

CORPORATE CREDIT CARD POLICY

1. Objective

This policy establishes rules for the use and responsibilities of corporate credit cards by ensuring that operational and administrative costs and the risks associated with credit card use are minimised while providing cardholders with a convenient method of purchasing goods and services on behalf of the Shire.

2. Scope

This policy applies to all officers issued with a corporate credit card. It documents the responsibilities attached to these cards and their acceptable use.

3. Policy

3.1 Authority for Use of Corporate Credit Cards

Corporate Credit Cards may be issued to the Chief Executive Officer and authorised officers where it is inappropriate or inconvenient to use the Shire's normal payment systems.

3.2 Authority for Approval of Corporate Credit Cards

The Council must approve the issue of a credit card to the Chief Executive Officer and any change to the credit card limit. The Chief Executive Officer may approve the issue of a Corporate Credit Card and any change to credit card limits for any credit cards issued to council officers.

The *Local Government Act 1995* does not allow for the issue of Corporate Credit Cards to elected members of Local Governments. Elected Members are entitled to allowances or the reimbursement of expenses incurred on Council business.

3.3 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.

3.4 Approved Bankers

Corporate Credit Cards are issued by banks and financial institutions on behalf of or through Credit Card providers such as Visa, MasterCard or American Express. Corporate Credit Cards are to be issued by its transactional banker.

3.5 Use of Corporate Credit Cards

The Corporate Credit Cards will only be used for purchases of goods and services in the performance of official duties for which there is a budget provision. Under no circumstances will they to be used for personal or private purposes or for the withdrawal of cash through a bank branch or any automatic teller machine. Where purchases are made by facsimile, over the telephone or on the internet, an invoice will 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 will be recorded and used to support the payment when required

(date, company, address, ABN, amount any GST to be included). Where a payment is made for entertainment, the number of persons entertained and the names of any Shire employees in that number will be detailed on the receipt. This is required to ensure the Shire pays the correct amount of Fringe Benefits Tax.

3.6 Accounts & Settlement

The provider of the credit card will supply the Executive Manager, Corporate Services, with a statement of account each month. This statement will be forwarded to the cardholder for certification and the supply of receipts and tax invoices to support the Shire's claim for the GST component of purchases and services obtained. Cardholders are to certify that the account details are correct by signing the statement before it is returned to the Executive Manager, Corporate Services for payment. In the case of the Chief Executive Officer, the statement must be signed by the Chair, Audit & Risk Committee. A credit card transaction slip is not acceptable to support the claim. A tax invoice will provide a brief description of the goods and services supplied along with the suppliers ABN. The cardholder is to provide the relevant or correct expense account for the expenditure.

3.7 Card Lost or Stolen

Cards that are lost or stolen must be reported immediately by the cardholder to the issuing bank by telephone. At the earliest opportunity, written notification must also be given to the Executive Manager, Corporate Services 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.

3.8 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 and/or disciplinary action and/or termination of employment.

3.9 Recovery of Unauthorised Expenditure

Unauthorised expenditure or expenditure of a private nature that is proved to be inappropriate will be recovered by deductions from the officer's salary.

3.10 Internal Audit of the Corporate Credit Card System

From time to time the Executive Manager, Corporate Services will provide a report on the control, use, viability and adherence to authorised policy and procedures to the Audit & Risk Committee.

3.11 Reward/Bonus Points

Where the Corporate Cards carry rewards or bonus points, usually to encourage the use of the card by the issuing institution, these rewards or points will be accumulated in the name of the Shire of Quairading. The Chief Executive Officer will decide how these points are to be utilised and may include a charitable, social or sporting distribution. Under no circumstances are rewards or bonus points to be redeemed for an officer's private benefit.

3.12 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 the the Executive

Manager, Corporate Services at least one week prior to vacating the position so that the card may be cancelled and the account settled.

3.13 Responsibilities

The Executive Manager, Corporate Services is responsible for arranging the issue of the Corporate Credit Card on advice from the Chief Executive Officer.

The Executive Manager, Corporate Services' responsibilities in relation to the Corporate Credit Cards include:

- 3.13.1 Maintain a Card Register of all cardholders.
- 3.13.2 Arrange the issue/cancellation of the Corporate Credit Cards.
- 3.13.3 Arrange for all cardholders to sign the Credit Card User Instruction Agreement (see Appendix A) on receipt of the new card and ensure the signed agreement is filed in the Card Register
- 3.13.4 Process payment of card expenditure on receipt of the card statement from the bank.
- 3.13.5 To keep cardholders informed of any changes to policy and procedures on the use of the Corporate Cards.

3.14 Cardholders Responsibilities

Officers who are issued with Corporate Cards must

- 3.14.1 Ensure the care and safe keeping of the card.
- 3.14.2 Adhere to the policy and procedures in relation to use of the card and its financial limits.
- 3.14.3 Ensure receipts and tax invoices are received when the card is used and to produce them as evidence for settlement with the Bank.
- 3.14.4 Ensure the monthly card statement is certified correct and approved for payment when received from the process payment of card expenditure on receipt of the card statement from the bank.
- 3.14.5 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.
- 3.14.6 Provide an early response to enquiries that may be made by the bank, creditors or related parties, as the case may be.
- 3.14.7 Use the corporate credit card in accordance with the Shire's Code of Conduct at all times.

4. Definitions

Nil

5. Relevant management practices/documents

Nil

6. Legislation/Local Laws

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996 Office use only*
- *Work Health & Safety Act 2020*

Record of Policy Review

Version	Author	Council Adoption	Resolution	Reason for Review	Review Date	CEO Signature
01	Graeme Fardon	29/09/11	53-11/12	New Policy		
02	Graeme Fardon	27/09/18	41-18/19	Policy Review Project – 4/09/2018		
03	Graeme Fardon	17/12/20	97-20/21	Biennial Policy Review	December 2020	
04	Nicole Gibbs	24/02/22	120-21/22	Biennial Policy Review	Feb 2024	