
FINANCE POLICIES

corporate Credit Card Policy



Policy Number:	F6
Relevant Delegation:	Not Applicable
Adoption Details:	28 January 2016
Last Review Details:	25 November 2019

POLICY OBJECTIVE:

The objective of this policy is to:

- Provide guidance in the issue and use of corporate purchasing and credit cards in order to ensure good governance.
- Reduce the risk of fraud and misuse of corporate purchasing and credit cards and minimise the Shire's financial and reputational risk.
- Fulfil all statutory requirements of the Local Government Act with respect to the use of corporate purchasing and credit cards.
- Adopt best practice in developing a clear and comprehensive policy on the use of corporate purchasing and credit cards.

POLICY SCOPE:

The requirements of this policy covers all Shire employees that are issued with and/or use the corporate purchasing and/or credit card cards.

This policy does not extend to Elected Members, as the Local Government Act does not make any provision for Elected Members to be issued with a Corporate Credit Card. A Local Government can only pay allowances or reimburse expenses to a Councillor.

POLICY STATEMENT:

INTRODUCTION

The Shire will operate a corporate purchasing and credit cards system which permits an appropriate level of cards to be issued within the organisation. The number of cards issued has been reviewed in accordance with the review of this policy to ensure the appropriateness of the number of cards being used and the reason for which the card was issued.

Corporate purchasing and credit cards can serve as an effective way for the Shire to make payment for goods and services. The risks associated with corporate purchasing and credit card use can be minimised through the implementation of effective controls and administration processes. This policy must be understood by the employee/card holder prior to the issuing of corporate purchasing and credit cards.

This policy was created to ensure controlled use of corporate purchasing and credit cards and therefore good governance. Consultation of relevant legislation and industry best practice was undertaken. This policy was reviewed with consideration for the Department of Local Government's Operational Guidelines and WALGA's template policy suite.

PRINCIPLES

- (a) There are always adequate controls in place surrounding the issuing and use of corporate purchasing and credit cards.
- (b) There are effective acquittal practices in place surrounding the use of corporate purchasing and credit cards.
- (c) Purchases made on corporate purchasing and credit cards adhere to the Procurement Policy.
- (d) Purchases made on corporate purchasing and credit cards are as transparent as those processed through the Accounts Payable process.

PROVISIONS

1. ADVANTAGES OF CORPORATE CREDIT CARD USE

The use of corporate purchasing and credit cards shall only be approved if there is a demonstrated need and advantage to the Shire. These include:

- (a) eliminating or reducing time spent on paper-based ordering and payments.
- (b) reduction of administrative costs.
- (c) reducing the number of payments per month.
- (d) provision of a useful resource in an emergency situation.
- (e) reducing the need to carry cash on the premises.

2. CUSTODIANSHIP AND CONDITIONS OF USE

- 2.1 The Shire of York will hold two (2) credit cards. All applications for a corporate credit card shall be approved by the Council.
- 2.2 The corporate credit card may only be used under the direction of the approved custodian.
- 2.3 All credit card expenditure will be reported to Council with the monthly financial report.
- 2.4 The requirement for corporate fuel cards will be determined on a case-by-case basis and approved by the Chief Executive Officer.
- 2.5 Fuel cards will only be used for purchasing fuel for the Shire vehicle (or hire vehicle where appropriate) to which the application relates.
- 2.6 All fuel card expenditure will be reported to Council within the list of monthly creditors payments.
- 2.7 Custodians and account limits are as follows:

Card Type	Custodian	Limit
Credit Card (inactive)	Chief Executive Officer	\$5,000
Credit Card	Executive Manager, Corporate & Community Services	\$5,000
Fuel Cards	Various employees as approved by the CEO	\$4,000 collective limit

3. REGISTER

- 3.1 A register shall be maintained by the Executive Manager Corporate and Community Services of all Corporate Credit Cards and Fuel Cards issued and kept in a secure location. The register shall include:
- (a) Date of approval by Chief Executive Officer.
 - (b) Name of card holder.
 - (c) Card number and expiry date.
 - (d) Conditions of use of the card.
 - (e) A review date for continuing use of the card, not exceeding 24 months.

4. POLICIES AND PROCEDURES GOVERNING THE USE OF CORPORATE CARDS

- 4.1 The following shall be complied with for controlling the use of Corporate Credit Cards:
- (a) An agreement shall be signed by the cardholder which sets out the cardholder's responsibilities and legal obligations when using the corporate purchasing and credit cards.
 - (b) A secure register managed by the Executive Manager Corporate and Community Services of all current cardholders should be kept which includes card number, expiry date of the card and credit limit. Details of goods and services the cardholder has authority to purchase are outlined in the cardholder agreement.
 - (c) All new and existing cardholders shall be provided with a copy of the policies and procedures relating to the use of corporate purchasing and credit cards and shall formally sign the register to acknowledge that they have read and understood the requirements of the policy.
 - (d) When an employee misplaces their corporate purchasing or credit card, they shall promptly report the matter to the Executive Manager Corporate and Community Services who shall immediately cancel the card.
 - (e) Credit Cards shall not be transferred to other users.
 - (f) Use of the reward schemes, such as Fly Buys and Frequent Flyers, will not be permitted for personal gain.
 - (g) All surrendered Credit Cards shall be destroyed by the Executive Manager Corporate and Community Services in the presence of another employee.
 - (h) In the event that a cardholder fails to comply with the policy's requirements, the Chief Executive Officer shall withdraw the use of the corporate purchasing or credit card and take appropriate disciplinary action. All criminal/illegal acts of alleged misuse shall be reported to the Police and other relevant authorities.
 - (i) The use of corporate purchasing and credit cards for any personal use whatsoever is strictly prohibited.
 - (j) Use of the corporate credit cards for purchases over the internet should be restricted to trusted secure sites.
 - (k) The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of the Shire of York.
-

5. PURCHASING

- 5.1 Corporate purchasing and credit cards shall only be used for purchasing goods and services on behalf of the Shire and in circumstances when the issue of a Purchase Order Number from the Shire is not accepted, appropriate or convenient.
- 5.2 Fuel Cards will be issued to employees where applicable and must only be used when purchasing fuel for Shire vehicles.
- 5.3 Personal expenditure is strictly prohibited.
- 5.4 A Credit Card shall not be used for cash withdrawals.
- 5.5 Purchases by facsimile, telephone or over the internet shall be authorised by the person and all paperwork shall be kept and verified.
- 5.6 The nominated fuel card should be used in preference to a credit card when purchasing fuel unless it is not accepted by the retailer and then the vehicle odometer reading and fuel receipt are to be recorded at the time of purchase.
- 5.7 Credit card purchases are to comply with the Procurement Policy for acquiring of goods and services.
- 5.8 The use of the Corporate Credit Card for purchase of library books can only be exercised by the person responsible for the library collection acquisitions function.
- 5.9 The purchase of meals in York with the Corporate Credit Card is limited to hosting visiting dignitaries and others authorised in advance by the Shire President.
- 5.10 Meals purchased while away from York are to comply with the limit value approved from year to year by Council during the budget process.

6. PAYMENTS AND ACQUITTALS

- 6.1 The cardholder will be responsible for providing appropriate and sufficient documentary evidence of all charges, as required, on a monthly basis. Information should include a copy of the GST invoice, account number for costing purposes and an explanation as to why the expense was incurred. Full information requirements are outlined in the Corporate Purchasing and Credit Cards Acquittal and Reporting Procedure.
 - 6.2 Time frames for all payment of accounts shall be monitored by the Executive Manager Corporate and Community Services to ensure that credit charges are minimised and accounts are paid so as not incur a penalty or interest;
 - 6.3 Cardholders cannot approve expenditure incurred on their own cards – these will be referred to the Chief Executive Officer for approval – the Chief Executive Officer shall refer any such instances to the Executive Manager Corporate and Community Services.
 - 6.4 All transactions requested by officers other than the cardholder must complete the Credit Card Authority Form.
 - 6.5 The signed corporate credit card statement and all supporting documentation are to be given to the Chief Executive Officer for certification. The Chief Executive Officer's signed corporate credit card statement and all supporting documentation will be provided to the Shire President for certification.
 - 6.6 All transactions on Corporate Credit Cards are to be listed and form part of the monthly financial reports to Council in accordance with the requirements of *Local Government (Financial Management) Regulation 13*.
-

PENALTIES:

Not applicable.

KEY TERMS/DEFINITIONS:

Not applicable.

Responsible Officer: Executive Manager Corporate & Community Services

Contact Officer: Finance Manager

Relevant Legislation: Local Government Act 1995 – Section 2.7 (2)(a) and (b)
Local Government Act 1995 – Section 6.5(a)
Local Government (Financial Management) Regulations 1996 –11
Local Government (Financial Management) Regulations 1996 – 13

Relevant Documents: Department of Local Government and Communities (Government of Western Australia) 'Operational Guideline Number 11' for the 'Use of Corporate Credit Cards'.

Review History:

Date Review Adopted:	Resolution Number
Adopted – 28 January 2016	
Reviewed – 24 October 2016	121016
Reviewed – 29 July 2019	
Reviewed – 25 November 2019	291119
Former Policy No:	F1.6
