

COUNCIL POLICY

Corporate Credit Cards

- Policy No:** 2.8
- Policy Subject:** Corporate Credit Cards
- Policy Statement:** The Shire of Katanning is committed to efficient procurement processes and corporate credit cards play an important role in delivering this efficiency.
- Objectives** The objective of this policy is to:
- provide a clear framework to reduce the risk of fraud and corporate credit card misuse
 - provide staff issued with a Corporate Credit Card, clear guidelines.
- The application of this policy is to be read in conjunction with the Shire of Katanning's Code of Conduct and Council Policy 2.5 - Purchasing Policy.
- Ethics & Integrity:** Code of Conduct
- During the procurement process, all officers and employees must have regard for the Code of Conduct and shall observe the highest standards of ethics and integrity. All officers and employees must act in an honest and professional manner at all times.
- Purchasing Principles:** The following principles must be observed to ensure the fair and equitable treatment of all parties:
- the cardholder is fully accountable for their purchasing decisions and for achieving value for money for each purchase;
 - each purchase shall comply with relevant legislation, regulations, Council policies and the Code of Conduct;
 - purchasing is to be undertaken on a competitive basis where all potential suppliers are treated impartially, honestly and consistently;
 - all processes, evaluations and decisions shall be transparent, free from bias and fully documented;
 - any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
 - any information provided by a supplier shall be treated as commercial-in-confidence and will not be released unless authorised by the supplier or relevant legislation.

Usage Corporate Credit Cards shall be used only for the purchase of goods and services related to Council business activities
Credit Cards will not have a cash advance facility.

Record Keeping Attachment 1b: *Credit Card Purchase Declaration* is to be completed for every purchase and a copy of the tax invoice / receipt is to be attached to the form.

If no supporting documentation is available, the card holder will complete a *Missing Receipt/Invoice Declaration* form (Attachment 1c) and submit the form to the CEO for approval.

The CEO may approve or disapprove the expenditure at their discretion. If an expenditure is disapproved, the credit card holder must repay the disapproved amount.

Eligibility and application procedures for new Corporate Credit Cards:

Issue of a corporate credit card can only be approved by the Chief Executive Officer, or if the card is for the Chief Executive Officer, by the Shire President.

Corporate credit cards will only be issued when it is established that the anticipated usage of the card is warranted. The credit card can be revoked by the Chief Executive Officer if usage does not warrant the card being issued.

A credit limit of \$10,000 is to be applied to the Chief Executive Officer's corporate credit card.

A credit limit of up to \$5,000 applies to corporate credit cards approved for other employees.

The cardholder shall acknowledge and accept the conditions of use by signing the Corporate Credit Cardholder Agreement (Attachment 1a).

Details for each cardholder shall be kept in the Corporate Credit Card Register.

Corporate Credit Card reconciliation procedures:

Transactions are to be recorded on the Credit Card Receipt form and presented to the Finance Officer - Creditors within 7 days of the transaction.

Transactions will be supported by a Tax Invoice stating the type of goods/services purchased, the amount of goods/services purchased and the price paid for the goods/services. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable an input tax credit to be claimed where available/appropriate.

Transactions shall be accompanied by a succinct explanation of why the expense was incurred.

Transactions shall be accompanied by an account/job number for costing purposes.

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 declaration is for exceptional cases rather than the norm.

Should approval of expenses be denied by the Chief Executive Officer, recovery of the expense shall be met by the cardholder.

Review of Corporate Credit Card use:

The Finance Officer - Creditors shall review 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 business expenses shall be referred to the Chief Executive Officer by the Finance Officer - Creditors for a decision.

Each month, the CEO shall review the credit card statements and will, if acceptable, authorise and sign the statements. The Shire President shall review the monthly expenditure of the Chief Executive Officer and will be required to authorise and sign the statement.

External scrutiny of the credit card expenditure will also be undertaken as part of the external audit process of Council's finances.

A list of payments made by credit card, by officer, is to be reported to Council monthly in accordance with Regulation 13 (1) of the Local Government (Financial Management) Regulations 1996.

In the event of a suspected fraudulent credit card transaction, the card owner shall report to the transaction(s) to the issuing bank immediately.

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 the Executive Manager Corporate Services of the loss or theft on the next working day.

Advice of a damaged card is to be provided to the Executive Manager Corporate Services who will organise a replacement card.

Destruction of Corporate Credit Cards:

In the event an employee ceases employment with the Shire of Katanning or if their circumstance changes such that a corporate credit card can no longer be justified, the card is to be:

- surrendered to the Executive Manager Corporate Services, as soon as practicable.
- the Executive Manager Corporate Services is to destroy the card and update the credit card register by recording the date the card was destroyed and by whom.

ROLES AND RESPONSIBILITIES

Corporate Credit Cardholders responsibilities:

- Ensure corporate credit cards are maintained in a secure manner and guarded against improper use. Credit card details are not to be released to anyone. Credit card purchases are to be made by the Cardholder only.
- Corporate credit cards are to be used only for Shire of Katanning official activities, there is no approval given for any private use.
- All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.
- Credit limits are not to be exceeded.
- 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.
- Purchases on the corporate credit card are to be made in accordance with Policy 2.5 - Purchasing Policy.
- Monthly reconciliations of the credit card purchases are to be completed within seven (7) days of the date of the corporate credit card statement with all reconciliation dockets attached to equal the balance of credit used.
- Corporate credit cards are to be returned to the Executive Manager Corporate Services on or before the employee’s termination date with a full acquittal of expenses.
- Corporate credit cards are to be handed to the Executive Manager Corporate Services for the duration of extended leave, considered to be of two weeks or more and must be kept in the Shire safe.
- All cardholder responsibilities as outlined by the card provider.

Related Documents

Internal	
• Records Management Policy	1.3
• Regional Price Preference Policy	2.7
• Purchasing Policy	2.5

Resolution No: Ordinary Council OC108/16

Resolution Date: 27 September 2016

Amended: 27 July 2021 OC85/21
22 December 2022 OC159/22
23 October 2024 OC128/24

Source: Finance Manager / Accountant

Review Responsibility: Executive Manager Corporate & Community

Corporate Credit Cardholder Agreement

I _____ (name) acknowledge and accept the conditions listed below which govern the use of the Shire of Katanning Corporate Credit Card:

Conditions of Use

- Ensure corporate credit cards are maintained in a secure manner and guarded against improper use.
- Corporate credit cards are to be used only for official Council activities, there is no approval given for any private use.
- All documentation regarding a corporate credit card transaction is to be retained and produced as part of the reconciliation procedure.
- Credit limits are not to be exceeded.
- Credit Cards are not to be shared with other officers.
- Credit card use shall not be tied to any reward system providing cardholders with a personal benefit or reward.
- Observe all cardholder responsibilities as outlined by the card provider.
- Purchases on the corporate credit card are to be made in accordance with Policy 2.5 - Purchasing Policy.
- 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 an input tax credit to be claimed where available/appropriate.
- Transactions shall be accompanied by a succinct explanation of why the expense was incurred.
- Transactions shall be accompanied by a job number for costing purposes.
- If no supporting documentation is available, the cardholder will provide the 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. Failure to provide documented records may result in the card being forfeited.
- Should approval of expenses be denied by the Chief Executive Officer, reimbursement of the expense shall be met by the cardholder.
- Lost or stolen cards shall be reported immediately to the card provider and a written account of the circumstances shall be provided to the Executive Manager Corporate Services on the next working day.
- Any suspected fraudulent transactions appearing on credit card accounts are to be reported to the card provider immediately.
- Corporate Credit Cards are to be returned to the Executive Manager Corporate Services on or before the employee's termination date with a full acquittal of expenses.
- Corporate Credit Cards are to be returned to the Executive Manager Corporate Services before an employee begins an extended period of leave, being of 2 weeks or more.

Failure to comply with any of these requirements may 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. Any 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.

Signature of Card Holder: _____

Date: _____

Signature of CEO: _____

Attachment 1b



CREDIT CARD PURCHASE DECLARATION

Name of the person who made the purchase: _____

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

CODE TO THE FOLLOWING ACCOUNT

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

INVOICE/RECEIPT ATTACHED:

