

# CORPORATE CREDIT CARD POLICY

*Document Control Statement – This policy is maintained by Financial Services. Any printed copy may not be up to date and you are advised to check the electronic copy on the City website to ensure that you have the current version. Alternatively, you may contact Customer Service on (08) 9186 8555.*

## 1. OBJECTIVE

Corporate Credit Cards are provided to members of staff to enable the purchase of goods and services.

The objective of this policy is to:

1. Provide a clear framework to enable the use of corporate credit cards;
2. Provide staff issued with a corporate credit card clear and concise guidelines outlining its use; and
3. Reduce the risk of fraud and misuse of the corporate credit card.

The application of this policy is to be in conjunction with the Code of Conduct and any legislative requirements of the *Local Government Act 1995* that may be enforced.

## 2. PRINCIPLES

### 2.1 Usage

Corporate Credit Cards shall be used only:

- For Council business activities including expenses incurred during business related travel but not for private expenses which may include; catering, meals or drinks consumed locally.
- For the purchase of goods in accordance with Council's Purchasing, and Travel and Accommodation Expenses policies.
- Where, for practical purposes, a purchase order cannot be issued.

Corporate Credit Cards do not have a cash advance facility and are not to be used by the cardholder for payment of any employment benefits that attach to the cardholder's position.

### 2.2 Eligibility and application procedures for new Corporate Credit Cards

Allocation of a corporate credit card can only be approved by the Chief Executive Officer (CEO), or in the case the card is for the CEO, approval is provided by the City Mayor. Once approved the application must be signed by the cardholder and two (2) signatories to Council's bank accounts.

Corporate credit cards will only be issued when it is established that the anticipated usage of the card is warranted.

A credit limit based on need and risk minimisation, but in any case not exceeding \$10,000 is to be applied to corporate credit cards.

The cardholder shall acknowledge and accept conditions of use of the Corporate Credit Card. Refer Attachment 1: Corporate Credit Cardholder Agreement.

### 2.3 Corporate Credit Card reconciliation procedures

2.3.1 Corporate Credit Card statement accounts will be issued to the relevant cardholder who will, within seven (7) days, acquit the transactions on the account.

2.3.2 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.

- 2.3.3 Transactions shall be accompanied by a succinct explanation of why the expense was incurred.
- 2.3.4 Transactions shall be accompanied by an account/job number for costing purposes.
- 2.3.5 If no supporting documentation is available, the cardholder will provide a 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 CEO 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 cases rather than the norm.
- 2.3.6 Should approval of expenses be denied by the CEO recovery of the expense shall be met by the cardholder.
- 2.3.7 When reconciling, the cardholder shall sign and date the credit card statement and attach supporting documentation.
- 2.3.8 A list of credit card transactions shall be included in the List of Accounts for Payment, to Council.

## **2.4 Review of Corporate Credit Card use**

- 2.4.1 The relevant Director shall review the monthly expenditure undertaken by the cardholder and sign the credit card statement. If the cardholder is a Director, the review shall be completed by the CEO and if the cardholder is the CEO, the review shall be completed by the Mayor.
- 2.4.2 All receipts and documentation will be reviewed and any expenses that do not appear to represent fair and reasonable business expenses shall be referred to the CEO for a decision.
- 2.4.3 Periodic reviews of expenditure and policy compliance shall be undertaken by Governance to ensure the integrity of the purchases. The reviews shall be reported to the City's Executive Management Team and the Audit and Organisational Risk Committee.

## **2.5 Review of Credit Card Limits**

Credit limits are reviewed periodically 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 CEO for consideration.

## **2.6 Procedures for 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 Financial Services of the loss or theft on the next working day.

Advice of a damaged card is to be provided to Financial Services to organise a replacement card.

## **3. CONSEQUENCES**

This policy represents the formal policy and expected standards of the City of Karratha. Appropriate approvals need to be obtained prior to any deviation from the policy. Elected Members and Employees are reminded of their obligations under the Code of Conduct to give full effect to the lawful policies, decisions and practices of the City.

## 4. ROLES AND RESPONSIBILITIES

### 4.1 Cardholder responsibilities

- 4.1.1 Ensure corporate credit cards are maintained in a secure manner and guarded against improper use. Where a credit card purchase is required by another staff member, the transaction must be accompanied by an internal "Corporate Credit Card Requisition Request" form for authorisation of use and expenditure by the cardholder, noting that cardholder responsibilities continue to apply.
- 4.1.2 Corporate credit cards are to be used only for official activities, there is no approval given for any private use.
- 4.1.3 All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
- 4.1.4 Credit limits are not to be exceeded. Where credit limits are to be exceeded, Financial Services is to be notified so appropriate steps can be taken to ensure sufficient funds are available or balances are refreshed.
- 4.1.5 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.
- 4.1.6 Purchases on the corporate credit card are to be made in accordance with Council's Procurement Policy.
- 4.1.7 Monthly reconciliations of the credit card purchases are to be completed within seven (7) days of the date of the corporate credit card statement being issued by Financial Services with all reconciliation dockets attached to equal the balance of credit used.
- 4.1.8 Corporate credit cards are to be returned to the Financial Services on or before the employee's termination date or prior to periods of extended leave (in excess of 3 months) with a full acquittal of expenses.
- 4.1.9 All cardholder responsibilities as outlined by the card provider.

## 5. REFERENCES TO RELATED DOCUMENTS

- Code of Conduct
- Council's CG-12 Purchasing Policy
- Council's CH-11 Travel and Accommodation Expenses Policy
- *Local Government Act 1995*
- *Goods and Services Tax Act 1999*

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| Policy Number:          | CF-07  |
| Previous Policy Number: | N/A  |
| Resolution Numbers:     | 152605-Sep 2013; 153108-Apr 2015; 153768-Apr 2017; 153941-Nov 2017; 154607-Jun 2020; 155008-May 2022 |
| Last Review:            | May 2022   |
| Next Review:            | May 2026 [Every 4 years]   |
| Responsible Officer:    | Manager Financial Services/CFO   |

*This policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.*

## CF-07 POLICY – ATTACHMENT 1

### Corporate Credit Cardholder Agreement

I \_\_\_\_\_ (*cardholder name*) acknowledge and accept the conditions listed below which govern the use of the Corporate Credit Card:

#### Conditions of Use

1. Ensure corporate credit cards are maintained in a secure manner and guarded against improper use.
2. Corporate credit cards are to be used only for official activities, there is no approval given for any private use unless in accordance with a salary sacrifice agreement.
3. All documentation regarding a corporate credit card transaction is to be retained by, or provided to, the cardholder and produced as part of the reconciliation procedure.
4. Credit limits are not to be exceeded.
5. 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.
6. Observe all cardholder responsibilities as outlined by the card provider.
7. Purchases on the corporate credit card are to be made in accordance with Council's Purchasing, and Travel and Accommodation Expenses policies.
8. Monthly reconciliation of credit card purchases is to be completed on the supplied template within seven (7) days of the date of the credit card statement being issued.
9. 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.
10. Transactions shall be accompanied by a succinct explanation of why the expense was incurred.
11. Transactions shall be accompanied by a job number for costing purposes.
12. If no supporting documentation is available, the cardholder will provide a 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 Chief Executive Officer for a decision. Regular failure to provide documented records may result in the card being forfeited.
13. Should approval of expenses be denied by the Chief Executive Officer recovery of the expense shall be met by the cardholder.
14. The cardholder shall sign and date the corporate credit card statement with supporting documentation attached.
15. Lost or stolen cards shall be reported immediately to the card provider and a written account of the circumstances shall be provided to the Financial Services on the next working day.
16. Corporate Credit Cards are to be returned to Financial Services on or before the employee's termination date or prior to periods of extended leave (in excess of 3 months) with a full acquittal of expenses.

17. Failure to comply with any of these requirements could result in the card being withdrawn from the employee. In the event of loss or theft through negligence or failure to comply with the Corporate Credit Card policy any liability arising from the use of the card may be passed to the cardholder.

The use of a Corporate Credit Card is subject to the provisions of the Code of Conduct. Serious transgression of the above listed responsibilities or the Code of Conduct may result in an appropriate referral under the *Corruption and Crime Commission Act 2003* and/or termination of employment.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Witness Name: \_\_\_\_\_

Witness Signature: \_\_\_\_\_

Date: \_\_\_\_\_