



Corporate Credit Card Policy

(Policy No. 1.15)

LAST REVIEW	NEXT REVIEW	MINUTE REF
May 2017	May 2019	C235/10-17

<p>Related Legislation:</p>	<p>Issue and use of Credit Cards is not specifically mentioned in the <i>Local Government Act 1993 (Tas)</i> or associated Local Government Regulations, however appropriate governance of the use of Credit Cards is essential to provide the effective system of internal financial controls required to satisfy the <i>Local Government Act 1993 (Tas)</i>.</p> <p>The <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i> specifies requirements for recovery of GST paid in conducting business activities.</p> <p>The <i>Fringe Benefits Tax Assessment Act 1986 (Cth)</i> specifies expenses and benefits that are subject to fringe benefits tax, record keeping and reporting requirements.</p>
<p>Related Council Documents:</p>	<p>Council’s Purchasing Policy (Policy No. 3.7) sets out the requirements to ensure that best value is obtained when purchasing goods and/or services and is applicable to purchases made with Credit Cards.</p> <p>Council’s Delegations – Purchasing & Payables Limits defines the expenditure amounts that named Employees are authorised to commit and approve.</p>
<p>Scope and Application:</p>	<p>This policy applies to all persons using Credit Cards including:</p> <ul style="list-style-type: none"> • Employees issued with a card in their name; • Employees using a card held by another employee cardholder;
<p>Department responsible for the operation of the policy:</p>	<p>The General Manager is responsible for the implementation of the Corporate Credit Card Policy.</p> <p>The Chief Financial Officer is responsible for reviewing the policy every two years and for ensuring employees are aware of the policy requirements.</p>
<p>Key Concept and Definitions:</p>	<p>Credit Cards are corporate credit cards arranged and paid for (card fees and transactions) by Kingborough Council for Council business use. References to Credit Cards include Debit Cards.</p> <p>Employee means any person (paid or unpaid) conducting Council business and includes Executive Managers and the General Manager.</p> <p>Councillors includes the Mayor and the Deputy Mayor.</p> <p>Cardholder means an Employee who has been issued with a Credit Card.</p> <p>Card User means an Employee making purchases using a Credit Card and includes a Cardholder using the Credit Card issued to them.</p> <p>GST Act means the <i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>.</p> <p>A Valid Tax Invoice is an invoice satisfying the requirements of the GST Act (for international transactions a valid invoice).</p>



1 PURPOSE AND BACKGROUND

Kingborough Council is committed to implementing effective financial controls to minimise the costs and risks associated with purchasing activities.

The purpose of this policy is to set out a framework for the use of Credit Cards including appropriate use and reporting of expenditure.

2 POLICY STATEMENT

2.1 Allocation of Credit Cards

- a) Credit Cards will be issued to the holder of the positions identified in Appendix 1 – Allocation of Credit Cards, with the limits stated in Appendix 1. Credit cards will not be issued to Councillors.
- b) The General Manager is authorised to approve the issue of additional Credit Cards to other Employees with a limit not exceeding \$2,000 (each card), provided that the combined limit of Additional Cardholders does not exceed \$30,000.
- c) Council resolution is required prior to increasing any of the limits stated in Appendix 1.
- d) Council resolution is required prior to issue of Credit Cards exceeding either of the limits stated in 2.1 b).

2.2 Return of Credit Cards

- a) Credit Cards must be returned to the nominated Finance Officer as soon as they are no longer required.
- b) Where a Cardholder is leaving Council employment the Credit Card must be returned and the requirements of clause 2.5 d) (receipts, allocations and approvals) satisfied prior to their departure.

2.3 Authorised Transactions

- a) Use of Credit Cards is not a preferred purchasing method and is limited to purchasing of goods and services that cannot be purchased efficiently and cost effectively by other means. Except in an emergency, Credit Cards must not be used where Council purchase orders would be accepted and where use of a purchase order would not incur substantial additional internal or external costs or missed opportunity. Where used in emergency situations a written record of the justification for use of the Credit Card must be retained in Council's document records system. The written record must be authorised by the General Manager, or where the General Manager is the Cardholder, by the Deputy General Manager or the Chief Financial Officer after review by the Mayor.



- b) Credit Cards may only be used for transactions involving a substantial Council business related component and cannot be used where all of the expenditure is private. Council business related transactions includes individual travel, accommodation and meal payments where these are legitimate expenses that would be fully refundable by Council if paid for by an individual. Credit cards should not be used to purchase fuel except in exceptional circumstances as a fuel card is provided in each Council vehicle. Credit cards should not be used for the payment of fines.
- c) Any private expenditure incurred on a Credit Card transaction must be repaid to Council no later than 14 days from the date of the Credit Card statement containing the transaction. If a Credit Card is inadvertently used for an entirely private transaction a written explanation of the circumstances must be retained in Council's document records system. The written record must be authorised by the General Manager, or where the General Manager is the Cardholder, by the Deputy General Manager or the Chief Financial Officer after review by the Mayor.
- d) The requirements of Purchasing Policy No 3.7 apply to purchases using Credit Cards. Multiple Credit Card transactions (at the same time or over extended periods) must not be used to avoid the need to obtain quotations that would otherwise be required under the Purchasing Policy.
- e) Credit Cards may be used for transactions by EFTPOS, telephone or internet provided that a Valid Tax Receipt is obtained for each transaction.
- f) Credit Cards must not be used to obtain cash advances.
- g) Credit Card transactions must not be authorised by a cardholder who could appear to have benefited from the goods or services obtained through that transaction. Generally authorisation will be provided by the "next level up" manager unless the General Manager and Mayor are involved where authorisation will be provided by the Chief Financial Officer.

2.4 Card User Responsibilities

- a) Card Users are required to complete an Acceptance of Corporate Credit Card Policy form prior to using a Credit Card.
- b) Card Users are responsible for ensuring that Credit Card purchases do not exceed their delegated authority (refer Council's Delegations – Purchasing & Payables Limits) unless prior approval has been obtained from an Employee with the required delegated authority.
- c) Card Users are required to obtain a Valid Tax Receipt (in addition to a credit card transaction receipt) for every Credit Card transaction.
- d) Card Users are required to complete Credit Card Transaction forms, obtain authorisation from their manager (subject to satisfying 2.3 f)) and forward a completed form with a Valid Tax Receipt for each transaction to the nominated Finance Officer.



2.5 **Cardholder Responsibilities**

- a) Cardholders are responsible for complying with any terms and conditions advised to them by the card issuer when receiving the Credit Card, including notification of loss of the Credit Card.
- b) Cardholders are required to complete an Acceptance of Corporate Credit Card Policy form prior to initial issue, and at each re-issue, of a Credit Card.
- c) Cardholders must ensure that the limit on the Credit Card issued to them is not exceeded.
- d) Cardholders are responsible for obtaining a Valid Tax Receipt and Credit Card Transaction form for any transaction where the required documents have not been provided by the Card User.
- e) Cardholders are responsible for Credit Card transactions until a completed and authorised Credit Card Transaction form and Valid Tax Receipt have been provided in accordance with 2.4 d).
- f) Cardholders are required to acquit the monthly statement of transactions and return it to the Finance Officer within two weeks of the end of the month.
- g) Cardholders are responsible for security of Credit Cards and for any costs arising from use of a Credit Card where reasonable steps have not been taken to prevent unauthorised use of the Credit Card.
- h) Cardholders are authorised to allow other Employees or Councillors to use the Credit Card issued to them, however the Cardholder remains responsible for ensuring compliance with this Policy.

2.6 **Credit Card Reconciliation**

- a) The nominated Finance Officer is responsible for reconciliation of monthly Credit Card statements and for informing the Cardholder of any transactions for which Credit Card Transaction forms and/or Valid Tax Receipts have not been received.
- b) The General Manager is required to approve payment of monthly Credit Card statements, for other Cardholders, to confirm that the Credit Card Transaction forms appropriately represent the transactions in the statement. The Deputy General Manager or the Chief Financial Officer is required to approve payment of Monthly Credit Card statements for a Credit Card issued to the General Manager, after they have been reviewed by the Mayor.



3 BREACHES OF THE POLICY

Breaches of this Policy, or any related procedures, may result in cancellation of the Credit Card and/or a range of administrative actions which depending on the nature and extent of the breach may be subject to Council's Counselling and Disciplinary Policy and/or civil/criminal proceedings. Cancellation of Credit Cards will be reported to the Audit Panel and will be noted in the Panel minutes sent to Council.

4 REVIEW

This Policy will be reviewed every two years.

Approved:

GARY ARNOLD
General Manager

Date



APPENDIX 1 – ALLOCATION OF CREDIT CARDS

This Policy authorises issue of Credit Cards to the holder of the positions and with the limits stated below:

Position	Credit Limit
General Manager	\$ 5,000
Deputy General Manager	\$ 5,000
Chief Financial Officer	\$ 2,000
Executive Manager Engineering	\$ 2,000
Executive Manager Information Services	\$ 2,000
Executive Manager Organisational Development	\$2,000
Manager Environmental Services	\$ 2,000
Manager Community Services	\$ 2,000
Manager Governance and Property Services	\$ 2,000
Executive Assistant	\$ 2,000
Plant & Fleet Co-ordinator	\$ 2,000

The General Manager may approve issue of additional Credit Cards with a limit not exceeding \$2,000 each card provided that the combined limit of additional Cardholders does not exceed \$30,000, as authorised in clause 2.1 b) of this Policy.



APPENDIX 2 – ACCEPTANCE OF CORPORATE CREDIT CARD POLICY

ACCEPTANCE OF CORPORATE CREDIT CARD POLICY

Name:

Position:

Acceptance as a Cardholder/Card User (delete as appropriate)

I have read and understood Kingborough Council Corporate Credit Card Policy, in force at the date below, and agree to abide by its requirements as a

Cardholder/Card User (delete as appropriate)

I have also read and understood the terms and conditions of the Credit Card issuer, provided to me with the Credit Card.

Signature:

Dated: