

	CORPORATE CREDIT CARDS		
POLICY OWNER:	Council		
DEPARTMENT:	Office of the CEO	**RESPONSIBLE OFFICER:**	
CREATION DATE:		**REVIEW SCHEDULE:**	Annually
RELATED PROCEDURES:			
RELATED FORMS:	Cardholder Agreement		
RELATED DELEGATIONS:			
RELATED POLICIES:	Procurement Policy		
LEGISLATION:	Corruption, Crime and Misconduct Act 2003 Public Sector Management Act 1994 Local Government Act 1995 Local Government (Financial Management) Regulations 1996 Goods and Services Tax Act 1999		
DOCUMENT CONTROL			
DATE REVIEWED:	**REVIEWED BY:**	**CHANGES (IF ANY):**	**ENDORSED BY COUNCIL:**
23/08/2022	Council	Nil	FC7/8/22
28/11/2023	Council	Nil	OCM 11/11/23
24/09/2024	Council	Minor: Refer minutes of Meeting	OCM 03/09/2024
19/10/2026	Council	Refer to minutes	OCM 07/10/26

Corporate credit cards

OBJECTIVES

To provide a clear framework to enable the use of corporate transaction cards by Shire employees and provide all cardholders with guidance for correct usage of corporate transaction cards.

POLICY STATEMENT/S

Due to the limited real-time oversight at the point of purchase, corporate credit card expenditure is subject to enhanced review and monitoring controls to ensure appropriate use of public funds.

NOTE – For clarity, elected members are prohibited from using Shire transaction cards as the Local Government Act 1995 does not provide authority for an elected member to incur liabilities on behalf of the local government.

Definitions

Cardholder means an employee who has been authorised by the Chief Executive Officer to incur expenditure by means of a transaction card.

Transaction Card means a card facility (which may include credit, debit, store, parking, cab-charge, and fuel cards) approved for use in lieu of cash transactions, to incur expenditure for goods and services for the purposes of the Shire of Carnarvon business activities only in accordance with relevant Shire policies.



The CEO shall ensure the following practises are observed:

- The corporate transaction cards are kept secure.
- The corporate transaction cards are not to be used for personal expenses under any circumstances.
- All corporate transaction cards payments (included disputed transactions) are to be listed in the Schedule of Accounts and Transaction Card Purchases section of the monthly financial report to Council.
- Where applicable, purchases are to be made in accordance with the Shire of Carnarvon's Purchasing Policy, and associated Procedures.
- Inappropriate purchases, even based on them being operationally related, may be recoverable from the cardholder. The cardholder is required to conclude that purchases are fair and reasonable business expenses.
- Where practical, purchases should be processed through the Purchase Order / Creditor's system
- Corporate transaction cards must not to be used for cash withdrawals at any facility Cardholders responsibilities, as outlined by the card provider (i.e., the Bank), are met at all times.
- corporate transaction cards limits are not to be exceeded.
- The Cardholder is responsible to pursue and resolve incorrect charges (as due to privacy legislation, only the cardholder can initiate any request for information from the bank).
- All relevant documentation regarding each transaction is retained by the cardholder and transactions are to be acquitted and reconciled monthly as per of the reconciliation procedure. A copy of all the corporate transaction cards statements and a summary thereof (including sufficient information to adequately articulate the purchase details) are to be incorporated as attachments to the signed financial statements submitted each month to Council).
- The use of the corporate transaction cards shall not be tied to any type of reward systems that provides cardholders with any personal benefit or reward.

<u>Cardholder Agreement</u>

- the Cardholder Agreement is as determined by the CEO.
- failure to comply with any of these requirements could result in the card being withdrawn from the employee.
- in the event of loss or theft through negligence or failure to comply with this Policy any liability arising may be passed on to the cardholder.

<u>Principles for usage – Allowable transactions</u>

a) Transaction card facilities may only be used where –

- the expenditure is directly arising from a Shire operational business activity for which there is an Annual Budget provision,
- the expenditure is in accordance with legislation, the Shire Purchasing Policy, Code of Conduct for Employees and any conditions or limitations applicable to the individual Cardholder,



- the procurement of the required goods or services is impractical or inefficient if undertaken via a purchase order or is not able to be obtained other than by a transaction card,
- supplier surcharges (fees) on transactions are minimised and only allowable where the alternative method of obtaining the supply (i.e., by purchase order) is more onerous, not cost effective or there is no alternative mode of supply,
- All hospitality purchases must be clearly justified, documented, and subject to enhanced review. All hospitality expenditure may only occur with the express permission of the Chief Executive Officer,
- official travel, accommodation and related expenses may only occur in accordance with Shire policies and procedures,
- a sufficient record of each transaction is obtained and retained in the Shire's records system.

b) Allowable transaction modes include –

- in-person and over the counter retail purchases,
- telephone or facsimile purchasing,
- mail order purchasing and subscriptions,
- internet purchasing.

<u>Principles for usage – Prohibited transactions</u>

a) The Shire prohibits the use of transaction card facilities for –

- cash advances,
- incurring expenses which are personal or private (i.e., any expenditure which is not an approved local government activity),
- making deposits onto the card, whether to offset misuse or otherwise,
- incurring capital expenditure,
- incurring expenditure for goods or services which are subject to a current supplier contract,
- incurring expenses which are not in accordance with legislation, the Shire's Purchasing Policy, the Annual Budget and / or the conditions or limitations relevant to the individual cardholder,
- apart from approved transaction cards, expenses cannot be incurred for which another transaction card is the approved facility,
- splitting expenditure to avoid compliance with the Purchasing Policy or to negate limits or conditions applicable to the Cardholder; and
- incurring expenses for the primary purpose of obtaining personal advantage through the transaction
- Alcohol purchases are prohibited unless explicitly approved by the Chief Executive Officer and supported by a clear business purpose.

<u>Misuse, Misconduct and Fraudulent Use</u>



Any misuse of a corporate credit card must be promptly reported and the full amount reimbursed by the cardholder. Recovery of funds is required within 14 days of the misuse being identified

Any alleged misuse of transaction cards will be investigated and this may result in disciplinary procedures being intitiated.

Where there is reasonable suspicion of misconduct or fraudulent activity arising from transaction card facilities the matter will be reported to the appropriate regulatory agency, subject to the requirements of the Public Sector Management Act 1994 and the Corruption, Crime and Misconduct Act 2003.

Cardholder duty of care and responsible use obligations

A cardholder is required to –

- keep the transaction card and access information in a safe manner; protected from improper use or loss.
- only use the transaction card for allowable purposes and not for prohibited purposes.
- obtain, create, and retain local government records that evidence transactions.
- acquit the reconciliation of transaction card usage in the required format and within required timeframes. The onus is on the cardholder to provide sufficient detail for each transaction to avoid any potential perception that a transaction may be of a personal nature.
- return the transaction card to the Shire before termination of employment, inclusive of reconciliation records.
- reimburse the Shire the full value of any unauthorised, prohibited or insufficiently reconciled expenditure.
- comply with all cardholder responsibilities as outlined by the card provider
- Rewards programs (e.g. points, cashback, airline benefits) must not be utilised on corporate credit cards
- Corporate credit card details must not be stored on personal devices or personal browser profiles

Transaction evidence

a) A sufficient transaction record must include the following minimum information:
- invoice and / or receipt that includes the date, company name, address, ABN, amount, and any GST amount included,
- where an invoice and / or receipt cannot be obtained, the cardholder must provide a signed statement, detailing the nature of the expense and sufficient information to satisfy the requirements above.
- approval of the expense in catergorised as outside of allowable transactions, as described above, is to be referred to the Chief Executive Officer for a decision.

b) Where a transaction card is used to incur an expense for hospitality, the transaction record must include for the purposes of Fringe Benefits Tax calculations and probity:
- the number of persons entertained,



- the names of any employees in that number; and
- the purpose of providing the entertainment or hospitality.

Card Reconciliation Procedures

- card statement accounts will be issued to the relevant cardholder who will, within 7 days, acquit the transactions on the account.
- transactions will be supported by a GST 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 a GST rebate to be applied.
- transactions shall be accompanied by a job number for costing purposes.
- should approval of expenses be refused by the CEO recovery of the expense shall be met by the cardholder.
- the cardholder shall sign and date the card statement with supporting documentation attached stating all expenditure is of a business nature.

Disputed Transactions

the Shire is responsible for paying all accounts on the monthly card statement and the bank processes a direct debit from the Shire's operating bank account for such. As such:

- when a Cardholder believes that charges are incorrect, they should first contact the supplier to determine the causes of the discrepancy and if necessary, the Corporate Services Department will notify the bank in writing.
- any amounts in dispute must be highlighted on the copy of the Cardholders statement and a copy of the written notification to the bank attached.

Cancelled Cards

Cancellation of a Card may be necessary where the –

- cardholder changes job function within the Shire,
- cardholder terminates employment with the Shire,
- the employment of the Cardholder is terminated,
- card is no longer required,
- cardholder has not adhered to set procedures,
- misuse of the Card occurs; or
- other sufficient reason in the opinion of the CEO.

Review of Card Use

All receipts and documentation will be reviewed and any expenses that do not appear to represent fair and reasonable business expenses shall be referred to the Chief Executive Officer for a decision within 7 days of receiving of cardholder providing receipts.

Procedures for Lost, Stolen and Damaged Cards



- the cardholder must formally advise the Executive Manager of Corporate Strategy and Performance, of the loss or theft without delay.
- the loss or theft of a transaction card must be reported to the card provider as a matter of priority
- advice of a damaged card is to be provided to the Executive Manager of Corporate Strategy and Performance who will arrange a replacement.

Additional Cardholders

The CEO is the primary cardholder for the Shire and may delegate additional cardholders within the Shire's approved total credit limit.

The total maximum credit limit for the Shire shall be no more than $30,000.