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# **APPENDIX ITEM 9.15**

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## POLICY MANUAL

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### Credit Card Policy

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#### 1. POLICY

This policy is to ensure effective controls, policies and procedures are in place with respect to the use of corporate credit cards.

#### 2. PRINCIPLES

- Ensure transparency in Council's operations concerning the use of corporate credit cards.
- Ensure Council's resources are managed with integrity and diligence.

#### 3. OBJECTIVES

- Fulfil all statutory requirements of the Local Government Act with respect to the use of corporate credit cards.
- To adopt best practice in developing a clear and comprehensive policy on the use of corporate credit cards.

#### 4. STRATEGIES

##### **Purpose of Corporate Credit Cards**

Corporate credit cards have been implemented to allow the Council to transact its business in an efficient manner and, at the same time, provide Council officers with a more convenient method to meet costs they incur on Council's behalf.

Corporate credit cards should be recognised as a valuable tool for the efficient and effective operation of Council's daily business and not as a benefit assigned to specific individuals. The use of corporate credit cards will create savings in staff administration time in matters such as arranging transport, accommodation and registration for attendance at conferences and by eliminating the need for overseas bank drafts for certain purchases. It will also reduce the number of creditor creations that are required for one-off purchases.

It is intended to save time and paperwork in making purchases while still maintaining control of purchase through a monthly reconciliation process as well as reducing the need for Council staff to use their private credit card to conduct Council business.

Staff members are not to use their private credit card to conduct Council business over the amount of \$100 in any one transaction, without CEO approval.

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#### Issuing of Cards

The Chief Executive Officer has delegated authority to authorise the issuing of corporate credit cards to staff.

The Chief Executive Officer will be responsible for maintaining a register of the individual corporate credit cards including their associated limits and expiry dates.

The Chief Executive Officer will be responsible for obtaining approval of the Chief Executive Officer for the issue of a card and this will be recorded on a 'Cardholder Approval and Acknowledgement' form. Each cardholder will be required to sign this form on receipt of the corporate credit card and acknowledge these policies and procedures.

#### Monthly Limit and Authorisations

Each corporate credit card will have a monthly limit on expenditure and the expenditure is to be authorised by the person as indicated in the following table.

	<i>Monthly Limit</i>	<i>Expenditure Authorisation</i>
Chief Executive Officer	5,000	Chairman
Special Project Officer	2,000	Chief Executive Officer
Executive Assistant	1,000	Chief Executive Officer

#### Restrictions

Corporate credit cards are not to be used for personal expenses under any circumstances.

Corporate credit cards are not to be used for purchases of fuel unless authorised by the Chief Executive Officer.

Use of the corporate credit cards for purchases over the internet should be restricted to trusted secure sites.

The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of TPRC.

#### How Do I Use It?

Corporate credit cards are to be used as a normal credit card, with the valid signature or PIN required to make any purchase.

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No cash advances are available from ATM's or over the counter and BPay facilitates are not available.

The card is for official Council business only and may not be used for personal items under any circumstances. The card is not linked to any form of award points and any personal award card or membership should not be used in conjunction with the use of the corporate credit card.

A tax invoice is required to be obtained for every purchase made by the credit card holder. This is required in reconciliations of the corporate credit card statement at the end of each month.

If a transaction is done by telephone or by mail order, the cardholder will need to ensure that an appropriate tax invoice is obtained from the supplier and included with the monthly reconciliation.

Tax invoices must contain the following components in order to comply with taxation law and allow Council to claim an input tax credit for the GST paid:

- Name of creditor
- The ABN of the creditor
- Date of issue
- The quantity and a brief description of what is being supplied
- The name Tamala Park Regional Council (being the recipient)
- The words 'tax invoice'
- The GST as a separate component OR the invoice total with a statement that 'Total includes GST'

All details of the purchase, including tax invoices are required to be obtained and retained to support the appropriate allocation of purchases at the end of each month.

Use of a corporate credit card will require the user to abide by Council's Code of Conduct and purchasing policies including purchasing from Council's preferred suppliers wherever possible.

Where any expenditure is incurred relating to business hospitality or other purposes involving staff the cardholder must write on the receipt, or a receipt attached statement, the names of employees and non-employees, detail of expenditures and other sufficient information to make an assessment of fringe benefits tax payable in total and per employee.

If the corporate credit card is used to purchase software, specifically if purchasing through the internet, it is necessary to liaise with Council's IT professional consultant to ensure the software is compatible and is capable of effective support and maintenance.

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The credit limit of the individual cards is not be exceeded.

The remaining credit limit can be ascertained at any time by contacting the Westpac Bank hotline on 1300 651 089.

#### **Payment of Monthly Account**

The outstanding balance of each corporate credit card will be automatically debited to Council's bank account around the 14<sup>th</sup> day of each month.

#### **Reconciling Monthly Statements**

1. Each cardholder will be issued with a monthly statement listing all their transactions. It is the responsibility of the cardholder to match their supporting documentation to the monthly statement.
2. Monthly statements must be reconciled and returned to the Executive Assistant within seven days of receiving the statement.
3. When the monthly statement is received, a check is required to ensure all purchases that are supported by invoices are retained.
4. Record next to each transaction:
  - The reason for the purchase e.g.  
LGMS Conference – accommodation deposit – 5/1/09 – Perth
  - The account number the purchase is to be costed to
5. Attach tax invoices for all the purchases with GST and normal invoices for purchases without GST.

NB: Tax invoices are necessary to enable Council to claim back the GST each month.

6. For FBT purposes, expenses relating to the provision of entertainment must provide details of the function, the total number of staff who attended, and the total number of attendees.
7. Sign and date the monthly corporate credit card statement at completion of the reconciliation.
8. The monthly corporate credit card statement, with all invoices attached, should then be authorised by the appropriate person as described in the Monthly Limit and Authorisation section of this policy.

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9. The corporate credit card statement and all attachments are then to be sent to the Chief Executive Officer.
10. After processing, all corporate credit card statements will be kept by the Executive Assistant.
11. The CEO's corporate credit card statements are to be presented to the Audit Committee every four months.
12. Copies of all statements and supporting documents are to be filed for audit review.
13. The Council Auditor will include as part of the annual work plan, a periodic review of the supporting documentation in respect of the monthly corporate credit card statement.

#### **Disputed Purchases**

Council is responsible for paying all accounts on the monthly corporate credit card statements and the bank will debit this amount to the Council's bank account around the 14<sup>th</sup> day of each month.

The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of TPRC.

The Chief Executive Officer is to be notified of all disputed transactions. The cardholder must complete the 'disputed transactions' form and include it with the monthly reconciliation.

When a dispute occurs, the cardholder should attempt to correct the situation with the merchant. In many cases a simple telephone call can clear up a problem without any delay. If unable to correct the situation, contact the Chief Executive Officer. The Chief Executive Officer will attempt to resolve the matter and may have to contact the bank for assistance.

The bank can assist with resolving some disputes with merchants, particularly those involving duplicated charges, non receipt of goods ordered or credits not processed after refund vouchers have been issued.

#### **Terminating or Ceasing Employment**

Cards should be returned as soon as no longer required and if leaving the services of Council, should be returned, no later than 5 working days prior to the last day of employment.

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#### Reporting Lost or Stolen Cards

If a card is lost or stolen it is the cardholder's responsibility to immediately phone Westpac Bank to report the loss.

Westpac Bank can be contacted 24 hours a day, 7 days a week on 1300 651 089.

The Chief Executive Officer should be contacted immediately and advised by the next business day and the cardholder should then complete a 'Lost or Stolen Cards' form and forward it to the Chief Executive Officer.

A replacement card will be arranged and issued to the cardholder upon receipt from the bank.

#### Replacement Cards

The card is valid for the period shown on the face of the card and Westpac Bank will automatically reissue replacement cards to the Chief Executive Officer one month prior to the expiry date. The Executive Assistant will then update the register details in regard to the replacement card and issue it to the cardholder.

The cardholder will need to complete a 'Replacement Cards' form and sign the form on receipt of the new card.

#### 5. IMPLEMENTATION

The Chief Executive Officer is responsible for the implementation of this policy.

#### 6. EVALUATION & REVIEW

The policy will be evaluated and reviewed every year from date of adoption.

#### 7. RESOURCE IMPLICATIONS

Minimal impact as procedures already in place and operating.

#### 8. AUTHORISATION

This policy was adopted by the Chief Executive Officer on 27 August 2009 and by the Council on 15 October 2009.

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#### 9. OWNERSHIP

The Audit Committee is responsible for implementing and reviewing this policy.

#### 10. ATTACHMENTS

- Cardholder Approval and Acknowledgement Form
- Disputed Transactions form
- Lost or Stolen Cards form
- Replacement cards form

This Credit Card Policy is authorised by the Chief Executive Officer on 1 October 2012.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date





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