
Corporate Credit Card Policy

CONTROL:

Policy Type:	Financial
Authorised by:	Council
Head of Power:	Not Applicable
Responsible Officer:	Corporate and Community Manager
Responsibilities:	Review and implement policy
Adopted / Approved:	January 16 2017; Minute No. 2017.01.16-OM-9
Last Reviewed:	January 2017
Review:	January 2019
Version	3

1. INTRODUCTION

1.1 PURPOSE:

The Corporate Credit Card Policy (the Policy) provides for the purchasing and paying for items of Council expenditure in accordance with Council's Procurement of Goods and Services Policy via Corporate Credit Card.

1.2 POLICY OBJECTIVES:

The policy ensures effective controls and procedures are in place with respect to the authorisation and operation of corporate credit cards.

1.3 COMMENCEMENT OF POLICY:

This Policy will commence on adoption.

1.4 SCOPE:

The Corporate Credit Card Policy applies to all Council employees and Councillors who are provided with a corporate credit card.

2. POLICY

2.1 CONTEXT:

This Policy enables efficient purchasing to take place whilst maintaining internal controls.

3. STANDARDS AND PROCEDURES

3.1 AUTHORISATION TO ISSUE CORPORATE CREDIT CARDS

Corporate credit cards may be issued to permanent employees of Council when it can be demonstrated that the facility is necessary and the most effective means of meeting commitments incurred in the course of official Council business. Corporate credit card allocation will require the approval of the Chief Executive Officer.

The approval will stipulate whether the credit card may be utilised for:

- Category 1 – general work purposes only
- Category 2 – general work purposes and work related travel expenses (excluding flights, accommodation and hire cars)
- Category 3 – general purposes, work related travel expenses and hospitality/entertainment expenses

Category 3 approval must be by the Chief Executive Officer.

All employees issued with a corporate credit card will be required to sign a form stating that they have read and understood the Corporate Credit Card Policy, Procurement of Goods and Services Policy and any related policies and procedures and receive training in the operation of the card.

3.2 CREDIT LIMITS

An overall limit of \$100,000 is set for Council's credit facility with individual monthly credit limits and transaction limits set for each credit card. Monthly credit limits will range from \$1,000 to a maximum of \$35,000. Monthly credit limits may be amended by the Chief Executive Officer to maintain Council's overall credit limit as agreed with the facility provider.

3.3 EXPENDITURE LEVELS

Subject to Clauses 3.9 (Approval Process) and 3.6 (Appropriate Uses), cardholders should only purchase items that would be considered appropriate to their work responsibilities. Purchases associated with travel, accommodation and items of a 'valuable and attractive' nature (e.g. digital cameras) must have prior Manager approval.

3.4 WITHDRAWAL OF CREDIT CARDS

Upon a Cardholder's termination or transfer, the corporate credit card must be returned no later than the last day of employment to the Credit Card Administrator to be destroyed, upon which the Deputy Chief Executive Officer will authorise the Credit Card Administrator to arrange for the cancellation of the corporate credit card with the credit facility provider.

Where a Cardholder does not comply with the requirements of this policy and related policies and procedures their corporate credit card may be cancelled. Any potential fraudulent misuse of the card will result in the cancellation of the individual's corporate credit card immediately and disciplinary action may be taken.

3.5 REPORTING LOST OR STOLEN CARDS

If a card is lost or stolen, Council may not be liable for unauthorised transactions after the loss or theft of the card if it is reported within a reasonable time. Where a corporate credit card has been lost or stolen, that loss must be reported immediately to the credit card provider.

3.6 APPROPRIATE USES OF CORPORATE CREDIT CARD

Corporate credit cards are to be used for transactions where it is the most efficient procurement option; for example for travel and accommodation bookings, online purchases, and for purchasing goods and services of relatively low value where raising and processing a purchase order would be a costly alternative.

All payments using a corporate credit card must comply with Council's policies relating to purchasing, travel, entertainment and hospitality.

When purchases are made with a corporate credit card, quotes/tenders are still required in accordance with Council's Procurement of Goods and Services Policy.

Corporate credit card facilities shall not be used for:

- 1) Obtaining cash from any source;
- 2) Payment of any private expenditure including the payment of travel expenditure for accompanying partners on business trips;
- 3) Payment for goods or services which are not available or complete at the time of the transaction (ie. no back orders);
- 4) Generally, purchase of any items where a purchasing arrangement is in place for that type of supply, eg office equipment, stationery.
- 5) Purchase of 'valuable and attractive' items (e.g. digital cameras) must have prior Manager approval.
- 6) Items (d) and (e) may be reconsidered where an emergency situation exists.
- 7) Fuel for Council's fleet vehicles where a fuel card is available.

3.7 REQUIREMENT TO AUDIT THE USE OF CORPORATE CREDIT CARDS

An audit of credit card transactions will be conducted at least annually by the Corporate and Community Manager or by the Internal Auditor.

3.8 RESPONSIBILITY OF CREDIT CARD ADMINISTRATOR

The Credit Card Administrator will perform the following functions:

- Follow up any apparent misuse or noncompliance with this policy and associated procedure with the Corporate and Community Manager;
- Maintain a current register of all authorised cardholders; and
- Cancel lost or stolen corporate credit cards immediately upon notification of a concern.

3.9 APPROVAL PROCESS

Credit card transactions must be within the delegation limit of the cardholder and comply with Council's policies and procedures. A cardholder may be subject to disciplinary action if this process is not adhered to.

3.10 RESPONSIBILITY OF CARDHOLDERS

The Cardholder will ensure that:

- The corporate credit card is used for official Council business only in accordance with the Credit Card Use Procedure;

- The corporate credit card is not used for any purpose that contravenes this or any other Council policy;
- Every transaction processed through the corporate credit card is authorised by the Cardholder or investigated if unauthorised;
- A tax invoice is collected for all transactions;
- The corporate credit card is stored safely and securely at all times;
- The monthly statement is reconciled as required by Councils Credit Card Use Procedure within 7 days of the statement date.
- All documents pertaining to the transactions are made available to the Credit Card Administrator in the format and timeframe requested in Council's Credit Card Use Procedure; and
- For FBT purposes, expenses relating to the provision of entertainment must provide details of the total number of staff who attended and the total number of attendees. The Chief Executive Officer must approve of any expenditure relating to the provision of entertainment prior to the expense being incurred.

4. REFERENCE AND SUPPORTING INFORMATION

4.1 DEFINITIONS:

To assist in interpretation, the following definitions shall apply:

Word / Term	Definition
Council	means Diamantina Shire Council.
Cardholder	The officer to whom a corporate credit card is issued. The card is embossed with the officer's name and bears the officer's signature on the reverse of the card for security and identification purposes.
Corporate Credit Card/s	All credit cards held under a Council credit card facility.
Credit Card Administrator	The Finance Support Officer responsible for the administration of credit card expenditure and operation of the scheme.
Corporate Credit Card Provider	The Financial Institution that provides Council's Credit Card facility. Currently this is the Westpac Banking Corporation.
Monthly Credit Limit	The dollar limit of the total value of transactions permitted on an individual cardholder's corporate credit card during the billing cycle.
Private Expenditure	Refers to any expense that is not related to the Council's business operations. The purchase of gifts, food and other items in relation to non-business activities such as birthday celebrations is private expenditure.

4.2 RELATED POLICIES, LEGISLATION AND DOCUMENTS:

Links to supporting documentation
Procurement of Goods and Services Policy
Entertainment and hospitality expenses policy
Corporate Credit Card Use procedure

4.3 VERSION CONTROL:

Previous Version Number	Adopted/Approved Date
1 Original	January 20 2015, Minute No. 2015.01.20-OM-7
2	September 21 2015