Council's Code of Conduct and / or award provisions will be pursued.

Credit cards are issued to Council senior staff members that are in a position of trust in regard to the use of public funds. Improper use of the credit card facility may render the cardholder liable to disciplinary / legal action, and / or criminal prosecution if deemed appropriate.

RELEVANT LEGISLATION

The following Legislation effects the operation of this Policy:-

- Local Government Act 1993;
- Local Government (General) Regulation 2021;
- OLG Guideline on the Use and Management of Credit Cards 2021;
- Environmental Planning and Assessment Act 1979;
- Independent Commission against Corruption Act 1988;
- Local Government (State) Award 2020;
- Ombudsman Act 1974;
- Public Interest Disclosures Act 1994;
- Crimes Act 1900;
- Fringe Benefits Tax Assessment Act 1986;
- A New Tax System (Goods and Services Tax) Act 1999;
- State Records Act 1998;
- Government Information (Public Access) Act 2009; and
- Privacy and Personal Information Protection Act 1998.

RELATED COUNCIL POLICY AND PROCEDURES

The following Council policies and documents that are relevant to this Policy include:-

- Code of Conduct;
- Internal Controls and Procedures Manual;
- Procurement Policy and Procurement Procedure and Guidelines;
- Delegations of Authority Procedure;
- Code of Business Practice;
- Records Management Policy;
- Public Interest Disclosures - Internal Reporting Policy;
- Bribes, Gifts and Benefits Policy;
- Grievance Policy;
- Fraud and Corruption Prevention Policy;
- Disciplinary Policy; and
- Government Information (Public Access) Policy.

VARIATION

Council reserves the right to vary the terms and conditions of this policy.