

POLICY OBJECTIVE

The objective of this Policy is to ensure effective controls and procedures are in place with respect to the use of Corporate Credit Cards issued by Edward River Council (Council) to Council Officials.

SCOPE

The objectives of this Policy are to:

- Ensure transparency in Council's use of Corporate Credit Cards
- Ensure Council's resources are managed with integrity and diligence
- Adopt best practice in developing a clear and comprehensive framework on the use of Corporate Credit Cards
- Ensure accountability of use of Corporate Credit Cards including that use is for legitimate council business only; and
- Improve efficiency in purchasing processes.

LEGISLATIVE REQUIREMENTS

Local Government Act 1993

POLICY STATEMENT

1 Principles

- 1.1 Corporate Credit Cards have been implemented to allow the Council to transact its business in an efficient manner by providing Council Officers with a 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. In appropriate circumstances the use of Corporate Credit Cards create savings in staff administration time for transactions such as arranging transport, accommodation, 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. Corporate Credit Cards should only be used in situations where it is not reasonably possible or not cost effective to go through the Council's normal procedures for the ordering of and/or payment for goods or services.

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

- 1.2 This Policy applies to all Council Officials that have been issued a Corporate Credit Card.

2 Responsible Officer

2.1 The Chief Financial Officer (CFO) is the Responsible Officer for this Policy. The role includes:

- Maintaining the Policy
- Investigating breaches and enforcing compliance and
- Implementing communications, education, and monitoring strategies.

3 Core Responsibilities

3.1 Issuing of Corporate Credit Cards

The Chief Executive Officer is responsible for the proper management and administration of credit cards in Council and shall authorise the provision of a Council Corporate Credit Card.

The Finance Team is responsible for maintaining a register of the individual Corporate Credit Cards including their associated limits and expiry dates.

The Commonwealth Bank requires that a “New Cardholder Request” form be completed and applicants will be provided with this form by the Finance Team (Attachment 5). Instructions to assist you in the completion of this form are provided as Attachment 6 - MasterCard Application Instructions.

Before anyone can become a cardholder, it will be necessary for that person to provide adequate proof of identity to satisfy the Bank’s requirements of at least 100 identification points. The cardholder will need to provide both original and authenticated copies of their ID to one of Council’s verifying officers, namely:

- Director Corporate Services
- Director Infrastructure or
- CFO

3.2 Each cardholder is required to understand and are accountable for the responsible use of credit cards and will be required to accept the conditions of use accompanying this Policy on receipt of the corporate credit card by acknowledging these policies and procedures (Refer Attachment 1).

3.3 Monthly Limit and Authorisations

Each Corporate Credit Card will have a monthly limit on expenditure. The credit limit of the individual cards is not to be exceeded. The remaining credit limit can be ascertained at any time by contacting the Finance Officer.

Corporate Credit Card expenditure is to be authorised in accordance with Council’s Delegations of Authority.

4 Restrictions

- 4.1 Under no circumstance is personal expenditure or Cash Advances to be charged against the Corporate Credit Card.

If a card is inadvertently used for personal use the Cardholder should:

Identify if the Supplier is able to reverse the transaction; or

Ensure that repayment is made immediately (or as soon as practicably possible), with a copy of the receipt for reimbursement attached to the statement.

Where a Corporate Credit Card is inadvertently used for personal use, authorising officers must not approve the statement, without a reimbursement receipt being attached.

Corporate Credit Cards should only be used for purchases of fuel for Council vehicles in an emergency. Staff should use their vehicle's fuel card for normal fuel purchases.

Use of 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 Edward River Council.

Use of a Corporate Credit Card will require the user to abide by Council's purchasing policies including purchasing from Council's preferred suppliers wherever possible. All software purchases must be made through Council's Information Management Team to ensure the software is compatible and is capable of effective support and maintenance.

5 Corporate Credit Card Holder Responsibilities

- 5.1 Corporate Credit Cards are to be used as a normal credit card, with the valid signature/PIN required to make any over the counter purchases. Internet and Phone purchases are to be made with the cardholder authority.

No cash advances are available from automatic teller machines or over the counter and BPAY facilities 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.

All holders of Corporate Credit Cards must refer to and follow the guidelines that are provided with the cards when they are issued.

It is the card holder's responsibility to ensure the card is used only for approved purchases and that this can be clearly demonstrated.

5.2 Supporting Documentation Required for Obtaining Supplies

The standard Credit Card slip is not acceptable to the Australian Tax Office (ATO) as sufficient evidence to claim back the input tax credits relating to GST paid.

Additionally, the ATO could hold that 46.5 percent of the amount paid by Credit Cards should have been withheld where an ABN is not quoted as Council has not met its obligations under the GST legislation.

Given the above it is therefore necessary that a tax invoice be obtained when purchasing taxable supplies by Credit Card.

A tax invoice will need to contain the ABN number of the supplier and either the words GST inclusive or provide detail of the amount of GST charged. Regardless of the method adopted the total of the invoice should include the GST component applicable to the transaction.

In certain circumstances the supplier may not be registered for GST. In this case, the invoice must contain the ABN but make no references to the GST. Input credits for the GST will not be claimable on supplies received from those suppliers.

Supporting documentation is required to be obtained for every purchase you make. A tax invoice is required for all transactions involving GST, above the \$82.50 threshold. Where GST is not applicable, supporting evidence can be in the form of a receipt or an internet/on-line payment acknowledgement. This documentation is required as part of the reconciliation of the Credit Card statement at the end of each month. If the transaction documentation is for some reason lost or destroyed a statutory declaration must be completed.

If a transaction is completed 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 to comply with taxation law and allow Council to claim an input tax credit for the GST paid:

- Date of issue
- Name of creditor
- The Australian Business Number (ABN) of the creditor
- The quantity and a brief description of what is being supplied
- The name Edward River 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.

6. Payment of Monthly Account

- 6.1 The outstanding balance of each Corporate Credit Card will be automatically debited to Council's bank account at the end of the month.

7 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 / tax invoices to the monthly statement.
NB: Tax invoices are necessary to enable Council to claim back the GST each month.
2. Monthly statements must be reconciled and returned to the Finance Unit within seven days of receiving the statement.
3. Record next to each transaction:
 - The account number for the purchase is to be costed to and
 - The reason for the purchase
4. For FBT purposes, expenses relating to the provision of entertainment must provide details of the total number of staff who attended and the total number of attendees.
5. Sign and date the monthly Corporate Credit Card statement at completion of the reconciliation.
6. 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 Authorisations section of this Policy.
7. The Corporate Credit Card statement and all attachments are then to be sent to the Finance Officer.
8. After processing, all Corporate Credit Card statements will be filed with the relevant journal.

8 Disputed Transactions

- 8.1 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 at the end of the month.

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

The finance team is to be notified of all disputed transactions. The cardholder must complete the 'Disputed Transactions' form and include it with the monthly statement.

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. The Finance team 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.

9 Terminating or Ceasing Employment

- 9.1 Cards should be returned as soon as no longer required and if leaving the services of Council, should be returned, no later than the last day of employment. The staff member's manager is responsible for ensuring the return of the credit card to Council.

Credit cards will be cancelled upon advice from the People and Customer Services team that a staff member is no longer an employee of Edward River Council.

10 Reporting Lost or Stolen Cards

- 10.1 If a card is lost or stolen it is the cardholder's responsibility to immediately telephone the Commonwealth bank to report the loss. The Commonwealth Bank can be contacted 24 hours a day, seven days a week on 13 1576.

The Finance team 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 Finance team. A replacement card will be arranged and issued upon receipt from the bank

11 Replacement Cards

- 11.1 The card is valid for the period shown on the face of the card and the Commonwealth Bank will automatically reissue replacement cards to the Finance team one month prior to the expiry date. The Finance team 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.

12 Misuse of Cards

12.1 If a Corporate Credit Card is misused (i.e., used in a manner otherwise than in accordance with the instructions provided) the cardholder may be liable for disciplinary action. Actions in relation to the misuse of the card include the cancellation of the card, disciplinary action and/or termination of employment.

The Finance team has the authority to cancel cards for misuse or repeated failure to meet the timetable for completing monthly reconciliations (after a maximum of two reminders) with sign-off by the Director Corporate Services and notification to the relevant Director.

ASSOCIATED POLICIES AND PROCEDURES

- Councillor Expenses and Facilities Policy
- Procurement Policy

DEFINITIONS

Credit Card Holder means a person that has a credit card issued to them in their name for Council.

Director Corporate Services means the Director of Corporate Services of Council, including their delegate or authorised representative.

Manager Finance means the Manager of Finance of Council, including their delegate or authorised representative.

Card Administrator means someone identified with the bank as an administrator of our Corporate Card facility.

POLICY VERSION CONTROL

Title	Corporate Credit Card Policy			
ECM Doc Set ID	261589			
Date Adopted	15 May 2023			
Council Minute No.	2023/0515/4.2			
Responsible Officer	Chief Financial Officer			
Version Number	Modified By	Modifications Made	Date modified and Approved by Council	Council Minute Number
01	Chief Financial Officer	Update to meet OLG Guidelines	15 May 2023	2023/0515/4.2

Attachment 1 – Corporate Card Application and Acknowledgement Form

To the CFO/Card Administrator

I, _____

(Please print name and position)

Require a Corporate Card for the following reasons:

I acknowledge that I am issued with a Corporate Card for the Edward River Council and I understand and agree that:

1. I will not use the Corporate Card, nor permit it to be used for other than authorised purposes.
2. I will not use the Corporate Card, nor permit it to be used for cash withdrawals.
3. I will not use the Corporate Card unless authorised in writing to do so by the Card Administrator.
4. Misuse of the Corporate Card may result in the card withdrawal. Disciplinary, including legal, action may be taken against me if appropriate.
5. In the event of misuse of the Corporate Card and I am found guilty of an offence, I authorise Council to recoup any loss from my employee entitlements.
6. I am aware of my monthly credit and individual transaction limits.
7. I am required at all times, to ensure the security and safe keeping of the Corporate Card.
8. I accept responsibility for all purchases made on the Corporate Card.
9. If the Corporate Card is stolen, I will immediately contact the issuer, Commonwealth Bank on 13 15 76 and the Manager Finance.
10. I will return the Corporate Card to my supervisor in the event of any leave in-excess of 20 days, my retirement or resignation from Edward River Council, or prior to me assuming duties in another position that does not require the use of a Corporate Card, along with all supporting documentation for outstanding transactions and a completed Corporate Card Termination of Use Advice Form.
11. I agree to attend Corporate Card Use Training before receiving the Corporate Card and comply with all rules associated with the use of the Corporate Card.

I acknowledge that I have read and understood the conditions set out above and within the Corporate Card Policy which govern the use of a Corporate Card in my name.

Signature of Cardholder

Print Name:

Date:

Signature of Director

Print Name:

Date:

Signature of CFO/Card Administrator

Print Name:

Date:

Attachment 2 – Corporate Card Termination of Use Advice

This advice is to be completed and submitted to the Card Administrator prior to, or on the last day of your employment with Edward River Council, or in the event you are re-assigned to another position with Council that does not require the use of a Corporate Card.

The Corporate Card, along with all supporting documentation for any outstanding transactions must be returned with this advice.

Card Details

Cardholder's Name: _____

Position: _____

Business Unit: _____

Corporate Card Number: _____

Surrender Date: _____

Cardholder's Signature: _____

Signature of Supervisor

Position:

Print Name:

Date:

CFO/Card Administrator

The Corporate Card described above has been surrendered, accompanied with supporting documentation for outstanding transactions. The Corporate Card has been cancelled and the Register of Cardholders has been updated.

Signature of CFO/Card Administrator

Print Name:

Date:

Attachment 3 – Corporate Card Replacement Card Form

This advice is to be completed and submitted to the Card Administrator prior to receipt of a replacement Corporate Card, in the case of a lost, stolen or expired card.

Card Details

Cardholder's Name: _____

Position: _____

Business Unit: _____

Previous Corporate Card Number: _____

Surrender Date: _____

New Corporate Card Number: _____

Cardholder's Signature: _____

Signature of Supervisor

Position:

Print Name:

Date:

CFO/Card Administrator

The Corporate Card described above has been surrendered, accompanied with supporting documentation for outstanding transactions. The Corporate Card has been cancelled and the Register of Cardholders has been updated.

Signature of CFO/Card Administrator

Print Name:

Date:

Attachment 4 – Corporate Card Lost/Stolen Card Form

This advice is to be completed and submitted to the Card Administrator within one (1) business day of the card being reported as lost or stolen with the Commonwealth bank on 13 1576.

Card Details

Cardholder's Name: _____

Position: _____

Business Unit: _____

Corporate Card Number: _____

Lost or Stolen: _____

Date Lost/Stolen: _____

Cardholder's Signature: _____

Signature of Supervisor

Position:

Print Name:

Date:

CFO/Card Administrator

The Corporate Card described above has been recorded as lost or stolen, Commonwealth Bank have been advised and the Corporate Card has been cancelled. The Register of Cardholders has been updated.

Signature of CFO/Card Administrator

Print Name:

Date:

Attachment 5 – Corporate Card Disputed Transactions Form

This advice is to be completed and submitted to the Card Administrator regarding any transactions that are under dispute, whether by the bank or the merchant involved.

Card Details

Cardholder's Name: _____

Position: _____

Business Unit: _____

Corporate Card Number: _____

Cardholder's Signature: _____

Date: _____

Transaction Details

Transaction Date/s: _____

Disputed with (Bank/Merchant): _____

Transaction Details: _____

Signature of Supervisor

Position:

Print Name:

Date:

Attachment 6 – Corporate Card Application Instructions

1. The Finance Administration Officer is to complete Section 1 and Sections 5 of the Cardholder Application form as approved by the Chief Executive Officer.
2. The Cardholder is to complete Section 2 and sign at Section 6.
3. The cardholder is to then present to a verifying officer, with their current 100 points of ID.
4. The verifying officer is to check this ID, take a copy and then sign at Section 8 B.
5. The cardholder is to then provide the completed form with the copy of the ID to the Finance Officer.
6. The Finance Officer will then get 2 authorised signatories to sign this form.
7. The Finance Officer will then email this form to ibgovt.cba.com.au