



Policy 17 – Corporate Credit Card Policy

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Statutory Authority: Auditor General's Requirements

OBJECTIVE

The purpose of this policy is to provide direction on how Council Corporate Credit Cards are to be allocated, used and administered to ensure that they assist in efficient delivery of local government services whilst minimising the potential for misuse and fraud.

POLICY

INTRODUCTION

This policy has been written to ensure the proper and lawful use of Council's Corporate Credit Cards by both Councillors and Council employees. The policy shall apply to all Council Corporate Credit Cards. The policy is intended to be complementary to any delegation approved by Council from time to time and is to be read in conjunction with such delegation.

1. Policy:

- 1.1. The use of Council credit cards is governed by conditions set out in this Policy, the relevant Cardholders' Responsibility Statement issued by the Credit Card Provider and the associated Cardholder Agreement.
- 1.2. This Policy authorises the issue of a Council credit card to the Mayor and General Manager.
- 1.3. The General Manager is delegated the authority to arrange Council credit cards for relevant employees.
- 1.4. The maximum facility credit limit is to be no more than \$50,000. The maximum monthly credit limit for an individual card will be no more than \$10,000 and will be set at the lowest amount required by the Cardholder to execute their role, considering budget implications and alternative payment methods available. Any request by a Cardholder to increase their monthly credit limit requires approval from the General Manager.
- 1.5. Council credit cards are only to be used for purchases directly related to Council business.

- 1.6. Under no circumstances, with the exception of those covered in Clause 1.7, are personal purchases to be made using the Council credit card.
- 1.7. There may be times when hospitality related purchases include a personal component (i.e. meals whilst on official travel for an accompanying partner) and these costs will be recovered from the Cardholder.
- 1.8. Infringements and fines are not to be paid for by Council credit card, they are the responsibility of the individual who incurred the fine.

2. Cardholder Responsibilities:

- 2.1. The cardholder is to read and sign the acknowledgement form issued by the Finance team prior to the Credit Card being issued.
- 2.2. The Cardholder is responsible for all transactions for which their credit card is used.
- 2.3. The Cardholder is responsible to ensure that their Council credit card is maintained in a secure manner and guarded against improper use.
- 2.4. The Cardholder is responsible to ensure that all documentation regarding transactions on their Council credit card is obtained and produced as part of the reconciliation procedure.
- 2.5. The Cardholder is responsible for ensuring that all purchases are made within their delegated expenditure limits.
- 2.6. The Cardholder is responsible to ensure that their credit limit is not exceeded.
- 2.7. The Cardholder is responsible to ensure that purchases on their Council credit card are made in accordance with Council's Code for Tenders and Contracts Policy.
- 2.8. The Cardholder is responsible to ensure that the reconciliation of their credit card statement supplied by the card provider is completed and returned to the Finance team within 21 days of issue along with supporting documentation.
- 2.9. The Mayor, General Manager, Assistant General Manager and Senior Management are authorised to allow other employees to use the credit card issued to them. The cardholder remains responsible for ensuring compliance with this policy and ensuring that the card user is made aware of the policy. The card user will provide all documentation relating to the purchase within three business days of making the purchase.

3. Reconciliation Procedures:

- 3.1. Each transaction is to be supported by a tax invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The tax invoice shall meet the requirements of the A New Tax System (Goods and Services Tax) Act 1999 to ensure an input tax credit can be claimed.
- 3.2. It is the cardholder's responsibility to ensure that credit card transactions are allocated to the relevant ledger account, work order or plant item.
- 3.3. If no supporting documentation is available, the Cardholder will provide a statutory declaration for amounts greater than \$20 detailing the nature of the expenditure and must state on that declaration that "all expenditure is of a business nature".
- 3.4. The Cardholder shall sign in the relevant section of the credit card statement.
- 3.5. The Cardholder will ensure that the entire expenditure on the credit card statement is authorised by signature of their direct supervisor.
- 3.6. The General Manager's credit card expenditure will be reviewed and signed by the Mayor. The Assistant General Manager will authorise expenditure on the credit card statement each month.
- 3.7. The reconciliation process is to be completed within four (4) weeks of receiving the statement.

4. Cash Advances:

- 4.1. Under no circumstances is a Council credit card to be used for cash advances.

5. Alternative Online Payment Methods and Storing Credit Card Details:

- 5.1. Use of Council credit cards on, or linking to, alternative online payment methods and e-commerce payment systems or accounts, such as PayPal, After Pay, Google Pay, Apple Pay, iTunes, or any system that records and stores credit card details is prohibited.

Where a payment for necessary goods or services can only be made through such a payment/e-commerce system, and that system requires the storage of credit card details or linking to a credit card account, then the General Manager may delegate certain Cardholders to set up and manage an online account, which will be recorded by Council's Finance team. This policy applies for the online account, as for the credit card itself:

- The online account is restricted for use by the Cardholder;

- The online account is for work-related purchases only, in accordance with this policy;
- The online account is to be set up with the Cardholder's work email address and details and must be managed separately from any personal online payment/e-commerce accounts.

Council credit cards must never be linked to an employee's personal online payment systems or accounts.

6. Lost, Stolen and Damaged Cards:

- 6.1. The loss or theft of a Council credit card must be reported immediately by the Cardholder to the card provider (i.e. Westpac Bank) regardless of the time or day discovered.
- 6.2. The Cardholder must also advise the Finance team of the loss or theft of a Council credit card by no later than the next working day.
- 6.3. Advice of a damaged card is to be provided to the Finance team who will arrange a replacement.

7. Renewal of Cards:

- 7.1 Cards that are due to expire will receive a replacement in advance. Old cards must be returned to the Finance Manager and the replacement card signed by the cardholder.

8. Disputed Transactions:

- 8.1. Council is responsible for paying all accounts on the monthly credit card statements and the provider will debit this amount to the Council's bank account at the end of each month.
- 8.2. The Cardholder will be personally liable for expenditure that cannot be shown to be related to the business of Council.
- 8.3. The cardholder must notify the Finance team of any unauthorised or suspected fraudulent transactions to enable the transactions to be disputed with the credit card provider which may result in the cancellation and replacement of the card.
- 8.4. The General Manager will be the ultimate arbiter of disputed transactions involving employees. Where the disputed transaction involves the General Manager the ultimate arbiter will be the Dorset Council Audit Panel.

9. Ceasing Employment:

- 9.1. Council credit cards should be returned to the Finance team as soon as they are no longer required. If the Cardholder is leaving the service of Council, the Council credit card should be returned with all supporting purchase documentation no later than the last day of employment. This will be checked as part of the employee exit process completed by Council Officers

10. Other:

- 10.1. Infractions of the conditions of this Policy may result in cancellation of the related Council credit card and the withdrawal of credit card availability to the Cardholder.
- 10.2. A Breach of this Policy may lead to disciplinary action against the employee concerned
- 10.3. This policy is to be reviewed every three years. Credit card allocations and credit limits are to be reviewed at the same time as the policy review.