

# Corporate Credit Cards

## Introduction

This policy is intended to ensure that appropriate internal controls are in place regarding usage of credit cards in accordance with the legislative provisions contained in Part 6 – Financial Management of the *Local Government Act 1995* (the Act).

## Objective

To provide guidance in the issue and use of corporate credit cards in order to ensure good governance and to reduce the risk of fraud and misuse of corporate credit cards.

## Scope

The requirements of this policy apply to all Shire Officers that are issued with and/or use corporate credit cards.

## Definitions

Term	Definition
Act	<i>Local Government Act 1995.</i>
CEO	Chief Executive Officer
Corporate Services	The Corporate Services Business Unit, comprising of the Manager Corporate Services, the Finance Coordinator, and the Finance Officer – Accounts Payable and Payroll.
Council	The local government, responsible for making decisions in formal meetings held under the auspices of Part 5 of the <i>Local Government Act 1995</i> and under the <i>Shire's Standing Orders Local Law 2008</i> .
Credit card(s)	The Shire of Toodyay Corporate Credit Card(s)
Form	The Shire's Credit Card Request Form
Member	In relation to a council or committee, a Council Member in the Act; Elected Member; or Councillor; or a member of the committee.
Regulations	<i>Local Government (Financial Management) Regulations 1996</i>
Shire	The Shire of Toodyay.
Standard purchasing options	The preferred option of purchasing for the Shire by way of requisitions; purchase orders; and invoicing.

Term	Definition
Statement	The monthly credit card account statement

## Policy Statement

Credit cards serve as an effective means for the Shire to make payment for goods and services. The risks associated with credit card use are minimised through the implementation of effective internal controls and administration processes.

This policy ensures accountability in regard to the use of credit cards and does not negate standard purchasing options.

Council is responsible for approving credit card limits; additional credit cards; and the Corporate Credit Card(s) Policy.

### 1. Corporate Services' Responsibilities

Corporate Services is responsible for the issue, management and cancellation of a credit card, including credit card validation and acquittal of expenditure.

This is achieved by:

- (a) Arranging the issue/cancellation of credit cards;
- (b) Processing payment of credit card expenditure on receipt of a statement from the Bank;
- (c) Keeping card holders informed of any changes to policy and procedures on the use of the credit cards; and
- (d) Reporting all credit card expenditure to Council with the monthly financial report.

### 2. Credit Card Issue

Officers issued with a credit card must take all reasonable measures to ensure that card details are kept in a safe and confidential manner. Credit card holders are as follows:

Position	Limit \$
Chief Executive Officer	10,000.00
Manager Development and Regulation	5,000.00
Manager Corporate & Community Services	5,000.00
Manager Infrastructure and Assets	5,000.00
Community Emergency Services Manager (emergencies only)	2,000.00

### **3. Purposes for which a card may, or may not be used**

Credit cards shall only be used for purchasing goods and services on behalf of the Shire for Shire purposes only, in circumstances where standard purchasing options are not available. Personal expenditure is strictly prohibited.

#### **3.1 Credit Cards are not to be used;**

- For personal transactions or private purposes, under any circumstance.
- For the withdrawal of cash through a bank branch or any automatic teller machine.
- 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.
- For 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.

### **4. Process for purchases, including online purchases**

A Credit Card Request form must be completed for all credit card purchases, whether those purchases are made over the phone, or online.

The form may be completed by either the card holder, or a Shire Officer on behalf of the card holder. All relevant documentation that will support the credit card purchase request must be attached to the form and provided to Corporate Services within 7 days of expenditure to ensure appropriate and accurate recordkeeping occurs.

Where purchases are made by telephone or online, an invoice should be requested or printed to support the purchase. If no invoice or receipt is available, as much detail about the transaction should be recorded and used to support the payment when required (e.g. the Date; Company; Address; ABN; amount and any GST included; and the reason for the transaction).

### **5. Card holder obligations**

Officers issued with credit cards must:

- (a) Ensure the care and safe keeping of the card.
- (b) Adhere to the policy and procedures in relation to credit card use and financial limits.
- (c) Ensure receipts and tax invoices are received when the credit card is used and to produce them as evidence for settlement with the Bank.
- (d) Ensure relevant and correct expenditure account details and work order numbers are provided against each item of expenditure on the account statement to assist with the allocation of expenses and claims for GST.
- (e) Ensure the monthly account statement is certified correct and approved for payment when received from Corporate Services; and returned to Corporate Services together with the receipts and tax invoices within 7 days of receipt.

## 5.1 Statements

- (a) Once the statement is reconciled and expenditure verified by Corporate Services, the CEO must sign the statement(s).
- (b) Corporate Services will review the CEO's statement.
- (c) All invoices/receipts must include the supplier's ABN; the amount spent (including whether GST is applicable); and a brief description of goods and services purchased.

## 5.2 Lost or Stolen Credit Cards

- (a) The card holder must report immediately where a credit card has been lost or stolen by notifying the issuing Bank and Corporate Services in writing and by telephone.
- (b) Corporate Services and the Bank will confirm cancellation of the card; and perform a reconciliation of the account statement from the date the card was lost or stolen.

## 5.3 Return of Cards

When a card holder ceases to occupy a position that is authorised to be issued with a credit card, they must return the credit card to Corporate Services at least one week prior to vacating the position so that the card may be cancelled, and the account settled.

## 6. Misuse of Corporate Credit Cards

Credit Card showing unreasonable, excessive or unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the card holder.

Any misuse of a credit card will result in repayment of any incurred debt and disciplinary action.

## Reference Information

- [Register of Delegations](#) – CS1 Payments from Municipal Fund or Trust Fund.
- [Purchasing Policy \(FIN3\)](#).
- [Controls over Corporate Credit Cards](#) from the Office of the Auditor General
- [Use of Corporate Credit Cards \(dlgsc.wa.gov.au\)](http://dlgsc.wa.gov.au) Local Government Operational Guidelines

## Legislation

- *Local Government Act 1995*.
- *Local Government (Financial Management) Regulations 1996*.

## Associated documents

Credit Card Request Form.

## Version control information

Version No.	Date Issued	Review position	Developed by	Approved by
V1	18/9/2012	Amended	MCCS	Council
V2	15/10/2013	Amended	MCCS	Council
V3	22/1/2019	Amended	MCCS	Council
V4	15/12/2020	Amended	MCCS	Council
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