

POLICY

TITLE:	CREDIT CARD POLICY (Council Staff)		
DIVISION:	OPERATIONS		
ADOPTED BY:	CEO		
DATE OF ADOPTION:	26 April 2023	DATE OF REVIEW:	26 April 2028
FIN02	FIN02		
LEGISLATIVE REF:	Regulation 6(1)(f) of the <i>Local Government Regulations 2021</i>		

THIS POLICY APPLIES TO: All Council employees

1. PURPOSE

To ensure that effective controls, policies and procedures are in place with respect to the use of corporate credit cards (credit cards) by Council staff members.

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**.

The CEO will approve the issue of a credit card to a Council staff member in writing. Refer to financial delegations for information pertaining to monthly credit limits and single transactions limits.

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

Once approval is given, the Chief Financial Officer will organise issue of the credit card.

The Chief Financial Officer will maintain a register of credit cards issued to Council staff members, including details of the approval, the cardholder, the institution, expenditure limits and expiry date.

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.

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 Chief Financial Officer 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 credit card purchase cannot be provided, the Chief Financial Officer must not authorise the monthly credit card reconciliation without a statutory declaration being 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 the CEO who will consider whether it is appropriate for the person to continue being a cardholder and whether any other action should be taken.

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 (7) days of receiving the statement.

The reconciliation must include information for each transaction.

The *reconciliations* of credit cards held by Council staff members will be approved by an assigned verifier which will typically be that card holders relevant Manager.

Repeated failure to meet the required timeframe must be brought to the attention of CEO, who will consider whether it is appropriate for the person to continue being a cardholder and whether any other action should be taken.

Staff members are to notify the Chief Financial Officer as soon as possible if there is a disputed card transaction in relation to a credit card held by that Council staff member.

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

3.6 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. The cardholder must also report the matter as soon as possible to the Chief Financial Officer. If the Chief Financial Officer is the cardholder, the matter must be reported to the CEO.

In the above circumstances, the Chief Financial Officer will ensure that the credit card has been cancelled, arrange a replacement card (if appropriate) and update the credit card register.

3.7 Return of credit card

The cardholder is to return the credit card to the Council under the following provisions:

- if the card is no longer required; or
- if the staff member is leaving the Council; or
- If the staff member is going on extended leave; or
- If the staff member is off work due to workers compensation

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

Approved/Not Approved

Russell Anderson
A/Chief Executive Officer

26 / 4 /23

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 7 days 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
ABN: 32 123 456 789 **3**

15 Burshag Road
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

1. The invoice is to make clear that GST is applicable to the supply – i.e. that it is a tax invoice;
2. Include the Supplier's name;
3. The Supplier's ABN;
4. The date the invoice was issued;
5. A brief description of the supply purchased, including the quantity (if applicable) and the price;
6. The GST amount payable either shown separately; or
7. If GST is included in the price then the tax invoice is to include a statement to make this clear – e.g. 'total price includes GST'.