

Credit Card Policy 2021

POL026



Policy No: POL026
Policy Title: Credit Card Policy
Section Responsible: Finance
Minute No/Ref: 21/089
Doc ID: 400813

1. INTENT

Narrandera Shire Corporate Credit Cards are provided to employees to enable the purchase of goods and services.

2. SCOPE

- Council staff who are issued with a corporate credit card.
- Mayor.

3. OBJECTIVE

- Provide a clear framework to enable the use of corporate credit cards.
- Provide clear and concise guidelines of use to staff and Council representatives who are issued with Corporate Credit Cards.
- Reduce the risk of fraud and misuse of the corporate credit card by ensuring invoices and related documentation are properly authorised.

4. POLICY STATEMENT

Narrandera Shire Council Staff issued with a Corporate Credit Card hold a position of trust in regard to the use of public funds and must comply with the following:

All expenses must be for legitimate Council purpose, meaning they are reasonable and appropriate in the circumstances, and publicly defensible. The expenditure must not be or perceived to be excessive and must meet the following characteristics:

- Necessary to perform a valid business purpose fulfilling the mission of Narrandera Shire Council.
- Reasonable in that the expense is not extreme or excessive and reflects a prudent decision to incur the expense.

- Appropriate in that the expense is suitable and fitting the context of the valid business purpose.
- Allowable according to the terms of the procurement policy.

Narrandera Shire Council Corporate Credit Cards shall be used only:

- For Council business activities
- For the purchase of goods in accordance with Council's Procurement Policy.

5. PROVISIONS

5.1 ELIGIBILITY

- Allocation of a corporate credit card can only be approved by the General Manager or, in the case of a card for the General Manger, approval is provided by the Mayor.
- A corporate credit card will only be issued when it is established that the anticipated usage of the card is warranted.
- The credit limit will not exceed the applicant's financial or operational delegation.
- Once approved the application must be signed by the cardholder and two (2) signatories to Council's bank accounts.
- The cardholder shall acknowledge and accept conditions of use of the Narrandera Shire Council corporate credit card. Refer Attachment 1 Cardholder Statement of Responsibility.
- Narrandera Shire Council Corporate Credit Cards do not have a cash advance facility.

5.2 RECONCILIATION

- Corporate Credit Cards statement accounts will be issued to the relevant cardholder who will, within seven (7) days, acquit the transactions on the account. A template is attached to this policy identifying the reconciliation requirements. Refer Attachment 2 Corporate Credit Card Reconciliation Template.
- 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 an explanation of why the expense was incurred.
- Transactions shall be accompanied by a job cost number for costing purposes.
- If no supporting documentation is available the cardholder will provide a statutory declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'. Approval of this expense is referred to the Deputy General Manager or Finance Manager for a decision. Should a lack of detail be a regular occurrence for a particular cardholder, the cardholder may be refused access to

a credit card in the future. Use of a statutory declaration is for exceptional circumstances and should not be the norm.

- Should the approval of the expense be denied by the DGM or Finance Manager, recovery of the expense shall be met by the cardholder.
- The cardholder should sign and date the credit card statement with supporting documentation attached stating 'all expenditure is of a business nature'.

5.3 REVIEW OF USE

- The Senior Finance Officer shall review and approve the monthly expenditure undertaken by each staff member. All receipts and documentation will be reviewed and any expenses that do not appear to represent fair and reasonable expenses shall be referred to the Finance Manager, or to the Deputy General Manager by the Senior Finance Officer, for a decision.
- Following the monthly transaction review, the Finance Manager or delegate conducting the processing of payment to the bank will sign and file a statement stating that the review was clear, or any issues raised have been resolved or reported to the General Manager.
- Quarterly reviews of expenditure shall be undertaken by the Finance Manager and the Deputy General Manager on a rotational basis to ensure the integrity of the purchases. External scrutiny of the credit card expenditure will also be encouraged as part of the external audit process of Council's finances.
- Any suspicious transaction or other issues of concern identified through the review process must be reported to the General Manager within 10 working days. If the issue of concern relates to the GM, the matter must be reported to Council's Internal Auditor within 10 working days.

5.4 REVIEW OF LIMITS

- Credit card limits are reviewed annually for all cardholders. If there is a request for a variation to the monthly limit, a business case will need to be provided to the General Manager for a decision.

5.5 LOST, STOLEN AND DAMAGED CARDS

- The loss or theft of a credit card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the Finance Manager of the loss or theft on the next working day.
- Advice of a damaged card is to be provided to the Finance Manager who will organise a replacement card.

5.6 CONSEQUENCES

This policy represents the formal policy expected standards of Narrandera Shire Council. Appropriate approvals need to be obtained prior to any deviation from the policy. It is imperative that employees retain appropriate documentation to substantiate their

expenditure. Employees are reminded of their obligation under the Shire's Code of Conduct policy to give full effect to the lawful policies, decisions and practices of the Shire.

A breach of this policy may constitute a breach of Council's Code of Conduct and be resolved through Council's disciplinary process.

The use and control of credit cards are the sole responsibility of the person whose name appears on the card and they are responsible for ensuring that the proper use of the card is maintained and can be accounted for under the provisions of this policy.

5.7 REPORTING

In July of each year, the Finance Manager will provide a report on credit card usage for the past year to ELT. The report will set out each cardholder recorded in the Credit Card Register in the past year and the amount expended during the year by each.

6. DEFINITIONS

- **NSC:** Narrandera Shire Council
- **ELT:** Executive Leadership Team

7. ROLES AND RESPONSIBILITIES

Staff and Representatives Issued with Corporate Credit Cards

- The use and control of credit cards is the sole responsibility of the person whose name appears on the card and they are responsible for ensuring that the proper use of the card is maintained and can be accounted for under the provisions of this policy.
- All cardholder responsibilities comply with those set out by the card provider.
- Credit Cards are to be maintained in a secure manner and guarded against improper use. Under no circumstance should PINs (Personal Identity Numbers) be shared with third parties.
- Credit Card details are not to be released to other employees. Only the staff member whose name appears on the card is authorised to use the card for purchases.
- Purchases on the credit card are to be made in accordance with Narrandera Shire Council's Procurement Policy.
- Purchases on Credit Cards are not to exceed a staff member's financial delegation.
- For all transactions, original receipts or tax invoices must be obtained at the time of the transaction (including for contactless transactions). Cardholders must comply with all other Narrandera Shire Council requirements with respect to the reconciliation of transactions.
- Purchases must not be split into smaller transactions (or over multiple cards) to circumvent expenditure or transaction limits.
- The use of the credit card shall not be tied to any type of reward system that provides cardholders with any personal benefit or reward.

- All credit card transactions must be reconciled within seven (7) days of the date of the corporate credit card statement being issued by the Finance Department with all reconciliation dockets attached to equal the balance of credit used.
- Personal expenditure must not be intentionally charged to the credit card, even if it is intended to subsequently repay the expenditure, except in extreme and defensible circumstances, in which case repayment must be made within 14 days from the transaction date.
- Corporate Credit Cards are to be returned to the Finance Manager on or before the employee's termination date with full acquittal of expenses.

8. RELATED LEGISLATION

- N/A

9. RELATED POLICIES AND DOCUMENTS

- Code of Conduct
- CS100 Procurement Policy
- CS150 Risk Management Policy
- POL007 Fraud and Corruption Prevention Policy
- POL070 Disciplinary Policy
- Procurement Manual

10. VARIATION

Council reserves the right to review, vary or revoke this policy in accordance with legislation, regulation and award changes, where applicable. Council may also make changes to this policy and the relevant procedures from time-to-time to improve the effectiveness of its operation.

11. PREVIOUS VERSIONS

Reference to a superseded policy number and/or name is also considered a reference to the new policy number. This policy was previously named:

- CS50 Credit Card Policy
- F1510 Corporate Credit Card Policy

POLICY HISTORY

Responsible Officer	Finance Manager		
Approved by	General Manager		
Approval Date	17 June 2021		
GM Signature (Authorised staff to insert signature)			
Next Review	1 April 2023		
Version Number	Endorsed by ELT	Endorsed by Council	Date signed by GM
1 Adopted	-	-	21/06/2005
2 Reviewed	-	-	20/03/2007
3 Reviewed	-	17/02/2009	17/02/2009
4 Reviewed	17/07/2014	16/09/2014	19/09/2014
5 Reviewed	-	18/08/2015	19/08/2015
6 Reviewed	12/09/2017	-	12/09/2017
7 Reviewed	7/05/2018	15/05/2018	15/05/2018
8 Reviewed	17/01/2019	21/05/2019	3/06/2019
9 Reviewed	27/10/2020	20/04/2021	17/06/2021

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Attachment 1 - Cardholder Statement of Responsibility

Narrandera Shire Council has approved the issue of a NAB Mastercard to you (the Cardholder). As a Cardholder you are required to read and comply with the following Statement of Responsibility which outlines your responsibilities with respect to the use and management of your Card whilst employed by Narrandera Shire Council.

I, _____, understand and agree to the following terms and conditions:

Safety and Security

- 1.1 I have received and signed my Card which is only to be used by me.
- 1.2 I understand that I am the only authorised user of this Card.
- 1.3 I am personally responsible for the security and safe keeping of my Card and the relevant card account details, including my Personal Identification Number (PIN) and card number.
- 1.4 If my card is stolen or lost, I will immediately report it to National Australia Bank on telephone 1800 033 103 immediately and Narrandera Shire Council's Finance Manager.

Official Business Use

- 2.1 I will only use the Card for Business Purposes in accordance with the guidelines detailed in Narrandera Shire Council's Credit Card Policy and as per the National Australia Bank's conditions of use. "Business Purposes" means that the expenditure has been undertaken for a purpose that is in direct connection with, or as a direct consequence of, my role/position responsibilities within Narrandera Shire Council.
- 2.2 I will comply with Narrandera Shire Council's policies, processes and procedures for authorised expenditure.
- 2.3 I understand that all expenditure charged to my Card is subject to examination and approval by a delegated Employee of Narrandera Shire Council
- 2.4 I understand the relevant expenditure categories which are authorised for Card expenditure.
- 2.5 I will collect and retain the required documentation to support all transactions made with the Card. Where the required documentation to support a transaction has not been retained, I will complete a statutory declaration detailing the nature of the expense and confirming that the expense was for Business Purposes only.
- 2.6 I understand that I must not make cash withdrawals or seek cash advances using the Card.
- 2.7 I will not exceed my credit limit on the Card unless I have obtained prior documented approval.
- 2.8 I will not split transactions on the Card to avoid exceeding transaction limits.
- 2.9 I will not make deposits into the Card account.
- 2.10 I acknowledge that my monthly credit limit is \$ _____ and the maximum transaction amount is \$ _____.

Disciplinary Sanctions

- 3.1 I understand that if I use the Card for purposes other than Business Purposes, or in a manner which is inconsistent with the conditions of use, I may have my Card withdrawn, and/or suspended or cancelled.
- 3.2 I understand that if I use the Card for purposes other than Business Purposes, or otherwise engage in inappropriate use of the Card, I may be subject to disciplinary action.
- 3.3 I understand that in the event of loss or theft through negligence or non-compliance with the conditions of use, I may be responsible for any liability incurred.

Termination or Suspension of Employment

- 4.1 I agree to notify and return my Card to the Finance Manager in the following circumstances:
 - if I leave my employment of my own accord.
 - if I have my employment terminated.
 - if I am suspended pending an investigation into my conduct (whether related to Card use or not).
 - if I am reassigned to a role or position where a Card is not deemed necessary to the performance of my duties.

Privacy

- 5.1 I am aware that my personal information has been collected and will be held by Narrandera Shire Council on an ongoing basis to meet the various requirements in relation to the administration of Cards. I understand that Narrandera Shire Council may need to disclose my personal information to any party that is legally entitled to access the information.
- 5.2 I am aware that any personal information related to the administration of Cards will be collected, retained, protected and disposed of by Narrandera Shire Council under the provisions of the Privacy and Personal Information Act 1998, and in line with Narrandera Shire Council's privacy management plan.

Acceptance of Conditions

I acknowledge that I have read and understand the conditions of use as detailed above and will comply with the requirements as stated.

Name of Card holder	
Role/Position	
Signature of Cardholder	
Date	
Name of Witness	
Role/Position	
Signature of Witness	
Date	

Attachment 2 – Corporate Credit Card Reconciliation Template

Cardholder's Name	
Period Ended	

All expenditure must be listed

Date	Supplier	Reason for Expenditure	Tax Invoice Supplied Yes/No*	Amount	Costing Allocation

I certify that all the purchases are of a business nature.

Cardholder signature	
Date	
Approving Officer	
Approving Officer Signature	

NOTE: If no tax invoice is supplied, a Declaration of Expenditure must be provided for consideration to the Finance Manager or Deputy General Manager.

12. Acknowledgement of Training Received

I hereby acknowledge that I have received, read and understood a copy of Council's Credit Card Policy.	
Employee Name	
Position Title	
Signature	
Date	