

POLICY

TITLE:	Credit Card Policy (Members and CEO)		
DIVISION:	COUNCIL		
ADOPTED BY:	COUNCIL		
DATE OF ADOPTION:	MAY 2023	DATE OF REVIEW:	MAY 2028
MOTION NUMBER:			
POLICY NUMBER:	CP82		
LEGISLATIVE REF:	Regulation 6(1)(e) of the <i>Local Government (General) Regulations 2021</i> LGR 2.2/6		

THIS POLICY APPLIES TO: Council Members and CEO

1. PURPOSE

To ensure effective controls, policies and procedures are in place with respect to the use of corporate credit cards (credit cards) by council members and the Chief Executive Officer (CEO) of the Council.

2. PRINCIPLES

Council is committed to sound financial management, public accountability and transparency.

Credit cards are a valuable tool for the efficient and effective operation of Council's daily business and not a benefit assigned to specific individuals.

Credit cards should only be used in situations where it is not reasonably possible or cost effective to go through the Council's normal procedures for the ordering of and / or payment for goods or services.

Council will apply best practice in relation to the management, authorisation and use of credit cards.

3. APPLICATION OF POLICY

3.1 Issue of credit card

Before a credit card is issued, the recipient must agree to, and sign, the conditions of use at **Appendix 1**.

Council will maintain a register of credit cards issued to the CEO and council members, including details of the approval, the cardholder, the institution, expenditure limits and expiry date.

3.1.1 CEO credit card

Council will authorise the issue of a credit card to the CEO with a monthly credit limit of \$20,000.

The credit card is to have no cash advance facilities. The credit card is not to be linked to any form of award points. Council may further limit the purposes for which the credit card may be used.

3.1.2 Council member credit card(s)

Council may resolve to issue a credit card to a council member only if the card is necessary for the council member to perform their functions and it is not reasonably possible to use the Council's normal procedures for ordering or payment for goods or services. Council must resolve the monthly and transaction limits to be applied.

The credit card is to have no cash advance facilities. The credit card is not to be linked to any form of award points. Council may further limit the purposes for which the credit card may be used.

3.2 Use of credit card

It is the responsibility of the cardholder to ensure that limits are not exceeded.

Personal expenditure is not to be charged to a credit card under any circumstances. The cardholder is not to gain any personal benefits from being the holder of the card.

Any expenditure using the credit card must comply with legislative requirements, Council's procurement policy, delegations and directions.

Cardholders are responsible for the safe custody and security of the card and are liable for any misuse and associated costs.

The cardholder is not to allow others to use the credit card and must not disclose the personal identification number (PIN) or access codes to any person.

Each council member's credit card is to be reconciled monthly and that reconciliation is to be reviewed and subsequently authorised by the CEO.

The CEO's credit card is also to be reconciled monthly. However, that reconciliation is to be reviewed and subsequently approved by the Mayor.

The cardholder must ensure that all required documentation specified below is kept in relation to every use of the credit card.

The cardholder must keep up to date with monthly reconciliations.

The cardholder will be personally liable for purchases that are not authorised and / or cannot be shown to be related to the business of the Council.

3.3 Required supporting documentation

Supporting documentation must be obtained by the cardholder for each instance of expenditure incurred when using the credit card. For all transactions, there must be a tax invoice that includes:

- (a) the Supplier's name;
- (b) the Supplier's Australian Business Number (ABN);
- (c) the date of the expenditure;
- (d) the Council's name as the purchaser; and

(e) a brief description of the supplies purchased.

The standard machine receipt, which does not contain all of these details, is not acceptable, as the tax invoice must contain the criteria above in order for the Council to reclaim GST (see example at **Appendix 2**).

In the instance that a valid tax invoice is unable to be practically obtained it will be at the discretion of the Senior Accountant as to whether a statutory declaration will be required.

3.4 Supporting documentation not available or lost

If the supporting documentation is for some reason lost or destroyed, a statutory declaration must be completed by the cardholder giving full details of the transaction and explaining why the documentation is not available.

A statutory declaration form can be found at <https://nt.gov.au/law/processes/statutory-declarations>

Credit card reconciliations must not be approved without appropriate supporting documentation or an appropriate statutory declaration.

Where supporting documentation for a CEO's credit card purchase cannot be provided, the Mayor must not approve the monthly credit card reconciliation unless a statutory declaration is attached.

If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep tax invoices must be brought to the attention of Council and the Council will consider whether it is appropriate for the person to continue being a cardholder.

3.5 Credit card reconciliations

Each cardholder will be issued with a monthly credit card statement listing all their purchase transactions for that particular month.

It is the responsibility of the cardholder to match their supporting documentation to the monthly statement and return all documentation within seven days (7) of receiving the statement.

The reconciliation must include information for each transaction.

The CEO approves reconciliations of credit cards held by council members. The Mayor approves the reconciliation of the CEO's credit card.

Repeated failure to meet the required timeframe must be brought to the attention of Council and the Council must consider whether it is appropriate for the person to continue being a cardholder.

The CEO is to notify the Mayor and Council's finance department as soon as possible if there is a disputed card transaction in relation to the credit card held by the CEO. A council member is to notify the CEO as soon as possible if there is a disputed card transaction in relation to a credit card held by that council member.

Where a council member's credit card has been inadvertently used for personal use, the CEO must not approve the monthly credit card reconciliation unless the amount has been repaid to Council and a receipt is attached.

Where a CEO's credit card has been inadvertently used for personal use, the Mayor must not approve the monthly credit card reconciliation unless the amount has been repaid to Council and a receipt is attached.

3.2 Credit card cancellation and replacement

If a credit card is lost or stolen, the cardholder must immediately contact the issuing institution to report the loss and cancel the card. If the cardholder is a council member, the matter must be reported as soon as possible to the CEO. If the CEO is the cardholder, the matter must be reported to the Mayor.

In the above circumstances, the CEO is to ensure that the credit card has been cancelled, arrange a replacement card (if appropriate) and update the credit card register.

3.3 Return of credit card

The cardholder is to return the credit card to the Council as soon as the card is no longer required or, if leaving the Council, on or before the last day with Council.

The CEO is to ensure that all returned credit cards are cancelled, destroyed and that the register is updated.

Appendix 1 – Corporate Credit Cardholder Agreement

Cardholder's name:	
Credit limit (monthly): \$	
Transaction amount limit: \$	
ACKNOWLEDGEMENT I have read the attached policy, acknowledge receipt of the Council Corporate Credit Card (Credit Card) and I agree that I will strictly comply with the policy. In particular I note that: <ol style="list-style-type: none">1. As the Cardholder I am responsible for all purchases on the Credit Card. I will not use the Credit Card, nor permit it to be used, other than for official Council purposes. I will ensure security of the Credit Card at all times and will not permit the Credit Card to be used by any other person.2. The Credit Card may only be used in situations where it is not reasonably possible to use Council's normal procedures to pay for transactions.3. I will ensure that personal expenditure is not charged to the Credit Card.4. I will be personally liable for expenditure that is not authorised and / or cannot be shown to be related to the business of the Council.5. I will retain all original supporting documentation and ensure that the documentation meets the requirements specified at clause 3.3 in the attached policy.6. Monthly statements will be reconciled and returned with the required documentation within seven days (7) of my receipt of the statement.7. If the Credit Card is lost or stolen, I will immediately take the steps set out at clause 3.6 in the attached policy.	
Credit Card number:	Credit Card expiry date:
Signature of Cardholder:	Signature date:

Appendix 2 – Example tax invoice

1 Tax invoice

2 Windows to Fit Pty Ltd **3** 15 Burshag Road
ABN: 32 123 456 789 **3** Festler NSW 2755

4 Date: 1 August 2018

To: Building Company
254 Burshag Road
Festler NSW 2755

Description of supply	Total
Window frames 5	\$825
TOTAL PRICE INCLUDING GST	\$825 6 + 7