

COUNCIL POLICY

Corporate Credit Card

Policy No: 2.8

Policy Subject: Corporate Credit Card

Policy Statement: The Shire of Katanning is committed to delivering best practice in the approval, issuing and use of Corporate Credit Cards with the principles of transparency, probity and good governance and complying with the Local Government Act 1995 (the “Act”) and Regulation 11 (1) (a) of the Local Government (Financial Management) Regulations 1996, (the “Regulations”). Procurement processes and practices to be complied with are defined within this Policy and the Shire of Katanning prescribed procurement procedures.

Objectives

The objective of this policy is to:

- provide a clear framework to enable the use of corporate credit cards
- provide staff issued with a Corporate Credit Card clear and concise guidelines
- outlining its use reduce the risk of fraud and misuse of the corporate credit card.

The application of this policy is to be in conjunction with the Shire of Katanning Code of Conduct and Purchasing Policy.

Ethics & Integrity:

Code of Conduct

All officers and employees of the Shire of Katanning undertaking purchasing activities must have regard for the Code of Conduct requirements and shall observe the highest standards of ethics and integrity. All officers and employees of the Shire of Katanning must act in an honest and professional manner at all times which supports the standing of the Shire of Katanning.

Purchasing Principles: The following principles, standards and behaviours must be observed and enforced by the cardholder through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- full accountability, by the cardholder, shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the Shire of Katanning policies and Code of Conduct;
- purchasing is to be undertaken on a competitive basis where all potential supplier are treated impartially, honestly and consistently;

- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies, audit requirements and relevant legislation;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- any information provided to the Shire of Katanning by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

Usage

Shire of Katanning Corporate Credit Cards shall be used only:

- for Council business activities,
 - for the purchase of goods and services in accordance with Council's Purchasing Policy.
- Shire of Katanning Corporate Credit Cards do not have a cash advance facility.

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 in the case the card is for the Chief Executive Officer, approval is provided by the Shire President. 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 of \$10,000 is to be applied to the Chief Executive Officer's corporate credit card.

A maximum credit limit of \$5,000 is to be applied to corporate credit cards approved for other employees.

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

Corporate Credit Card reconciliation procedures:

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

Transactions will be supported by a GST invoice stating the type of goods/services purchased, 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.

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'. Attachment 1b: *Missing Receipt/Invoice Declaration*
Approval of this expense is referred to the Chief Executive Officer.

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 Creditors Officer 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 Manager Finance for a decision.

The CEO shall review the monthly expenditure on the staff credit card reconciliations monthly and will be required to 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.

Review of Credit Card Limits:

Credit 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 Chief Executive Officer for consideration.

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 Manager Finance of the loss or theft on the next working day.

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

Destruction of Corporate Credit Cards:

In the event of an employee ceasing employment with the Shire of Katanning or an employee being moved to a position that does not require a corporate credit card the card is to be:

- surrendered to the employees supervisor immediately on ceasing of employment or change in job role;
- handed as soon as practicable to the Manager Finance,
- destroyed, the Manager Finance is to make the arrangements for the credit card to be destroyed and to ensure that the employees' status on the Corporate Credit Card Register is to reflect that the card has been surrendered and destroyed. The register needs to have the date the card was destroyed and by whom. All the steps in the process are to be documented and on completion it is to be recorded and processed with the Records Officer.

Consequences: This policy represents the formal policy and expected standards of the Shire. It is imperative that staff with purchasing authority and in possession of a Corporate Credit Card retain appropriate documentation to substantiate their expenditure. Elected Members and Employees are reminded of their obligations under the Shire’s Code of Conduct to give full effect to the lawful policies, decisions and practices of the Shire.

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.
- 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 the Shire of Katanning 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 being issued by Financial Services with all reconciliation dockets attached to equal the balance of credit used.
- Corporate credit cards are to be returned to the Manager Finance on or before the employee’s termination date with a full acquittal of expenses.
- Corporate credit cards are to be handed in to the Manager Finance for the duration of extended leave, considered to be of two weeks or more, to be kept in the Shire safe.
- All cardholder responsibilities as outlined by the card provider.

	Date	Signature
CEO		
Shire President		

Policy/Procedure Links:

	Policy Number	Reference
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 March 2018 OC29/18
Source: Finance Manager
Date of Review: October annually
Review Responsibility: Procurement and Executive Support Officer

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 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, or provided to, 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.
- Observe all cardholder responsibilities as outlined by the card provider.
- Purchases on the corporate credit card are to be made in accordance with Shire of Katanning 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. Regular 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 Manager finance on the next working day.
- Corporate Credit Cards are to be returned to the Manager Finance on or before the employee's termination date with a full acquittal of expenses.
- Corporate Credit Cards are to be returned to the Manager Finance before an employee begins an extended period of leave being of 2 weeks or more.

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 Shire of Katanning Corporate Credit Card Policy any liability arising from the use of the card may be passed to the cardholder.

The use of a Shire of Katanning Corporate Credit Card is subject to the provisions of the Code of Conduct of Shire of Katanning. 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: _____

Date: _____

Attachment 1b



**Shire of Katanning
Missing Receipt/Invoice Declaration**

Name (please print): _____

I certify that I made the purchase shown below and all expenditure was of a business nature but do not have a receipt for the following reason: _____

Supplier Name			
Address/Location			
Date of Purchase			
Detailed Description of Purchase	GL Code/Job No/Plant No	Item Amount	
Total Purchase Amount			

This document is in lieu of an invoice or receipt for this transaction. I certify that all items listed above were purchased and received for Shire of Katanning business. I understand that a Missing Receipt/Invoice Declaration should be required only on rare occasions and may not be used on a routine basis.

Employee Signature: _____

Date: _____