



Policy

92

CORPORATE CREDIT CARD POLICY

Strategic Outcome:	Good government	
Policy type	Statutory	
Date of Adoption:	15 February 2023	Minute Number: 026/23
Date for Review:	17 February 2027	
Responsible Officer:	Deputy Chief Executive Officer	
Document Control:	Replaces the Corporate Credit Cards Policy adopted on 18 July 2018	
Delivery Program Link:	2.1.3 Council operations and financial management support ethical, transparent and accountable corporate governance	

1. POLICY STATEMENT

The policy requires delegated Council employees to exercise responsible financial management and accountability for purchasing goods or services in accordance with Council's policies and government legislation.

Council is committed to ensuring appropriate policies, practices and procedures of internal financial control are implemented and maintained. This policy assists Council to carry out its activities in an efficient and orderly manner, achieves its objectives and ensure adherence to governance policies, safeguard Council's assets, and secure (as far as reasonably possible) the accuracy and reliability of Council records.

2. PURPOSE

The purpose of this policy is to ensure corporate credit cards issued, are used appropriately, with effective controls, policies and procedures in place with respect to the use of the corporate credit cards.

The Berrigan Shire Council utilises corporate credit cards for the purposes of undertaking the efficient and effective operation of Council's daily business and not as a benefit assigned to the Cardholder.

Council's corporate credit cards are used by Council to transact its business in a more efficient manner and at the same time, provides the Cardholder with a more convenient method to meet costs they incur on Council's behalf.



Policy

The use of the Council's Corporate Credit Card system is encouraged when undertaking relatively low value, high volume transactions as it provides lower transaction costs when compared with processing standard supplier invoices.

As well as standard over the counter transactions, Council's Corporate Credit Cards allow the Cardholder to source goods and services from online and overseas supplies if necessary and eliminates the need for bank drafts for such purchases.

Council's Corporate Credit Cards reduce the need for staff members and the Mayor to use a personal credit card to conduct Council business and minimises the use of petty cash.

3. SCOPE

This policy applies to all Council employees who authorise, approve, delegate and purchase items for Council. No Corporate Credit Card may be issued or used except in accordance with this policy.

4. OBJECTIVE

This policy is developed to assist the Council with the Delivery Program Objective 2.1.3.1:

Coordinate Council investments, financial management, financial operations and processing.

5. DEFINITIONS

Authorising Officer for all Cardholders this will be the Chief Executive Officer, for the Chief Executive Officer this will be the Deputy Chief Executive Officer and / or the Mayor

Cardholder: A Council officer who has been given authorisation to have a Corporate Credit Card and to whom a Corporate Credit Card has been issued.

Card Provider means the bank or credit provider issuing the card.

Corporate Credit card: A plastic card, containing a magnetic strip or microchip, issued by an authorised Financial Institution that allows the extending of credit for the purchase of goods and services or cash advances, by authorised cardholders, within the agreed terms and conditions of use.

Council Officer: A Councillor or employee of Berrigan Shire Council

Monthly Limit means the cumulative credit balance that may be incurred on the Corporate Credit Card per month



Policy

PIN means the Personal Identification Number assigned to a card for electronic purchases authorization

Tax Invoice is a special type of invoice, which contains specific items of information that is required by the ATO for the effective operation of the GST system.

6. POLICY IMPLEMENTATION

Cardholders must adhere to Council's Procurement Policy when conducting all procurement activities on behalf of Council, and are subject to the following terms:

- Council credit cards may be issued only to an approved person on the authority of the Council
- Only employees authorised to incur expenditure may approve expenditure on Corporate Credit Cards.
- Council Corporate Credit Cards must not be used to intentionally incur personal expenditure, or expenditure on behalf of other organisations, even if it will be reimbursed at a later date
- Staff will not be entitled to any rewards program or access to rewards that may be offered as part of Council incurring expenditure.

6.1 Criteria for eligibility to hold a Corporate Purchase Card

The Chief Executive Officer is to approve the issue of a corporate credit card for Directors.

Directors (unless applying for a corporate credit card themselves) are to approve the issue of a corporate credit cards.

Staff may be eligible for a corporate credit card if any of the below conditions are met:

- They are employed as either an Executive Assistant, a Director, a Manager, a Personal Assistant or an Administration Officer whose role is to directly assist a Director or Manager.
- Staff whose normal duties involve being the primary purchase officer for a Directorate.
- The most senior person of any work gang in the field where unplanned material purchases may be required.
- Staff responsible for organising civic events.
- Staff responsible for ensuring appropriate provision of facilities for Councillors or visiting dignitaries



Policy

A corporate credit card may be issued when it is established the usage of the card is warranted and will be designated by the relevant supervising officer as being eligible under this policy.

Card limits and approvals to purchase goods or services on behalf of Council, is selected based on Council's delegations outlined below.

Officer Authorised to use Corporate Purchase Card	Monthly Card Limit (inc GST)	Initial approval to hold Corporate Purchase Card by
Mayor	Up to \$5,000	Executive Assistant
Chief Executive Officer	Up to \$50,000	Council
Deputy Chief Executive Officer	Up to \$50,000	Chief Executive Officer
Executive Assistant	Up to \$20,000	Chief Executive Officer
Director/Personal Assistant	Up to \$15,000	Chief Executive Officer
Manager	Up to \$10,000	Director
Team Leader or Co-ordinator	Up to \$5,000	Director
Non-supervisory role	Up to \$2,500	Director
Special Exception	Up to \$5,000	Deputy Chief Executive Officer

Excluded positions from holding a Corporate Purchase Card	
Responsible Accounting Officer	Separation of duties to prevent fraud and error – Responsible Accounting Officer is able to order/cancel/update purchase card limits
Councillors	Refer to Council Policy – Payment of Expenses and Provision of Facilities for the Mayor and Councillors

6.2 Preferred Purchasing Methods

Use of the Corporate Credit Card requires the cardholder to abide by Council's purchasing policies which includes purchasing from Local and Preferred suppliers wherever possible. Corporate Credit Cards are appropriate for purchasing in the following typical situations:



Policy

- Smaller purchase amounts, typically below \$2,500.00
- Invoices approved for goods or services requiring immediate or out-of-cycle payment, when payment has been authorised:
 - where purchase orders of approved goods or services are done by telephone, internet or mail order; and/or.
 - it would take too long, and unreasonably impact operational efficiency, or result in missed opportunity. For example, if a purchase order would incur significant and unreasonable additional costs (either to Council or the supplier) relative to the cost of the goods or services being procured; and/or;
 - where payment is required in a non-Australian dollar currency and the merchant accepts credit card as payment.
- Where goods cannot be procured from Council's depots
- For emergency situations where a credit card is the most efficient method of payment

6.3 Exclusions

The following exclusions apply to the issue and use of Corporate Credit Cards by authorised Council employees. Bank Merchant codes of a certain nature can and will be blocked. Breaches of these exclusions may constitute disciplinary action and the immediate and permanent withdrawal of the card facility.

The Corporate Credit Card **cannot** be used for:

- Cash advances under any circumstances
- Alcohol and entertainment – Exceptions are made as follows:
 - Chief Executive Officer and Mayor due to interaction with and functions for Councillors
 - Director, with approval of the Chief Executive Officer
 - Special approved entertainment such as functions with an Executive Leadership Team resolution for approved expenditure and limits
 - Other business transaction exemptions can be granted by the Director
- Accommodation/travel and work-related expenses – payment is made through Council's payroll system and procedure under Expenses and Facilities Guidelines for Staff. Exceptions to accommodation/travel are made if the Directorate's Administration Officers or staff reporting to Directors or the Chief Executive Officer use a credit card to purchase accommodation / travel in advance.



Policy

- Fines and penalties, unless approved by a Director (e.g. Toll Notices)
- Private expenditure or personal purchases with a view to reimburse Council at a later date; or
- Purchases in conjunction with award points or any personal award card or membership benefits (e.g. Frequent Flyer or Woolworths Rewards)

6.4 Card Security – If a Card is Lost or Stolen

Should the Cardholder become aware they have lost or had their card stolen they must notify the card provider as soon as reasonably possible.

The Cardholder must advise the Responsible Accounting Officer and their Director as soon as practical after they realise they are no longer in possession of the card.

Outside business hours, the cardholder is to report the card lost or stolen directly to the bank on 1800 035 383 to cancel the card as well as the Responsible Accounting Officer.

The Responsible Accounting Officer will undertake an investigation before ordering a replacement card and provide a written report to the Deputy Chief Executive Officer. The Responsible Accounting Officer is not to distribute the card until any matters identified in the report have been considered.

The Responsible Accounting Officer is to investigate prior to ordering a replacement card and to distribute the card upon receipt from the bank

6.5 Cancellation of Corporate Credit Cards

The corporate credit card is not transferable, and may be cancelled when:

- the cardholder ceases employment with Council;
- the cardholder changes duties or positions;
- the cardholder fails to comply with Council's policies or procedures relating to the use, or inappropriate use of the Corporate Credit Card; and / or
- if the card has not been used for more than twelve months

6.6 Responsibilities

6.6.1 The Cardholder

Authorised cardholders must ensure they follow the principles of good governance, financial accountability and transparency, and procurement processes as outlined by this policy.

The Corporate Credit Cardholder must:

- sign the Corporate Credit Card upon receipt;



Policy

- ensure the safety of the Corporate Credit Card at all times;
- Corporate Credit Cards are exclusively for use by the person whose name appears on the card. The card (including the card or PIN number) must not be given to any other person to use;
- keep Cardholder details up to date;
- the card is used for official Council business only, and not used for personal use under any circumstances;
- abide by Council's purchasing policies including purchasing from local suppliers wherever possible and ensure the card is used only for approved purchases;
- follow Council's Corporate Credit Card Procedures for the reconciliation of their corporate credit card;
- ensure the monthly statement is a true and correct record and has compliant tax invoices attached including the appropriate general ledger account for costing purposes;
- reconcile their Corporate Credit Card monthly through the approved process (including providing all receipts for purchases made);
- complete the reconciliation process within 7 days of the credit card statement being issued to the authorised Cardholder;
- resolve issues of disputed transactions, lost, stolen or replacement cards and immediately report this to the card issuing bank;
- report any issues of disputed transactions, lost, stolen or replacement cards to the Responsible Accounting Officer; and
- sign the "Berrigan Shire Council Credit Cardholder Declaration" prior to using the Council Corporate Credit Card.

6.6.2 Chief Executive Officer

The Chief Executive Officer must ensure

- adequate provisions are made for Council employees and Councillors to access Corporate Credit Card facilities;
- ensure all Corporate Credit Card holders are aware of their requirement to reconcile their Corporate Credit Cards monthly;
- include Corporate Credit Card expenditure in continuous disclosure management principles where required;
- ensure those with Corporate Credit Cards are not provided facilities that are beyond their purchasing delegations.

6.6.3 Managers

All Managers, whose staff have access to Corporate Credit Cards must:



Policy

- review the expenditure records of their direct reports and approved their reconciliation documents in accordance with authorised delegations and card limit;
- review the business-related purposes of transactions;
- monitor cardholder's compliance with all related legislation, policies and strategies listed in point 7 of this policy

6.6.4 Responsible Accounting Officer

The Responsible Accounting Officer will

- ensure transactions are audited for policy compliance and scrutinised for business-related purposes;
- verify the cardholder's identity through a 100 point ID check;
- monitor for adherence to the policy and report breaches of the policy to the Chief Executive Officer, Directors and Managers where relevant;
- report any instances of fraud to the Chief Executive Officer; and
- along with the Chief Executive Officer, report any suspected instances of fraud to relevant authorities

6.6.5 Directors

Each Director will:

- oversee the implementation of this policy
- approve eligible Corporate Credit Card applications for staff within their team, and approve transaction limits;
- resolve issues brought to their attention by the Responsible Accounting Officer

6.6.6 Internal Auditors

Internal Auditors will ensure an audit of all (or a randomised selection of) Corporate Credit Cards is undertaken annually in line with Council's procurement and internal audit policies.

7. **Disputed or Unverified Transactions**

Should the Cardholder become aware their Council Corporate Credit Card is incurring, or has incurred, transactions they are not aware of, they must consult the card provider and request a temporary cancellation until the matter is resolved.

The Cardholder must advise the Responsible Accounting Officer and their Director as soon as practical after the disputed transaction becomes known.

8. **Misuse of the Corporate Credit Card**



Policy

Misuse of the Council Corporate Credit Card is a breach of this policy and may result in the cancellation or withdrawal of the card and may include disciplinary action. Misuse includes but is not limited to:

- intentionally using the credit card for private transactions such as a personal purchase or purchases for the sole benefit of the Cardholder;
- assigning or transferring the Corporate Credit Card to another person;
- using the Corporate Credit Card after the Cardholder's employment has been suspended or terminated;
- not complying with Council's procurement policies;
- using the Corporate Credit Card for a transaction that is more than the approved budget for the item(s) being purchased; and / or
- using the Corporate Credit Card for expenditure not previously approved where prior approval was required by any other policy – e.g., training, travel and related expenses.

If the Cardholder has used the Council Corporate Credit Card for a personal transaction accidentally, they must contact the Responsible Accounting Officer immediately and arrange repayment of the amount immediately. A receipt will be issued and included as part of the Corporate Credit Card reconciliation process.

If approval of an expense is denied by the CEO, a Director, or the Responsible Accounting Officer, recovery of the expense shall be met by the Cardholder.

9. Cessation of Employment or Entitlement

Cardholders must return their Council Corporate Credit Card permanently when:

- they leave their employment or engagement with Council; and / or
- they no longer require use of a card as part of their duties.

The Mayor's Corporate Credit Card will be returned to the Chief Executive Officer at the end of their Elected Term.

The Responsible Accounting Officer will contact the card provider to ensure the card is cancelled within 5 days of it being returned (or where the card has not been returned no more than 24 hours after the employee has ceased employment with Council).

10. RELATED LEGISLATION, POLICIES AND STRATEGIES

10.1 Legislation

- *Local Government Act 1993*
- Local Government (General) Regulation 2005



Policy

10.2 Council policies and guidelines

- Code of Conduct
- Expenses and Facilities Guidelines for Staff
- Procurement Manual
- Procurement & Disposal Policy
- Fraud Control Policy
- Fraud Control Plan
- Payment of Expenses and the Provision of Facilities for Mayors and Councillors
- Private Use of Council Vehicles
- Expenses and Facilities Guidelines for staff

11. RECORDS MANAGEMENT

All Records must be kept in accordance with Council's Records Management Policy and destroyed as per the General Retention and Disposal Authority: Local Government Records (GA39).

12. REVIEW AND EVALUATION

This policy (procedure) will be evaluated and reviewed at least once every four (4) years as per Council's Governance Policy (currently under development) or as required.

13. DOCUMENT AVAILABILITY

A number of legislative instruments require Councils to have the policy available for inspection at Council's principal office (i.e. Policies made under Part 3, of the Local Government Act 1993). Each document should therefore state the ways in which the policy is available including any relevant fees and charges for access to such policy. An example of the required statement is provided below:

This policy will be available for inspection at Council's principal office during ordinary business hours as per the requirements of section 18 (c) of the *Government Information (Public Access) Act 2009* and section 167 of the *Local Government Act 1993*.

Access to the policy in digital format is free and is available on Council's website <https://www.berriganshire.nsw.gov.au/>

Printed copies of the document are available at Council's principal office (address noted below) and are subject to Council's Fees and Charges.

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Policy

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14. VERSION CONTROL

Version Number	Date	Summary	Responsible Officer
1.0	18.07.2018	New Policy document	Deputy Chief Executive Officer
2.0	15.02.2023	Major revision	Finance Manager



Policy

APPENDICES

Berrigan Shire Council

Corporate Credit Cardholder Agreement

I (cardholders name) acknowledge and accept the below listed conditions of use of the Berrigan Shire Council Corporate Credit Card:

Must

- sign the credit card immediately upon receipt
- keep the credit card in a secure place and guarded against improper use
- must ensure a PIN of suitable strength is applied
- keep card holder and account details up to date.
- ensure credit card purchases are to made in accordance with Council's Procurement Policy
- ensure the monthly statement is a true and correct record and has compliant tax invoices attached and the appropriate general ledger account for costing purposes and must be done within 7 days of the card statement being issued
- resolve issues of disputed transactions, lost, stolen or replacement cards and immediately report this to the card provider.
- report any issues in relation to disputed transactions, lost, stolen or replacement cards to the Business and Administration team.
- return this credit card to the Responsible Accounting Officer on or before the my termination date with a copy of all receipts/invoices, or in the case of the Mayor, after their elected term has been completed.
- If a private transaction has occurred on the card, I must make arrangements with the Responsible Accounting Officer, to repay this amount.

Must not

- intentionally, use the credit card for a private transaction such as a personal purchase or purchases for my sole benefit
- Use the credit card for expenditure not previously approved where prior approval has not been obtained – ie: training, travel, and related expenses.
- assign or transfer the credit card to another person.
- use the credit card after my employment has been suspended or terminated, or in the case of the Mayor after their elected term has been completed.
- use the credit card for a transaction that is more than budget.

I further acknowledge that if approval of expenses is denied by an Authorising Officer, recovery of the expense shall be met by me. Failure to comply with any of these requirements may



Policy

result in the card being withdrawn from me as the Cardholder. In the event of loss or theft through negligence or failure to comply with the Berrigan Shire Council's Credit Card Policy any liability arising may be passed to me as the Cardholder.

Cardholder Signature: Date:/...../.....