

## 3.9 Corporate Credit Card

### Objective

The purpose of this policy is to establish rules for the use of Corporate Credit Cards and the responsibilities of cardholders using the Shire's Corporate Credit Cards.

The policy ensures that operational and administrative costs and the risks associated with credit card use are minimised while providing cardholders with a convenient method of purchasing goods and services on behalf of the Shire.

### Policy

#### 1. Authority for use of Corporate Credit Cards

Shire of East Pilbara Corporate Credit Cards may be issued to the Chief Executive Officer and authorised officers where it is inappropriate or inconvenient to use the Shire's normal payment systems.

#### 2. Authority for approval of Corporate Credit Cards

The Council must approve the issue of a credit card to the Chief Executive Officer and any change to the credit card limit. The Chief Executive Officer may approve the issue of a Corporate Credit Card and any change to credit card limits for any credit cards issued to council officers.

#### 3. Legislation

The *Local Government Act 1995* ('the Act'), does not specifically mention the use of Corporate Credit Cards by officers in local government. However, section 6.5(a) of the Act requires the CEO to ensure that proper accounts and records of the transactions and affairs of the local government are kept in accordance with the regulations. In addition, regulation 11(1)(a) of the Local Government (Financial Management) Regulations 1996 requires a local government to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisation in place for the use of credit cards.

#### 4. Approved bankers

Corporate Credit Cards are normally issued by Banks and Financial Institutions on behalf of, or through credit card providers, such as Visa, MasterCard, Diners or American Express.

The Shire of East Pilbara's Corporate Credit Cards are to be issued by its transactional banker.

#### 5. Purchases and use of Corporate Credit Cards

The Shire's Corporate Credit Cards shall only be used for purchase of goods and services in the performance of official duties for which there is a budget provision. Under no circumstances are they to be used for personal or private purposes or for the withdrawal of cash through a bank branch or any automatic teller machine.

Where purchases are made by facsimile, over the telephone or on the internet, an invoice should be requested to support the purchase. Most internet transactions provide this ability and any telephone or facsimile communications provide the opportunity to make such a request. If no invoice or receipt is available, as much detail about the transaction should be recorded and used to support the payment when required. E.g. date, company, address, ABN, amount, any GST included.

Where a payment is made for entertainment, it is important to note on the invoice/receipt the number of persons entertained and the names of any Shire of East Pilbara employees in that number. This is required to ensure the Shire pays the correct amount of Fringe Benefits Tax.

## 6. Accounts and settlement

The provider of the credit card will supply the Shire's Finance Services team with a statement of account each month. This statement will be forwarded to the cardholder for certification and the supply of receipts and tax invoices to support the Shire's claim for the GST component of purchases and services obtained. Cardholders are to certify that the account details are correct but must have their supervisors approve the expenses by signing the statement before it is returned to Finance Services for payment. In the case of the Chief Executive Officer, the statement must be signed by the Shire President. A credit card transaction slip is not acceptable to support the claim. A tax invoice should provide a brief description of the goods and services supplied along with the suppliers ABN. The cardholder is to provide the relevant or correct expense account for the expenditure.

The account will be paid by the Finance Services team on receipt of the cardholder's certification, which must be provided within 7 days of receipt and prior to the end of the credit cards settlement period.

## 7. Card lost or stolen

Cards that are lost or stolen must be reported immediately by the cardholder to the issuing banker by telephone. At the earliest opportunity, written notification must also be given to the Executive Manager Corporate Services so that the cancellation of the card may be confirmed and a reconciliation of the card account from the date the card was lost or stolen may be performed.

## 8. Misuse of Corporate Credit Cards

Cards which show unreasonable, excessive or unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the cardholder.

## 9. Recovery of unauthorised expenditure

Unauthorised expenditure or expenditure of a private nature that is proved to be inappropriate will be recovered by deductions from the officer's salary and may result in disciplinary action being taken.

## 10. Internal audit of the Corporate Credit Card system

From time to time, the Finance Services team may conduct an audit on the control, use, viability and adherence to this policy, and may provide a report to the Audit Committee.

## 11. Reward/bonus points

Where Corporate Credit Cards carry rewards or bonus points, usually to encourage the use of the card by the issuing institution, these rewards or points shall not be accumulated in the name of the responsible officer. Council may maintain a corporate account which collects rewards points on behalf of the Shire, to be used by the organisation.

## 12. Return of cards

When the Chief Executive Officer or other officer ceases to occupy a position that is authorised to be issued with a Corporate Credit Card (either through internal transfer, retirement, resignation or conclusion of service contract), they must return the card to the Executive Manager Corporate Services, at least one week prior to vacating the position so that the card may be cancelled and the account settled.

## 13. Finance services team responsibilities

The Executive Manager Corporate Services is responsible for arranging the issue of the Corporate Credit Card on advice from the CEO.

The Finance Services team responsibilities in relation to the Shire's Corporate Credit Cards include:

- Maintaining a Corporate Credit Card Register of all cardholders.
- Arrange the issue/cancellation of the Corporate Credit Cards.
- Arrange for all cardholders to sign the Corporate Credit Card User Instruction Agreement (see **Appendix A**) on receipt of the new card and ensure the signed agreement is filed in the Corporate Credit Card Register.
- Process payment of credit card expenditure on receipt of the card statement from the bank and after certification from the cardholder. Ensure that all receipts and tax invoices are in place prior to authorisation for payment.
- To keep cardholders informed of any changes to this Policy.

## 14. Cardholders responsibilities

Officers who are issued with Corporate Credit Cards must:

- Ensure the care and safe keeping of the credit card.
- Adhere to this Policy in relation to the use of the credit card and its financial limits.
- Ensure receipts and tax invoices are received when the credit card is used, and to produce them as evidence for settlement with the bank.
- Ensure the monthly credit card statement is certified correct and approved for payment when received from the Finance Services team, and to return the statement to the Finance Services team with the receipts and tax invoices attached and within seven (7) days of receipt.
- Ensure relevant and correct expenditure account details (account numbers) are provided against each item of expenditure on the credit card statement to assist with the allocation of expenses and claims for the reimbursement of GST from the Australian Taxation Office.
- To provide an early response to enquiries that may be made by the bank, creditors or related parties, as the case may be.
- Purchasing levels are within Council's Purchasing and Tender Policy and legislative requirements.
- Adhere to the procedures as set out in the Finance Induction Manual.

## Authorisation Details

<b>Authorised by:</b>	Council		
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<b>Next Review</b>			
<b>Responsible Directorate</b>	Corporate Services		
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