

Council

**NEW POLICY – CORPORATE CREDIT CARD
POLICY**

**Draft Corporate Credit Card Policy F/FM/14
Draft Corporate Credit Card User Procedure**

Meeting Date: 27 February 2024

Number of Pages: 13

Shire of Plantagenet – Corporate Credit Card Policy

Policy Objective

To provide the Shire of Plantagenet (the Shire) Chief Executive Officer with a framework of principles to guide the use and management of Corporate Credit Cards.

The policy aims to:

- ensure efficient and effective procurement and payment operations;
 - minimise the risk of misuse, fraudulent or corrupt use;
 - define allowable and prohibited uses;
 - define management and oversight obligations; and
 - define Cardholder duty of care and responsible use obligations.
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Policy Statement

This policy provides a framework to guide the Chief Executive Officer when fulfilling their statutory duties for establishing and implementing appropriate systems and procedures for incurring expenditure and making payments specific to Corporate Credit Cards.

The policy contributes to the Shire meeting its obligations under the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

It also reflects the Shire's commitment to organisational excellence and upholding the principles of transparency, probity and good governance, and interacts with and complements the Shire's broader procurement operating environment.

1 Definitions

Cardholder means an employee who has been authorised by the CEO to incur expenditure by means of a Corporate Credit Card.

Corporate Credit Card means a card approved for use in lieu of cash transactions, to incur expenditure for goods and services for the purposes of the Shire of Plantagenet business activities only in accordance with relevant Shire of Plantagenet Policies.

2 Management Oversight and Reporting

2.1 Legislation

- (1) Section 6.5(a) of the *Local Government Act 1995* prescribes the Chief Executive Officer's (CEO) duty to ensure that proper accounts and records of the transactions and affairs of the Local Government are kept in accordance with regulations.
- (2) The *Local Government (Financial Management) Regulations 1996* prescribe:
 - a. Regulation 5, the Chief Executive Officer's duties to ensure efficient systems and procedures are established for the proper authorisation of incurring of liabilities and the making of payments.
 - b. Regulation 11(1)(a) and (2) of the requires Local Government to develop procedures that ensure effective security for the authorisation and payment of accounts and for the authorised use of payment methods, including credit cards.

2.2 Determining When Corporate Credit Cards are Appropriate

- (1) Corporate Credit Card may be implemented and maintained where the card provides benefit to the Shire's operations by ensuring:
 - a. goods and services can be obtained in a timely and efficient manner to meet the business needs of the Shire;
 - b. financial management and accounting standards are met; and
 - c. purchasing and payment functions are secure, efficient and effective.
- (2) Corporate Credit Card providers will only be acceptable where, in the opinion of the CEO, they:
 - a. provide appropriate and sufficient statement, administration and acquittal controls that enable the Shire to sufficiently administer the facility; and
 - b. provide the Shire with protection and indemnification from fraudulent unauthorised transactions.

2.3 Management Oversight

The Chief Executive Officer shall determine and implement systems and procedures adequate to ensure:

- a. assessment and selection of Corporate Credit Cards suitable to the efficient and effective operations of the Shire of Plantagenet;
- b. authorisation and appointment of suitably eligible Cardholders;
- c. Cardholder duties and responsibilities are documented and Cardholders provided with training; and
- d. monitoring and auditing of Corporate Credit Card activities is planned and reported.

2.4 Reporting

The CEO will ensure that acquitted transaction statements for each Corporate Credit Card are provided to Council as part of the monthly financial reporting regime.

2.5 Misuse, Misconduct and Fraudulent Use

Any alleged misuse of Corporate Credit Cards will be investigated and may be subject to disciplinary procedures.

Where there is reasonable suspicion of misconduct or fraudulent activity arising from Corporate Credit Cards 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*.

2.6 Principles for Corporate Credit Card Usage

2.6.1 Allowable Transactions

- (1) Corporate Credit Cards may only be used under the following circumstances:
 - a. The expenditure is directly arising from a Shire operational business activity for which there is an Annual Budget provision.
 - b. The expenditure is in accordance with legislation, the Shire's Purchasing Policy, Code of Conduct and any conditions or limitations applicable to the individual Cardholder.
 - c. 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 Corporate Credit Card.
 - d. 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.
 - e. Hospitality expenditure may only occur when it is in accordance with the Shire's Hospitality Policy or is undertaken with the express written permission of the CEO.
 - f. Official travel, accommodation and related expenses may only occur in accordance with the Shire's policies and procedures.
 - g. Accounts payable payments are made under the direction of the Finance Manager.
 - h. A sufficient record of each transaction is obtained and retained in the local government record.
- (2) Allowable transaction modes include:
 - a. in-person and over the counter retail purchases;
 - b. telephone or facsimile purchasing;
 - c. mail order purchasing and subscriptions; and
 - d. internet purchasing.

2.6.2 Prohibited Transactions

- (1) The Shire prohibits the use of Corporate Credit Cards in the following situations:
 - a. Cash advances.
 - b. Incurring expenses which are personal or private (i.e. any expenditure which is not an approved Local Government activity).
 - c. Making deposits onto the card, whether to offset misuse or otherwise.
 - d. Incurring Capital expenditure.

- e. Incurring expenditure for goods or services which are subject to a current supplier contract.
 - f. Incurring expenses which are not in accordance with legislation, the Shire of Plantagenet Policy, the Annual Budget and / or the conditions or limitations relevant to the individual Cardholder.
 - g. Expenses for which another Corporate Credit Card is the approved facility (i.e. the Corporate Credit Card is not to be used for purchasing fuel or oil, as the fuel card is the approved facility for that purpose).
 - h. Splitting expenditure to avoid compliance with the Purchasing Policy or to negate limits or conditions applicable to the Cardholder.
 - i. Incurring expenses for the primary purpose of obtaining personal advantage through the transaction (i.e. membership or loyalty rewards).
- (2) For clarity, Elected Members are prohibited from using Shire Corporate Credit Cards as the *Local Government Act 1995* does not provide authority for an Elected Member to incur liabilities on behalf of the Local Government. The Act limits Local Governments to only paying Elected Member allowances and reimbursing Elected Member expenses.

2.6.3 Cardholder duty of care and responsible use obligations

- (1) A Cardholder is required to do the following:
- a. Keep the Corporate Credit Card and access information in a safe manner; protected from improper use or loss.
 - b. Only use the Corporate Credit Card for allowable purposes and not for prohibited purposes.
 - c. Obtain, create and retain Local Government records that evidence transactions.
 - d. Acquit the reconciliation of Corporate Credit 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.
 - e. Return the Corporate Credit Card to the Shire of Plantagenet before termination of employment, inclusive of reconciliation records.
 - f. Reimburse the Shire the full value of any unauthorised, prohibited or insufficiently reconciled expenditure.
- (2) Benefits obtained through use of a Corporate Credit Card (i.e. membership or loyalty rewards) are the property of the Shire and may only be used for Shire business purposes. Such benefits must be relinquished by the Cardholder to the Shire. Under no circumstances may such benefits be retained as a personal benefit.

2.6.4 Transaction evidence

- (1) A sufficient transaction record must include the following minimum information:
- a. Invoice and / or receipt that includes; the date, company name, address, ABN, amount and any GST amount included.
 - b. Where an invoice and / or receipt cannot be obtained, the Cardholder must provide a Statutory Declaration, in accordance with the *Oaths, Affidavits and Statutory*

Shire of Plantagenet - Credit Card Policy



Declarations Act 2005, detailing the nature of the expense and sufficient information to satisfy the requirements of subclause (a) above.

- (2) Where a Corporate Credit Card is used to incur an expense for hospitality, the transaction record must include for the purposes of Fringe Benefits Tax calculations and probity:
 - a. the number of persons entertained;
 - b. the names of any employees in that number; and
 - c. the purpose of providing the entertainment or hospitality.

Shire of Plantagenet Corporate Credit Card User Procedures

1 Cardholder Eligibility and Applications for Use of a Corporate Credit Card

Step	Action	Responsible Officer
1.1	Officers occupying the positions of Chief Executive Officer, Executive Manager Corporate & Community Services and Executive Manager Works & Services are eligible to apply for a corporate credit card, with a maximum credit limit of \$10,000.	CEO EMCCS EMWS
1.2	The officer occupying the position of Community Emergency Services Manager is eligible to apply for a corporate credit card, with a maximum credit limit of \$2,000.	CESM
1.3	The Corporate Credit Card Application Form can be obtained from the Accounts Officer.	Accounts Officer
1.4	Corporate Credit Card Application Forms from Shire staff must be submitted to and approved by the Chief Executive Officer. The Chief Executive Officer's Corporate Credit Card Application is to be submitted to and approved by the Shire President.	CEO Shire President
1.5	Once approved, the Corporate Credit Card Application must be signed by the Cardholder and two (2) signatories to the Council's bank accounts.	Cardholder Council
1.6	Cardholders are responsible for meeting card provider obligations.	Cardholder

2 Using Corporate Credit Cards

Step	Action	Responsible Officer
2.1	Before the corporate credit card is issued, Cardholders must have signed a Corporate Credit Card Agreement (2A) , and undertaken induction training that includes (at a minimum) the Shire's Code of Conduct, disclosure interests and purchasing policy and procedures.	HR Officer Cardholder
2.2	The Chief Executive Officer, Executive Manager Corporate & Community Services and Executive Manager Works & Services may only use corporate credit cards for the payment of goods and services associated with Council business, in accordance with the Council's Purchasing and Tender Guide Policy.	CEO EMCCS EMWS
2.3	The Community Emergency Services Manager may only use the allocated corporate credit card during emergency events for costs reimbursable from the Department of Fire and Emergency Services, which cannot be reasonably achieved through the Shire's business as usual purchasing systems.	CESM
2.4	The Cardholder is responsible for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money.	Cardholder

2 Using Corporate Credit Cards

Step	Action	Responsible Officer
2.5	Purchasing must be undertaken on a competitive basis, with potential suppliers treated impartially, honestly and consistently.	Cardholder
2.6	All processes, evaluations and decisions around purchases must be transparent, free from bias and fully documented in accordance with applicable policies, audit requirements and relevant legislation.	Cardholder
2.7	Any actual or perceived conflicts of interest around purchases are to be identified, disclosed and appropriately managed.	Cardholder
2.8	Any information provided to the Shire by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.	Cardholder
2.9	Cardholders must ensure that corporate credit cards are maintained in a secure manner and guarded against improper use. Cardholders must not release card details or passwords for purchasing purposes to other individuals; all credit card purchases are to be made by the Cardholder.	Cardholder
2.10	Cardholders should exercise awareness of the risks associated with internet transactions and ensure workplace training around internet use and cyber security awareness is current.	Cardholder
2.11	Cardholders must not exceed credit limits. The Shire does not have a cash advance facility.	Cardholder
2.12	The use of the credit card must not be tied to any type of reward system that provides Cardholders with any personal benefit or reward.	Cardholder
2.13	Documentation (e.g. receipts) attached to a corporate credit card transaction is to be retained by the Cardholder and produced as part of the reconciliation process.	Cardholder

3 Cardholder Reconciliation of Statements

Step	Action	Responsible Officer
3.1	A Credit Card Authorisation Form (3A) is to be completed for every purchase and forwarded with the receipt or other evidence of purchase to the Accounts Officer within seven (7) days of the purchase.	Cardholder Accounts Officer
3.2	If no supporting documentation is available, the Cardholder must complete a Transaction Declaration Form (3B) , detailing the nature of the expense and confirming that expenditure is of a business nature, for review by the Chief Executive Officer.	Cardholder CEO
3.3	Use of a Declaration for missing receipts is for exceptional cases. Should a Cardholder constantly provide Declarations, the Cardholder may be refused access to a credit card in the future.	Cardholder
3.4	Should approval of expenses be denied by the Chief Executive Officer, recovery of the expense shall be met by the cardholder.	Cardholder CEO
3.5	The Shire's corporate credit card expenditures are to be reconciled on a monthly basis.	Accounts Officer

4 Cardholder Loss, Replacement and Ceasing to be a Cardholder

Step	Action	Responsible Officer
4.1	The loss or theft of a corporate credit card must be immediately reported by the Cardholder to the card provider. The Cardholder must also formally advise the Executive Manager Corporate & Community Services of the loss or theft on the next working day.	Cardholder EMCCS
4.2	Advice of a damaged corporate credit cards is to be provided to the Executive Manager Corporate & Community Services who will organise a replacement card.	Cardholder EMCCS
4.3	If an employee ceases employment with the Shire or moves to a position that does not require a corporate credit card, the card is to be surrendered to the employee's supervisor with a full acquittal of expenses immediately on ceasing of employment, or in the case of a change in job role within the Shire, as soon as practicable.	Cardholder Direct Supervisor
4.4	The Executive Manager Corporate & Community Services must make the arrangements for the credit card to be destroyed and ensure that the employees' status on the Corporate Credit Card Register reflects that the card has been surrendered and destroyed.	EMCCS

5 Managing Corporate Credit Card Misuse and Breaches

Step	Action	Responsible Officer
5.1	Transactions which remain unreconciled for more than one month will attract a written warning notification to the Cardholder and their Supervisor, advising that the card will be suspended if action is not taken immediately.	Cardholder Supervisor
5.2	Any transaction that remains unreconciled or unapproved for a period longer than two months after the statement date will result in the corporate credit card being cancelled without further warning.	EMCCS
5.3	In the absence of exceptional circumstances, corporate credit card expenditure which is not reconciled and approved within three months after the statement date will be treated as personal expenditure and must be repaid to the Local Government. The Local Government may recover personal expenditure on a corporate credit card as a debt.	Cardholder
5.4	Misuse, which does not constitute misconduct or serious misconduct, will be advised to the Cardholder and their direct manager in writing.	CEO Council (in case of CEO)
5.5	Misuse of a corporate credit card may, at the discretion of the CEO, result in the withdrawal of the facility.	CEO Council (in case of CEO)
5.6	In any case, at the discretion of the CEO, a corporate credit card will be withdrawn from a Cardholder where misuse has been substantiated.	CEO Council (in case of CEO)

5 Managing Corporate Credit Card Misuse and Breaches

Step	Action	Responsible Officer
5.7	If withdrawal of the corporate credit card limits the ability of the Cardholder to fulfil their duties, the matter will need to be considered and where appropriate, disciplinary action taken.	CEO
5.8	Any alleged misuse of corporate credit cards will be investigated and may be subject to disciplinary procedures.	CEO
5.9	Where there is reasonable suspicion of misconduct or fraudulent activity arising from corporate credit cards the matter will be reported to the appropriate regulatory agency, subject to the requirements of the <i>Public Sector Management Act 1994</i> and the <i>Corruption, Crime and Misconduct Act 2003</i> .	CEO

ATTACHMENT 2A

**Shire of Plantagenet
Corporate Credit Card Employee Agreement**

I **[insert employee full name]**, holding the position of **[insert position title]**, acknowledge receipt of **[insert card type i.e. Mastercard Credit Card]** issued in my name and agree to adhere to the following conditions of use for this Transaction Card facility in my employment with the Shire of Plantagenet.

1. Cardholder Responsibilities

- a. The Cardholder must maintain awareness and comply with; legislation, the Shire of Plantagenet's Code of Conduct, Purchasing and Transaction Card Policies and procedures.
- b. The Card is to be kept in a secure and safe manner, preventing improper use.
- c. Transactions can only be undertaken by the named Cardholder. The Card is not transferrable and is prohibited for use by any other person.
- d. The Card is only to be used for Allowable Transactions in the performance of official duties for which there is an Annual Budget provision.
- e. Transaction records are to be retained to evidence compliance with legislation and the Shire of Plantagenet's policies and procedures. A Cardholder Transaction Declaration is required where transaction records have been lost or are unobtainable.
- f. Statements must be reconciled within 1-week of receipt by the Cardholder, inclusive of written verification of all transactions to the satisfaction of the CEO.
- g. Any matter that may affect the integrity or use of the Transaction Card must be reported immediately to the Executive Manager Corporate and Community Services including:
 - i. Exceeding a transaction limit or breaching a condition of use.
 - ii. Transaction Card misuse, whether intentional, erroneous or otherwise.
 - iii. Transactions perceived as fraudulent, unauthorised or disputed.
 - iv. Transaction Card loss or theft.
- h. The Cardholder must promptly provide any information requested by the Shire of Plantagenet for the purposes of statement reconciliation or the investigation or audit of Transaction Card activity.
- i. The Card must be returned inclusive of full reconciliation, prior vacating the above named position with the Shire of Plantagenet.
- j. The Cardholder agrees to repay to the Shire of Plantagenet, by payroll deduction or otherwise, the value of transactions determined as misuse.

2. Conditions and Limitations

- a. This Card is subject to the following limits:
 - i. Individual (singular) transaction limit of \$[000.00]
 - ii. Daily transaction limit of \$[000.00]
 - iii. Monthly transaction limit of \$[000.00]
- b. This Card may not be used for personal use.
- c. Misuse or any breach of this Agreement will be investigated and where substantiated, the Cardholder will be subject to disciplinary action in accordance with their terms of employment.

Please acknowledge your acceptance of the above by signing both copies and returning the duplicate to the Executive Manager Corporate and Community Services.

Signed _____	Date: _____
Name _____	Position _____
(Print) _____	Title _____
Witness _____	Position _____
Signature _____	Title _____

Attachment 3B

Credit Card Payment Form

Credit Card Payment Form

Company / Business purchased from:			
Details of purchase:			
Total Purchase Amount inc GST:			
Date of Purchase:			
Name of requesting officer:			
Signature of requesting officer:		Date:	
Name of the credit cardholder:			
Signature of the credit cardholder		Date:	

GL Code/Job Cost Centre (if applicable)	Element Type (if applicable)	Department	Invoice Receipt Attached

Attachment 3B

Cardholder Transaction Missing Receipt Declaration Form

To be used when original docket, invoice or receipt has been lost or the transaction documentation does not sufficiently evidence the transaction information.

Missing Receipt Declaration

Name: _____

I declare that I made the purchase shown below and all expenditure was of a business nature but do not have a receipt for the following reason: _____

Date of transaction:	
Supplier name:	
Supplier address:	
Australian Business Number:	
Description of purchase:	
Transaction amount: (GST Inclusive)	
Cost centre / Account Number:	
Card name:	
Card number:	
Card Type:	
Date goods / services received:	
I certify that: Liability for the above services and/or goods was incurred by me: Yes / No And that the goods / services have been satisfactorily received: Yes / No	

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular.

Signature: <i>Person making the declaration</i>	
Position Title:	
Dated:	

Reminder: Attach sales dockets, tax invoices or packing slips as verification of the order.