

# POLICY

<b>TITLE:</b>	CREDIT CARD POLICY (CEO AND STAFF)		
<b>DIVISON:</b>	CORPORATE SERVICES		
<b>ADOPTED BY:</b>	COUNCIL		
<b>DATE OF ADOPTION:</b>	JULY 2021	<b>DATE OF REVIEW:</b>	JULY 2026
<b>MOTION NUMBER:</b>	OC 98/21		
<b>POLICY NUMBER:</b>	CP07		
<b>LEGISLATIVE REFERENCE:</b>	Regulation 6(1)(e) of the Local Government Act 2019		

## **PURPOSE:**

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

## **1. 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.

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.

## **2. 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

## **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 staff members, including details of the approval, the cardholder, the institution, expenditure limits and expiry date.

### 3.2 CEO credit card

- (a) Council will authorise the issue of a credit card to the CEO.
- (b) The credit card is to have no cash advance facilities.
- (c) Council may further limit the purposes for which the credit card may be used.

### 3.3. Staff member credit card(s)

- (a) 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.
- (b) 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.
- (c) 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.

## **4. CREDIT LIMIT**

- (a) The monthly maximum credit limit for credit cards is set in the financial delegations document. The Chief Executive Officer shall have the authority to determine, within this limit, to vary the credit limits for individual card holders.
- (b) Each card issued will have a single maximum transaction limit and monthly maximum credit limit. Cards will have no cash advance functionality.
- (c) 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.

## **5. USE OF CREDIT CARD**

- (a) It is the responsibility of the cardholder to ensure that limits are not exceeded.
- (b) Any expenditure using the credit card must comply with legislative requirements, Council's procurement policy, delegations and directions.
- (c) Cardholders are responsible for the safe custody and security of the card and are liable for any misuse and associated costs.
- (d) All credit cards are to be reconciled monthly:
- (e) The CEO's credit card reconciliation is to be reviewed and subsequently approved by the Mayor.

- (f) All other staff credit card reconciliations are to be reviewed and subsequently approved by the relevant Director or CEO in line with delegations.
- (g) The cardholder must ensure that all required documentation specified below is kept in relation to every use of the credit card.
- (h) The cardholder must keep up to date with monthly reconciliations.
- (i) 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.
- (j) Should there be an accidental transgression, the Director of Corporate Services is to be notified immediately and the Council reimbursed. Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder.
- (k) 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.
- (l) 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**

- (a) Expenditure may only be incurred within the limits of the cardholder's financial delegation
- (b) The cardholder has to ensure that the credit card is maintained in a secure manner and guarded against improper use.
- (c) 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.
- (d) All documentation regarding a credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
- (e) Reconciliation is to be completed within five (5) working days of the date of the credit card statement being issued to the cardholder. The cardholder must follow responsibilities outlined by the card provider.
- (f) Credit cards are to be returned to Accounts Payable on or before the employee's termination date with a full acquittal of expenses.

## **7. REQUIRED SUPPORTING DOCUMENTATION**

Supporting documentation must be obtained by the cardholder for every expenditure when using the credit card.

For all transactions, there must be a tax invoice that includes all the details listed in Appendix G:

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

## **8. SUPPORTING DOCUMENTATION UNAVAILABLE**

- (a) 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.
- (b) A statutory declaration form can be found at <https://nt.gov.au/law/processes/statutory-declarations>
- (c) Credit card reconciliations must not be approved without appropriate supporting documentation or an appropriate statutory declaration.
- (d) Where supporting documentation for the CEO's credit card purchase cannot be provided, the Mayor must not approve the monthly credit card reconciliation unless a statutory declaration is attached.
- (e) Where supporting documentation for a staff credit card purchase cannot be provided, CEO or relevant Director must not approve the monthly credit card reconciliation unless a statutory declaration is attached.

## **9. CREDIT CARD RECONCILIATIONS**

- (a) Each cardholder will be issued with a monthly credit card statement listing all their purchase transactions for that particular month.
- (b) It is the responsibility of the cardholder to match their supporting documentation to the monthly statement and return all documentation within five days of receiving the statement.
- (c) The reconciliation must include information for each transaction.
- (d) The Mayor approves the reconciliation of the CEO's credit card.
- (e) Repeated failure to meet the required timeframe by the CEO must be brought to the attention of Council, and the Council must consider whether it is appropriate for the CEO to continue being a cardholder.
- (f) Repeated failure to meet the required timeframe by a staff member must be brought to the attention of CEO, and the CEO must consider whether it is appropriate for the staff member to continue being a cardholder.
- (g) Where the 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.
- (h) Where a staff member's credit card has been inadvertently used for personal use, the CEO or relevant Director must not approve the monthly credit card reconciliation unless the amount has been repaid to Council and a receipt is attached.

## **10. DISPUTED TRANSACTIONS**

- (a) 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.
- (b) 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.
- (c) 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.
- (d) Any amounts in dispute need to be highlighted on the credit card statement and will be debited to a suspense account until resolved.

## **11. CREDIT CARD CANCELLATION AND REPLACEMENT**

- (a) 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, the matter must be reported to the Finance Manager.
- (b) 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.

## **12. RETURN OF CREDIT CARD**

- (a) 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.
- (b) The CEO is to ensure that all returned credit cards are cancelled, destroyed and that the register is updated.

## **13. FINANCE SERVICES RESPONSIBILITIES**

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

- (a) 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.
- (b) Provide cardholders with the policy, and where required any changes to the policy and their responsibilities and obligations as cardholders.
- (c) Process payments of credit cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements.
- (d) Arrange for all cardholders to sign the Corporate Credit Cardholder Agreement with application for the credit card.
- (e) Assist with formal dispute process

# Appendix 1 – Corporate Credit Cardholder Agreement

Cardholder's name:	
Credit limit (monthly): \$	
Transaction amount limit: \$	
<p><b>ACKNOWLEDGEMENT</b></p> <p>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:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>3. I will ensure that personal expenditure is not charged to the Credit Card.</li> <li>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.</li> <li>5. I will retain all original supporting documentation and ensure that the documentation meets the requirements specified at clause 7 in the attached policy.</li> <li>6. Monthly statements will be reconciled and returned with the required documentation within <i>five days</i> of my receipt of the statement.</li> <li>7. If the Credit Card is lost or stolen, I will immediately take the steps set out at clause 11 in the attached policy.</li> </ol>	
Credit Card number:	Credit Card expiry date:
Signature of Cardholder:	Signature date:

## Appendix 2 – Example tax invoice

<b>1</b>	<b>Tax invoice</b>																	
<b>2</b>	Windows to Fit Pty Ltd ABN: 32 123 456 789 <b>3</b>	15 Burshag Road Festler NSW 2755																
<b>4</b>	<b>Date:</b> 1 August 2018																	
	<b>To:</b> Building Company 254 Burshag Road Festler NSW 2755																	
	<table border="1"><thead><tr><th>Description of supply</th><th>Total</th></tr></thead><tbody><tr><td>Window frames <b>5</b></td><td>\$825</td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td> </td><td> </td></tr><tr><td><b>TOTAL PRICE INCLUDING GST</b></td><td><b>\$825 <b>6</b> + <b>7</b></b></td></tr></tbody></table>	Description of supply	Total	Window frames <b>5</b>	\$825											<b>TOTAL PRICE INCLUDING GST</b>	<b>\$825 <b>6</b> + <b>7</b></b>	
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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'.