

# F11 Corporate Credit Cards Policy

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## Introduction

This policy is intended to provide appropriate internal controls and guidelines regarding usage of Shire of Toodyay Corporate Credit Cards.

## Application

This policy applies to all Shire employees assigned the responsibility of a Corporate Credit Card. This policy does not extend to Elected Members, as the Local Government Act does not make any provision for Elected Members to be issued with a Corporate Credit Card.

## Policy Intent

Credit cards can serve as an effective way for the Shire to make payment for goods and services. The risks associated with credit card use can be minimised through the implementation of effective controls and administration processes. This policy must be understood by the employee/card holder prior to the issuing of a Corporate Credit Card. This policy was created to ensure controlled use of Corporate Credit Cards and therefore good governance. Consultation of relevant legislation and industry best practice was undertaken.

- This Policy does not negate the preferred option of purchasing for the Shire of Toodyay i.e.: purchase orders and invoicing.
- The use of Shire of Toodyay Corporate Credit Cards is strictly limited to those purchases where standard purchasing options are not available.
- Shire of Toodyay Corporate Credit Cards are strictly to be used for Shire of Toodyay purposes only and are not to be used for personal transactions under any circumstance.
- Misuse of a Shire of Toodyay Corporate Credit Card will result in repayment of any incurred debt and disciplinary action.
- Full record keeping and accountability applies with the usage of Corporate Credit Cards.
- All paperwork and documentation relating to the usage of Corporate Credit Cards must be provided to the Finance Department to ensure appropriate and accurate record-keeping occurs.
- Employees issued with a Shire of Toodyay Corporate Credit Card must take responsible measures to ensure that card details are kept in a safe and confidential manner.

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Shire of Toodyay Corporate Credit Cards are issued as follows:

<b>Position</b>	<b>Limit \$</b>
Chief Executive Officer	10,000.00
Manager Planning & Development	5,000.00
Manager Corporate & Community Services	5,000.00
Manager Assets & Services	5,000.00
Community Emergency Services Manager (Emergencies Only)	2,000.00

- No alteration to credit card limits may be made without the approval of Council.
- No additional credit cards may be requested without the approval of Council.
- No change to the use of credit cards may be made without the approval of Council.
- Shire of Toodyay Corporate Credit Cards are not to be used to pay employee utility accounts. Such accounts are to be paid for by the employee and as part of their contract and/or salary package be reimbursed.

## **1. Legislation**

The impacts of the use and control of corporate credit cards are related to the following sections of the *Local Government Act 1995*:

- (a) Section 2.7(2)(a) and (b) requires the council to oversee the allocation of the local government's finances and resources and determine the local government policies.
- (b) Section 6.5(a) requires the CEO to ensure that there are kept, in accordance with regulations, proper accounts and records of the transactions and affairs of the local government.

Local Government (Financial Management) Regulations 1996 11(1)(a) requires local governments to develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained.

## **2. Purchases and Use of Corporate Credit Cards**

Credit Cards shall only be used for purchasing goods and services on behalf of the Shire and in circumstances when the issue of a Purchase Order Number from the Shire is not accepted or appropriate.

Under no circumstances are they to be used for personal or private purposes or for the withdrawal of cash through a bank branch or any automatic teller machine. Expenditure which is deemed to be for personal or private purposes must be declared by the card holder and will need to be refunded to the Shire.

Where purchases are made by facsimile, over the telephone or on the internet, an invoice should be requested to support the purchase. Most internet transactions provide this ability and any telephone or facsimile communications provide the opportunity to make such a request. If no invoice or receipt is available, as much detail about the transaction should be

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recorded and used to support the payment when required. (Date, Company, Address, ABN, amount any GST included).

### **3. Payments**

- (a) All paperwork must for credit card purchases must be returned to the Corporate Services Unit within 7 days of expenditure.
- (b) There will be a monthly account statement that will be provided to the respective cardholder to certify statement and they will also be required to check all invoices/receipts for transactions. All paperwork must be returned to Corporate Services Unit within 7 days of receiving statement.
- (c) Once the cardholder has returned the statement, it must be signed by CEO. The Corporate Services Unit will be required to review the Chief Executive Officer's statement.
- (d) All invoices/receipts must include the suppliers ABN, amount and whether GST applies, and a brief description of goods and services purchased.

### **4. Card Lost or Stolen**

Cards that are lost or stolen must be reported immediately by the cardholder to the issuing bank. At the earliest opportunity, written notification must also be given to Corporate Services Unit so that the cancellation of the card may be confirmed and a reconciliation of the card account from the date the card was lost or stolen may be performed.

### **5. Misuse of Corporate Credit Cards**

Cards which show unreasonable, excessive or unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the cardholder.

### **6. Return of Cards**

When the Chief Executive Officer or other Officer cease to occupy a position that is authorised to be issued with a corporate credit card (either through internal transfer, retirement, resignation or conclusion of service contract) they must return the card to Corporate Services Unit at least one week prior to vacating the position so that the card may be cancelled and the account settled.

### **7. Corporate Services Business Unit Responsibilities**

The Corporate Services Unit is responsible for arranging the issue of the Corporate Credit Card on advice from the Chief Executive Officer. The Corporate Services Business Unit's responsibilities in relation to the Corporate Credit Cards include:

- (a) Arrange the issue/cancellation of the Corporate Credit Cards.
- (b) Process payment of card expenditure on receipt of the card statement from the Bank.
- (c) To keep cardholders informed of any changes to policy and procedures on the use of the Corporate Cards.

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## 8. Cardholders Responsibilities

Officers who are issued with Corporate Cards must:

- (a) Ensure the care and safe keeping of the card.
- (b) Adhere to the policy and procedures in relation to use of the card and its financial limits.
- (c) Ensure receipts and tax invoices are received when the card is used and to produce them as evidence for settlement with the Bank.
- (d) Ensure the monthly card statement is certified correct and approved for payment when received from Corporate Services Unit and returned to Corporate Services Unit together with the receipts and tax invoices within seven (7) days of receipt.
- (e) Ensure relevant and correct expenditure account details (account numbers) are provided against each item of expenditure on the card statement to assist with the allocation of expenses and claims for the reimbursement of GST from the Australian Taxation Office.
- (f) To provide an early response to enquiries that may be made by the bank, creditors or related parties, as the case may be.

## Reference Information

### Related Documents

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<b>Related Legislation</b>	<i>Local Government Act 1995 (WA)</i> <i>Local Government (Financial Management) Regulations 1996</i>
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### Associated Forms and Attachments

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## Document Control Information

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