



CORPORATE CREDIT CARD POLICY

Document Status	Adopted
Statutory Environment	Local Government Act 1995 Local Government (Financial Management) Regulations 11(1)(a)

Record of Policy Review

<i>Version</i>	<i>Author</i>	<i>Council Adoption</i>	<i>Resolution</i>	<i>Reason for Review</i>	<i>Review Date</i>
01	Graeme Fardon	29 September 2011	53-11/12	New Policy	
02	Graeme Fardon	27 September 2018	41-18/19	Policy Review Project – 4/09/2018	

PURPOSE

The Corporate Credit Card has been implemented to allow Council to transact its business in a more efficient manner and at the same time provide the Chief Executive Officer with a more convenient method to meet costs they incur on the Council's behalf.

OBJECTIVE

This Policy is to ensure effective controls and procedures are in place with respect to the use and responsibilities of Corporate Credit Card by ensuring that operational and administrative costs and the risks associated with Corporate Credit Card use are minimised while providing the Chief Executive Officer with a convenient method of purchasing goods and services on behalf of Council.

POLICY

A Corporate Credit Card may be issued to the Chief Executive Officer only, and is to be used in accordance with the guidelines detailed below.

GUIDELINES

Legislation – The *Local Government Act 1995* does not specifically mention the use of Corporate Credit Cards by officers in a Local Government. However, Section 6.5(a) of the *Local Government Act 1995* requires the Chief Executive Officer to ensure that proper accounts and records of the transactions and affairs of the Local Government are kept in accordance with regulations. In addition, the *Local Government (Financial Management) Regulations 11(1)(a)* requires Local Government to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisation in place for the use of credit cards.

The *Local Government Act 1995* does not allow for the issue of Corporate Credit Cards to elected members of Local Governments. There are no provisions within the *Local Government Act 1995* which allow an elected member to incur a debt, as would be the case with a credit card. Elected Members are entitled to allowances or the reimbursement of expenses incurred on Council business.

Annexure A – Policy Procedures

Annexure B – Attachment: Corporate Credit Cardholder Agreement.

Annexure A - Policy Procedures

1. Authority for Approval of Corporate Credit Cards

Council is required to approve the issue of a Corporate Credit Card to the Chief Executive Officer (Cardholder) and any change to the credit card limit.

2. Issuing of Cards

A Corporate Credit Card may be issued to the Chief Executive Officer where it is inappropriate to use the Shire's normal payment systems.

Council is to maintain a Corporate Credit Card Register with all card details recorded including date issued to the Chief Executive Officer.

3. Approved Bankers

- A Corporate Credit Card is to be issued by Council's transactional banker.
- The Card is not to be linked to any form of reward points.

4. Purchases and Use of Corporate Credit Cards

- Use of a Corporate Credit Card requires the Cardholder to abide by Council's Purchasing Policy, including purchasing from Council's preferred suppliers wherever possible.
- The Corporate Credit Card may only be used for purchases of goods and services in the performance of official duties for which there is a budget provision. Personal expenditure is prohibited. The Corporate Credit Card is not to be used for cash withdrawals.
- When purchases are made, the Cardholder is to ensure that an appropriate Taxation Invoice is obtained from the supplier and included with the monthly transaction.
- All invoices/receipts must include the suppliers ABN, amount and whether GST applies, and a brief description of goods and/or services purchased.
- The credit limit of the card is not to be exceeded.

5. Reconciling Monthly Statements

- Where a payment is made for entertainment, it is important to note on the invoice/receipt the number of persons entertained and the names of any Shire of Quairading employees in that number. This is required to ensure the Shire pays the correct amount of Fringe Benefits Tax.
- The Chief Executive Officer, Chairperson of the Audit & Risk Committee and/or the Shire President is to sign and date the monthly Council Corporate Credit Card statement at completion of the reconciliation with all supporting taxation invoices attached. A credit card transaction slip is not acceptable to support the claim.
- The Cardholder will be personally liable for expenditure that cannot be shown to relate to the business of the Shire of Quairading.
- All transactions are to be noted on the monthly Accounts for Payment Agenda Item presented to Council.

6. Card Lost or Stolen

A Card that is lost or stolen must be reported immediately by the Cardholder to the issuing bank by telephone. Written notification must also be forwarded to the Executive Manager of Corporate Services.

7. Termination of Employment

The Corporate Credit Card will be cancelled immediately upon the termination of employment of the Chief Executive Officer (Cardholder). The Cardholder must notify the Executive Manager of Corporate Services two weeks before the date to arrange cancellation of use and to ensure all receipts and their account has been settled.

The Cardholder remains responsible for providing details of any expenditure included on the Corporate Credit Card statement up to and including their final day of employment.

The surrendered Corporate Credit Card must be returned to the Executive Manager of Corporate Services who will make arrangements for the destruction of the card.

Annexure B – Attachment**Corporate Credit Cardholder Agreement**

I _____ (cardholder name) acknowledge and accept the conditions listed below which govern the use of the Shire of Quairading Corporate Credit Card: -

Conditions of Use

1. Ensure the corporate credit card is maintained in a secure manner and guarded against improper use.
2. The Corporate credit card is to be used only for Shire of Quairading official activities, there is no approval given for any private use unless in accordance with a salary sacrifice agreement.
3. All documentation regarding a corporate credit card transaction is to be retained by, or provided to, the cardholder and produced as part of the reconciliation procedure.
4. Credit limit is not to be exceeded.
5. The use of the credit card shall not be tied to any type of reward system that provides cardholders with any personal benefit or reward.
6. Observe all cardholder responsibilities as outlined by the card provider.
7. Purchases on the corporate credit card are to be made in accordance with Shire of Quairading's Purchasing Policy.
8. Monthly reconciliation of credit card purchases is to be completed within seven (7) days of the date of the credit card statement being issued.
9. Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable a GST rebate to be applied.
10. Transactions are to be accompanied by a succinct explanation of why the expense was incurred.
11. Transactions are to be accompanied by a job number for costing purposes.
12. If no supporting documentation is available, the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'. Approval of this expense is referred to the Shire President for a decision. Regular failure to provide documented records may result in the card being forfeited.
13. Should approval of expenses be denied by the Shire President recovery of the expense shall be met by the cardholder.
14. The cardholder is required to sign and date the corporate credit card statement with supporting documentation attached.
15. Lost or stolen cards shall be reported immediately to the card provider and a written account of the circumstances shall be provided to the Executive Manager of Corporate Services on the next working day.
16. The Corporate Credit Card is to be returned to the Executive Manager of Corporate Services on or before the employee's termination date with a full acquittal of expenses.
17. Failure to comply with any of these requirements could result in the card being withdrawn from the employee. In the event of loss or theft through negligence or failure to comply with the Shire of Quairading Corporate Credit Card Policy any liability arising from the use of the card may be passed to the cardholder.

The use of a Shire of Quairading Corporate Credit Card is subject to the provisions of the Code of Conduct of the Shire of Quairading. Serious transgression of the above listed responsibilities or the Code of Conduct may result in an appropriate referral under the Corruption and Crime Commission Act 2003 and/or termination of employment.

Signed:

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Date:

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Witness Name:

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Witness Signature:

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Date:

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