



# Council Policy Manual

## CORPORATE CREDIT CARD

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<b>Relevant delegations</b>	
<b>Responsible Directorate</b>	General Manager
<b>Responsible officer</b>	Finance & Administration Manager



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## Purpose

The purpose of this Corporate Credit Card Policy is to ensure corporate credit cards are issued and used appropriately for Brewarrina Shire Council related business, and all expenses incurred are properly approved and acquitted. The policy aims to ensure stringent controls and procedures are in place with respect to the intended use of Corporate Credit Cards without exposing the Council to undue risk or liability.

## Objectives

- To ensure transparency in use of Corporate Credit Cards;
- To ensure Council's resources are managed with integrity and diligence;
- To fulfil all statutory requirements of the Local Government Act with respect to the use of Corporate Credit Cards; and
- To adopt best practice in developing a clear and comprehensive Operational Procedure on the use of Corporate Credit Cards.

## Scope

The Corporate Credit Card Policy sets out Brewarrina Shire Council's policy on corporate credit cards (the Card). It applies to all corporate credit cardholding (the Cardholder) officers and elected members responsible for authorising credit card applications, and approvers of the Cardholder's acquittals.

## Statement

Transacting via Corporate Credit Cards are an efficient and inevitable way of purchasing a range of business-related goods and services. The Cards have been implemented to allow the Council to transact its business in an efficient manner by providing Council Officers with a convenient method to meet costs they incur on Council's behalf.

Corporate Credit Cards should be virtuously used for operation of Council's daily business and not as a benefit assigned to specific individuals. The use of Corporate Credit Cards is to reduce transaction cost and add organisational value by saving in staff's administrative time for transactions such as arranging transport, accommodation, business travel expenses or to eliminate the need for overseas bank drafts for certain purchases. Corporate Credit Cards should only be used in situations where it is not reasonably practicable to go through the Council's normal procedures for the ordering of and/or payment for goods or services and suppliers' preferred method of payment is only via the Card.



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It should be noted that expenditure on behalf of Council can be easily and quickly reimbursed either through:

- Accounts Payable by completing an EFT/Cheque request form with reimbursements being made directly to the employee's bank account overnight, or
- Petty Cash, where available.

Staff members should not to use their private credit card to conduct Council business over the amount of \$100 in any one transaction.

## **Procedure**

### ***i. Issuing of Corporate Credit Cards***

The General Manager has delegated authority to approve the application of Corporate Credit Cards for officers and elected members requiring a corporate credit card upon written application. Corporate Credit Cards are issued in accordance with the Council's Financial Delegations.

Council's bank requires that a 'Corporate Credit Card New Cardholder Details' form is completed and adequate proof of identity to satisfy the Bank's requirements of at least 100 identification points. The applicants will be provided with the form and details of identification documents by the Finance and Administration Manager or the Finance section.

The Finance and Administration Manager will be responsible for obtaining approval of the General Manager for the issue of a card and this will be recorded on a Corporate Credit Card Register. Each cardholder will be required to sign Acknowledgement of policy conditions evidenced by way of signature on receipt of the corporate credit card (Refer Attachment 1).

### ***ii. Monthly Credit Limits and Authorisations***

Each Corporate Credit Card will have a monthly limit on expenditure. The following table is a guide to the maximum monthly limit that should be used. The table also lists the delegated authorities for approval of expenditure incurred during the Council business. It is recognised that for some positions a higher limit may be required based on the particular needs of the role. Accordingly, this should be reviewed by the General Manager at the time of approving the issue of a Corporate Credit Card.

The credit limit of the individual cards is not to be exceeded. The remaining credit limit can be ascertained at any time by contacting the Commonwealth Bank on 13 22 21.

Where a temporary increase on a limit is necessary this can be arranged with the approval of the General Manager.



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Position	Monthly Limit	Expenditure Authoriser
Mayor	\$5,000	General Manager
General Manager	\$12,000	Mayor
Managers	\$5,000	General Manager

### **iii. Restriction:**

Corporate credit cards are only for official Council business and are not to be used for personal expenses under any circumstances.

If a card is inadvertently used for personal use the Cardholder should:

- Identify if the Supplier is able to reverse the transaction; or
- Ensure that repayment is made immediately (or as soon as practicably possible), with a copy of the receipt for reimbursement attached to the statement.

Where a Corporate Credit Card is inadvertently used for personal use, authorising officers must not approve the statement, without a reimbursement receipt being attached.

Corporate credit cards should only be used for purchases of fuel for Council vehicles in an emergency. Staff should use their vehicle's fuel card for normal fuel purchases.

Use of the corporate credit cards for purchases over the internet should be restricted to trusted secure sites.

The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of Brewarrina Shire Council.

Cash advances are not to be drawn under any circumstances.

### **iv. How do I use it?**

Corporate credit cards are to be used as a normal credit card, with the valid signature or PIN number required to make any purchase.

All holders of Corporate Credit Cards must refer to and follow the guidelines that are provided with the cards when they are issued.

It is the card holder's responsibility to ensure the card is used only for approved purchases and that this can be clearly demonstrated.



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## ***v. Supporting Documentation Required for Obtaining Supplies***

A tax invoice is required to be obtained for every purchase you make. A valid Tax Invoices must contain the following components in order to comply with Taxation Law and allow Council to claim an input tax credit for the GST paid:

- Date of issue;
- Name of supplier;
- The Australian Business Number (ABN) of the supplier;
- The quantity and a brief description of what is being supplied;
- The name Brewarrina Shire Council (being the recipient); and
- The words 'Tax Invoice'; and
- The GST as a separate component OR the invoice total with a statement that 'Total includes GST'.

The invoices are mandatory in reconciliations of the Corporate Credit Card statement at the end of each month.

Use of a corporate credit card will require the user to abide by Council's purchasing policies including purchasing from Council's preferred suppliers wherever possible.

## ***vi. Payment of Monthly Account***

The outstanding balance of each Corporate Credit Card will be automatically debited to Council's bank account at the end of the month.

## ***vii. Reconciling Monthly Statements***

1. Each cardholder will be issued with a monthly statement listing all their transactions. It is the responsibility of the cardholder to match their supporting documentation, provide details next to the transactions, allocate correct job numbers and reconcile to the monthly statement as per the Attachment: 2 Corporate Credit Cards Usage Form.
2. The reconciled Corporate Credit Cards Use Form signed by Purchaser and approved by the delegated person under authorisations section of this policy must be returned to the Finance Department as soon as possible within 5 days of corporate credit card statement being issued.



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3. When the monthly statement is received by the Finance Department, a check is done to ensure all purchases are supported by tax invoices for all the purchases with GST and normal invoices for purchases without GST and then the Bank Reconciliation is processed.
4. For FBT purposes, expenses relating to the provision of entertainment must provide details of the total number of staff who attended, and the total number of attendees;
5. After processing, all Corporate Credit Card statements will be kept in the Finance Department for the record.

## ***vii. Disputed Purchases***

Council is responsible for paying all balances on the monthly Corporate Credit Card statements and the bank will directly debit this amount to the Council's bank account at the end of each month. If the transaction is to be disputed then the Card holder must inform the Finance Department and complete the "Disputed Transactions" form and include it with the monthly reconciliation (Attachment: 3).

When a dispute occurs, the cardholder should attempt to correct the situation with the bank yourself. If you are unable to correct the situation, contact the Finance Department and they will attempt to resolve the matter with the assistance from the Council's bank.

The bank can assist with resolving some disputes with merchants, particularly those involving duplicated charges, non-receipt of goods ordered or credits not processed after refund vouchers have been issued.

## ***viii. Terminating or Ceasing Employment***

Cards must be cut through the card's numbers and return returned to the Finance Department as soon as it is no longer required or if leaving the services of council, should be returned no later than the last day of employment. The Cardholder must acquit all expenditure on their Corporate Credit Card. Any payment not properly acquitted will be withheld from the employee's final pay.

## ***ix. Renewal of Cards***

The card is valid for the period as shown on the face of the card and the bank will automatically reissue replacement cards one month prior to the expiry date.

## ***x. Lost, Stolen or Damaged Cards***

If a card is lost, stolen or damaged; it is the cardholder's responsibility to immediately telephone Council's bank to report. Council's bank can be contacted at any branch during



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business hours or called 24 hours a day, 7 days a week on 132 221. The new card will be issued as per Issuing of Corporate Credit Card above.

## ***xi. Misuse of the Cards***

The cardholder may be liable for disciplinary action if a Corporate Credit Card is misused (i.e. not abiding by this policy) which may further lead to cancellation of the card, and/ or termination of employment.

Finance and Administration Manager has the authority to cancel cards for misuse or repeated failure to meet the timetable for completing monthly reconciliations (after a maximum of 2 reminders) with sign off by the General Manager and notification to the relevant cardholder.

## ***xii. PIN Numbers***

The Cardholder should keep the card secure, preferably in a safe or on person, when not in use. The PIN number is to be kept strictly confidential to minimise opportunities for fraud. Cardholders are not to disclose their credit card details (including "PIN") to other corporate members.





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## Attachment: 1

### Cardholder Approval, Guidelines and Acknowledgement

Cardholder's Name:	Employee No:	Position:
Credit Limit (Monthly): \$		
General Manager's Name:	Signature:	Date:

### ACKNOWLEDGEMENT

I acknowledge receipt of the Brewarrina Shire Council Corporate Credit Card and agree that:

1. As the cardholder I am responsible for all purchases on my Corporate Credit Card. I will not use the Corporate Credit Card, nor permit it to be used, other than for official Council purposes. I will ensure security of the Corporate Credit Card at all times and will not permit the card to be used by any other person;
2. The Corporate Credit Card will only be used in situations where it is not reasonably possible to go through the Council's normal procedures for the ordering of and/or payment for goods or services. Expenditures which may validly be charged against the Corporate Credit Card include (but are not limited to) such things as travel, accommodation and meal expenses associated with conferences or work-related activities of the cardholder, elected members, guests of Council and minor equipment, stationery or business expenses incurred in the course of the employee's duties, or as authorised under any contract of employment;
3. If the Corporate Credit Card is lost or stolen, I will immediately report it missing to the Commonwealth Bank on 132 221 and will also inform the Finance Department in writing;
4. If my position with Brewarrina Shire Council changes or my employment terminates, or I am asked to surrender the card for any other reason, I will immediately return the card;
5. Goods and Services Tax (GST) can be claimed as an input tax credit by Council. For this to happen it is essential that all receipts are "Tax Invoices". I will retain all original supporting documentation that meets the requirements of a Tax Invoice for presentation to the relevant authorising officer. If a receipt or transaction document is for some reason lost, a statutory declaration must be completed;
6. Under no circumstances must TIPS or personal expenditure be charged against the Corporate Credit Card and No Cash Advances will be drawn;
7. Monthly statements will be reconciled and returned to the Finance Department within two days of receiving the statement. The charges must be coded to the job cost account against which the expenditure is to be charged, with an appropriate description of the reason for incurring the charge;
8. Monthly statements to be signed off/authorised by the General Manager or his delegate;
9. I will ensure that all Occupational Health & Safety requirements are complied with for all purchases; and
10. If I misuse the Corporate Credit Card (i.e. use it in a manner otherwise than in accordance with the instructions provided) I may be liable for disciplinary action.

I CERTIFY THAT I HAVE READ AND ACCEPT THE TERMS LISTED ABOVE FOR THE USE OF CORPORATE CREDIT CARDS.

Card No:	Expiry Date:
Signature of Cardholder:	Date:

# Attachment: 2

Brewarrina Shire Council

## CORPORATE CREDIT CARD USAGE FORM

Name of Card Holder:

Period:

From:

To:

Card No.:

### Details of Purchase

Date	Supplier	Description	Job No.	Amount	Subject to GST? Y/N	Comment if any
<b>Total</b>				-		

I certify that expenditure is for council business.

**Purchased by:**  
Name:  
Position:

**Approved by:**  
Name:  
Position:

# Attachment: 3



## Customer Investigation Request for Disputed Corporate Card Transactions



- Please keep a copy of this completed form and original documentation.
- The signed form must be sent to the address indicated.
- If acknowledgement of your fax is not received within 5 days please follow up.
- Please acknowledge your account maybe stopped and reissued as required.

**Please return completed form to:**

Premium Service Centre, Operations Processing Centre, Reconciliations and dispute.  
Facsimile number 1300 729 512

### Section 1 – Account Details

Credit Card account number	Company name	Facility number
<input type="text"/>	<input type="text"/>	<input type="text"/>
Title	Surname	Initials
<input type="checkbox"/> Mr <input type="checkbox"/> Mrs <input type="checkbox"/> Miss <input type="checkbox"/> Ms <input type="checkbox"/> Other	<input type="text"/>	<input type="text"/>

### Section 2 – Type of disputed transaction (please tick as appropriate)

- I did not authorise the transaction(s) nor did any other party to this account.  
Please acknowledge your acceptance of us stopping your account before we can investigate the dispute, a new card will be issued. We cannot commence with investigation until the card has been stopped.
- I have not completed a transaction for the same amount with a different merchant.
- I only authorised one of the transactions (apparent duplication).
- I did engage in the transaction but did not receive the goods/services ordered (mail/telephone order).  
I have contacted/attempted to contact the merchant without success.
- I have cancelled the authority with the merchant but my account is still being charged.  
I enclose a copy of my letter of cancellation to the merchant and confirm the authority was cancelled on
- The attached credit voucher has not been credited to my account.
- I used another method of payment for this transaction, not the above credit card account and I enclose my proof of payment.
- Other (e.g. amount(s) incorrectly processed).

Please attach copy of voucher(s) and any other documentation available that may assist us in our investigation.

### Section 3 – Please specify the exact nature of the dispute and if contact has been made with the merchant involved.

  

### Section 4 – Details of disputed transaction(s) as they appear on your statement. Please attach a copy of statement(s) if available.

Date	Merchant description	\$ Amount
<input type="text" value="DD/MM/YYYY"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="DD/MM/YYYY"/>	<input type="text"/>	<input type="text"/>

I authorise the Bank to stop my account as required and correct the transaction(s) in dispute.

We cannot commence with this investigation if the account is not stopped.

Cardholder signature	Date
<input type="text" value="X"/>	<input type="text" value="DD/MM/YYYY"/>

Address	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

Home telephone number (incl STD area code)	Business telephone number (incl STD area code)	Email address
<input type="text" value="()"/>	<input type="text" value="()"/>	<input type="text"/>