



Corporate Credit Cards

Policy Owner: Finance Department
Person Responsible: Manager Finance
Date of Origin: 15 February 2010

Endorsed: 15 February 2010

Amended:

OBJECTIVE

To provide guidance for the use of Corporate Credit Cards.

LEGAL

Local Government Act 1995 Section 2.7 (2) (a) and (b), Section 6.5 (a)
Local Government (Financial Management) Regulations 11 (1) (a)

POLICY

1.0 The use of Corporate Credit Cards shall only be approved if there is a demonstrated need and advantage to the Shire. These include:

- (i) Elimination or reducing time spent on paper based ordering and payments;
- (ii) Reduction of administrative costs;
- (iii) Reducing the number of payments per month;
- (iv) Provision of a useful resource in an emergency situation; and
- (v) Reducing the need to carry cash on the premises.

2.0 Applications for Corporate Credit Cards and Approval

All applications for a Corporate Credit Card shall be approved by the Chief Executive Officer.

In the case of the Chief Executive Officer, the Council shall approve the application and determine the conditions for use and maximum credit limit and credit limit for each individual transaction.

3.0 Register

A register shall be maintained by the Deputy Chief Executive Officer of all Credit Cards issued. The register shall include:

- (i) Date of approval by Chief Executive Officer;
- (ii) Name of card holder;
- (iii) Conditions of use of the card; and
- (iv) A review date for continuing use of the card, not exceeding 24 months.

4.0 Issuing of Corporate Credit Cards to Elected Members

- 4.1 The Local Government Act does not make provision for the issuing of credit cards to Elected Members. (A Local Government can only pay allowances or reimburse expenses to an Elected Member).
- 4.2 Elected Members shall not be issued with a Corporate Credit Card as there are no provisions within the Act which allow an Elected Member to incur a debt.

5.0 Policies and Procedures Governing the Use of Corporate Credit Cards

The following shall be complied with for controlling the use of Corporate Credit Cards:

General

- 5.1 An agreement shall be signed by the cardholder which sets out the cardholder's responsibilities and legal obligations when using the Credit Card;
- 5.2 A register by the Deputy Chief Executive Officer of all current cardholders should be kept which includes card number, expiry date of the Credit Card, credit limit and details of goods and services the cardholder has authority to purchase;
- 5.3 All new and existing cardholders shall be provided with a copy of the policies relating to the use of Credit Cards;
- 5.4 When an employee misplaces their Credit Card, they shall promptly report the matter to Deputy Chief Executive Officer who shall immediately cancel the card;
- 5.5 Credit Cards shall not be transferred to other users;
- 5.6 Use of the reward schemes, such as Fly Buys, will not be permitted for personal gain;
- 5.7 All surrendered Credit Cards shall be destroyed by the Deputy Chief Executive Officer in the presence of another employee;

5.8 In the event that a cardholder fails to comply with the policies requirements, the Chief Executive Officer shall withdraw the use of the Corporate Credit Card and take appropriate disciplinary action. All criminal/illegal acts of alleged misuse shall be reported to the Police and other relevant authorities; and

5.9 The use of Corporate Credit Cards for personal entertainment uses is prohibited.

6.0 Purchasing

6.1 Credit Cards shall only be used for purchasing goods and services on behalf of the Shire;

6.2 Personal expenditure is strictly prohibited;

6.3 A Credit Card shall not be used for cash withdrawals;

6.4 Maximum credit limit shall be based on the cardholder's need and approved by the Chief Executive Officer and the following will be used as a guide:

Maximum credit limit and transaction limit per card will be as follows:

Name	Credit Limit \$	Maximum Credit Limit per Transaction \$
Chief Executive Officer	5,000	5,000
Deputy Chief Executive Officer	5,000	5,000

6.5 Purchases by facsimile, telephone or over the internet shall be authorised by the person and all paperwork shall be kept and verified.

7.0 Payments

7.1 The cardholder shall provide appropriate and sufficient documentary evidence of all charges, as required, on a regular basis;

7.2 Time frames for all payment of accounts shall be monitored by Deputy Chief Executive Officer to ensure that credit charges are minimised and accounts are paid so as not incur a penalty or interest;

7.3 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 Deputy Chief Executive Officer.