

<b>TITLE:</b>	Corporate Credit Card Policy		
<b>DIVISION:</b>	Corporate Policy		
<b>ADOPTED BY:</b>	Council		
<b>DATE OF ADOPTION:</b>	14 December 2017	<b>DATE OF REVIEW:</b>	1 December 2019
<b>MOTION NUMBER:</b>	OC 208/17		
<b>POLICY NUMBER:</b>	CP000007		
<b>AUTHORISED:</b>	Chief Executive Officer		

### THIS POLICY APPLIES TO:

All employees of the Barkly Regional Council and Elected Members

### PREAMBLE

The aim of all policy is for Councillors to provide strategic input into the effective operational framework of the organisation under S.11 of the Local Government Act

### SUMMARY

This Policy is designed to control the use of Corporate Credit Cards issued under the name of Barkly Regional Council.

### OBJECTIVES

Procedures under this policy ensure sound governance of expenditure incurred on behalf of Barkly Regional Council. Barkly Regional Council is committed to sound financial Management, public accountability and transparency.

### BACKGROUND

In the normal course of business it will be necessary or appropriate for some staff to be issued with a corporate credit card. When used appropriately, credit cards provide benefits to Council in the form of streamlined purchasing processes and better utilisation of resources. However, the use of credit cards involves the potential risk of fraud and misuse. This policy establishes procedures and guidelines in order to protect Council funds and to maintain public confidence in Council's operations.

### POLICY STATEMENT

#### 1. Definitions:

For the purposes of this Policy, the following definitions apply:

- *Credit Card*  
Corporate credit card issued in the name of Barkly Regional Council
- *Cardholder*  
Barkly Regional Council employee that is holder of a corporate credit card

## 2. Issuing of Credit Cards

- 2.1 Credit Cards are only issued to officers that hold the positions with the required authority given to them by the Chief Executive Officer. Those positions are outlined in the Financial Delegation policy.
- 2.2 To be issued a credit card staff will be provided with a credit card request form from Finance. The form is provided by Barkly Regional Council's banking service provider. Staff may be required to prove their identity with the bank issuing the credit card.
- 2.3 Council officers issued with credit cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All cardholders are to acknowledge receipt of the Credit Card Policy in form of a signed agreement.

## 3. Credit Limit

- 3.1 The monthly maximum credit limit for credit cards is set in the financial delegations policy. The Chief Executive Officer shall have the authority to determine, within this limit, to vary the credit limits for individual card holders.
- 3.2 Each card issued will have a single maximum transaction limit and monthly maximum credit limit. Cards will have no cash advance functionality.
- 3.3 In the case of an emergency situation, in line with the Council's disaster recovery plan, the Chief Executive Officer shall have the authority to raise credit limits for a short period of time above the maximum limit set in the financial delegations policy. Any such instances need to be reported to Council as soon as practical.

## 4 Cancellations of Credit Cards

- 4.1 Each issued credit card remains the sole property of Barkly Regional Council. The Chief Executive Officer may revoke the use of any credit card at any given time.
- 4.2 Cancellation of a credit card is necessary where the:
  - Cardholder changes job function that has not got appropriate authority;
  - Employment with cardholder ceases;
  - Cardholder has not adhered to set procedures and policies;
  - Misuse of credit card;
  - Cardholder breaching any terms of this policy.

## 5 Use of Credit Card

- 5.1 Credit cards must only be used for the carrying out of Council authorised business and for the meeting of Council liabilities where it is deemed to be **inefficient and/or impracticable** to adhere to the electronic purchase order system.
- 5.2 Using a corporate credit card **is not** an alternative means of procurement to that specified in the Council's Purchasing and Procurement Policy. The requirements of the Policy in relation to obtaining quotes, calling tenders etc. must be adhered to.
- 5.3 All purchases on the credit card require appropriate authorisation in line with the Procurement and Financial Delegations Policy.
- 5.4 **No** private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure. This includes the payment of parking fines or speeding offences even if incurred whilst on Council business.

5.5 Should there be an accidental transgression, the Finance Manager is to be notified **immediately** and the Council reimbursed. Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder.

5.6 Travel Related Transactions:

- Transactions related to official travel and accommodation must be approved through the normal procurement procedures.
- Incidental travel expenses covered by Travel Allowance are not to be paid for by credit card.

5.7 Transactions by Phone

- Transactions with corporate credit cards by phone are not encouraged, unless a receipt can be emailed or faxed through immediately.

## 6. Cardholder Responsibilities

6.1 Expenditure may only be incurred within the limits of the cardholder's financial delegation

6.2 The cardholder has to ensure that the credit card is maintained in a secure manner and guarded against improper use.

6.3 Cardholders are not to disclose their credit card details (including "PIN") to other corporate members. The number is to be kept strictly confidential to minimise opportunities for fraud.

6.4 All documentation regarding a credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.

6.5 Reconciliation is to be completed within **five (5)** working days of the date of the credit card statement being issued to the cardholder.

6.6 The cardholder must follow responsibilities outlined by the card provider.

6.7 Credit cards are to be returned to the Finance Manager on or before the employee's termination date with a full acquittal of expenses.

## 7. Credit Card Reconciliation Procedures

7.1 Credit card statement accounts will be issued to the relevant cardholder monthly. The cardholder has to provide finance with the following information on the statement:

- Description of purchase
- Budget (General Ledger) allocation
- Applicable GST amounts

7.2 All transactions on the statement must be supported by tax invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable GST rebate to be applied.

7.3 If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'. Approval of this expense is referred to the Chief Executive Officer for a decision. Should approval of the expenses be denied by the Chief Executive Officer recovery of the expense shall be met by the card holder

7.4 The cardholder shall sign and date the credit card statement with supporting documentation attached. Furthermore the immediate supervisor of the cardholder shall give written approval of the purchases by signature on the credit card statement.

7.5 A monthly report of all credit card transactions will be authorised by the Finance Manager and the Chief Executive Officer as part of the reporting to Audit Committee.

## 8 Disputed Transactions

8.1 Barkly Regional Council is responsible for paying all accounts on the monthly credit card statement and the bank processes a direct debit from the operational bank account for such.

8.2 It is the Cardholder's responsibility to investigate with the supplier to determine the causes of the discrepancy. Only if this process does not resolve the dispute the cardholder needs to inform Finance, who will initiate a formal dispute process with the bank.

8.3 A formal dispute process will require the cardholder to fill in a dispute form from the bank. A finance staff member will facilitate the process between the staff member and the bank.

8.4 Any amounts in dispute need to be highlighted on the credit card statement and will be debited to a suspense account until resolved.

## 9. Procedures for Lost, Stolen and Damaged Cards

9.1 The loss or theft of a credit card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the Finance Manager on the next working day.

9.2 Advice of a damaged credit card is to be provided to the Finance Manager who will, if duly authorised by the Chief Executive Officer arrange a replacement.

## 10. Finance Services Responsibilities

10.1 The Finance Manger will ensure that the following responsibilities will be met by Finance Services:

- Arrange issues and cancellations of credit cards
- Finance will keep a Register of Corporate Credit Card Holders, detailing card holder name, card number, credit limit and expiry date for all cards. The Register shall be kept up to date and reflect any changes notified to the corporate card supplier.
- Provide cardholders with the policy, and where required any changes to the policy and their responsibilities and obligations as cardholders
- Process payments of credit cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements.
- Arrange for all cardholders to sign the Corporate Credit Cardholder Agreement with application for the credit card.
- Assist with formal dispute process

## LEGISLATION, TERMINOLOGY AND REFERENCES

- *Northern Territory Local Government Act*
- *Northern Territory Local Government (Administration) Regulations*
- *Northern Territory Local Government (Accounting) Regulations*
- *Australian Accounting Standards*
- *Ministerial Guidelines*
- *Goods and Services Tax Act*
- *Local Government General Instructions*
- *Barkly Regional Council Policies and Procedures*
- *Credit Card Holder Agreement/(s)*

## **IMPLEMENTATION AND DELEGATION**

The CEO has delegated authority to authorise the use of corporate credit cards within the organisation, to supervise and control their use, and, to recover monies due to the Council should unauthorised use occur.

## **EVALUATION AND REVIEW**

This Policy is to be reviewed every two (2) years, and may be reviewed at other times at the discretion of Chief Executive Officer.