

# POLICY REGISTER

## CORPORATE CREDIT CARD POLICY

---

Policy adopted: 27th September 2018 Minute No. 214.9.18

Reviewed:

File Ref: P13-1, A1-9.1

## DOCUMENT CONTROL

Issue	Prepared/Revised By and Date	Action/Amendment Description	Approved By and Date
1.0		First Edition	Council Minute No. 214.9.18 (27th September 2018)

## TABLE OF CONTENTS

1.	PURPOSE AND SCOPE.....	1
2.	RESPONSIBILITIES .....	1
	2.0 Cardholder.....	1
	2.1 Cardholder’s Manager.....	1
	2.2 Divisional Manager Finance and Administration .....	1
3.	DEFINITIONS.....	2
	3.0 Allowable Transactions.....	2
	3.1 Transactions are not to include the following:.....	2
4.	POLICY STATEMENT .....	2
	4.0 Card Account Acquittals .....	2
	4.1 Using the CCC by staff other than Stores Purchasing Officer(s).....	3
	4.2 Using the Credit Card by Stores Purchasing Officer .....	3
	4.3 Processing for Payment of Corporate Credit Card .....	4
	4.4 Non-Compliance by Credit Cardholders.....	4
5.	POLICY REVIEW .....	4

## **1. PURPOSE AND SCOPE**

- 1.0** To simplify and reduce the time and costs otherwise associated with small scale purchasing of goods and services required by Warren Council and to minimize the costs otherwise incurred in reimbursing Warren Council expenses incurred by employees.
- 1.1** To meet the cost of certain employment benefits e.g. the cost of motor vehicle servicing.
- 1.2** Applies to all employees of the company that have access to a Corporate Credit Card (CCC).

## **2. RESPONSIBILITIES**

### **2.0 Cardholder**

- 1. Ensure the card is used only for allowable transactions.
- 2. Ensure the card is taken care of, to report its loss immediately to the issuer of the card and also in writing to the Divisional Manager Finance and Administration and to return the card to the cardholder's Manager when leaving Warren Council.
- 3. To retain valid Tax Invoices, receipts and dockets (refer to Appendix 1 for the requirements of a valid Tax Invoice).
- 4. To justify the purposes and expenditure for which the card is used, to the satisfaction of the cardholder's Manager and in accordance with Warren Council's standards as issued from time to time.
- 5. To complete the credit card acquittal in accordance with clause 4.1.

### **2.1 Cardholder's Manager**

- a. Ensure that cardholders are aware of and perform their accountabilities in relation to the system.
- b. Check that use of the credit card is within the authority of the cardholder.

### **2.2 Divisional Manager Finance and Administration**

- 1. Ensure Warren Council's requirements concerning usage of credit cards is known by cardholders and ensure the publication of timetables for acquittals are issued from time to time.
- 2. Ensure incomplete credit card account acquittals are returned to the originator.
- 3. To ensure cost allocations are made in a manner suitable for management accounting and reporting purposes.
- 4. Ensure accounts and records are kept in order to comply with relevant taxation laws.
- 5. Ensure payments to card issuers are made by the due date.
- 6. Bring to the attention of the relevant Manager any:
- 7. Card usage that appears to be beyond the authority of the cardholder
- 8. Non-conformance with the system for acquittals of card statement account
- 9. Bring to the attention of the General Manager any non-conformances or unusual matters not resolved in a reasonable period of time.
- 10. Ensure the system is audited as part of the overall program of financial audits.

11. Report to the General Manager and to Warren Council’s auditors immediately any reasonable concern that arises in relation to fraud or misappropriation and initiate an investigation.
12. Review the operation of the system from time to time and modify it to meet the needs of the organisation.

### **3. DEFINITIONS**

#### **3.0 Allowable Transactions**

Transactions primarily for travel related transactions, minor stores and accessories. These transactions could include:

- Air fares
- Taxi fares
- Accommodation & meals
- Fuel for company vehicles (where there is no fuel card supplier)
- Company vehicle servicing
- Work related books
- Work related conferences/courses
- Other one off purchases approved by Divisional Manager Corporate & Finance
- White Goods
- Protective Equipment
- Store items less than \$2000 and or where the supplier does not accept purchase orders

#### **3.1 Transactions are not to include the following:**

- Private use
- Cash advances
- ebay or similar web based purchasing – permitted with Divisional Manager or General Manager consent only.

### **4. POLICY STATEMENT**

#### **4.0 Card Account Acquittals**

The cardholder shall:

1. Annotate the card account statement sufficiently for their Manager to be able to understand and approve (or question) the listed expenses.
2. Attach to the card account statement Tax Invoices for every expense and to reconcile the card account statement with these documents.
3. Where a Tax Invoice is lost (expected to be a rare event), every effort must be made to acquire a copy from the relevant supplier, otherwise attach a signed declaration to that effect, with details of the expense to the satisfaction of their Manager.
4. Certify, by signing the card account statement, that the expenses listed have been incurred, that the goods and/or services have been received, that the details have been reconciled, and are correct for payment.
5. Obtain the signature of their Manager signifying approval for payment of the card account statement.

6. Forward the approved card account statement to Accounts Payable for payment
7. Comply with the timetable for card account acquittals issued from time to time by the Divisional Manager Finance and Administration.

The cardholder's Manager shall:

1. Check that the card account statement has been reconciled and is ready for payment.
2. Sign and approve the card account statement for payment.
3. Comply with the timetable for card account acquittals as issued from time to time by the Divisional Manager Finance and Administration.

#### **4.1 Using the CCC by staff other than Stores Purchasing Officer(s)**

Staff, other than those from Stores, must:

1. Sign, date and clearly print his/her name on the Tax invoice and, where applicable, on the EFTPOS docket;
2. Ensure suppliers provide an Invoice and CCC receipt with the goods that clearly displays the CCC number;
3. Ensure that the supplier provide a compliant tax invoice for purchases over \$75 inclusive of GST;
4. Ensure that the supplier invoice and CCC receipt provides a clear and full description of goods and services e.g. "Goods as specified" is not acceptable. If this is all the supplier is willing to supply, the cardholder should go elsewhere to purchase their requirement/s. Should circumstances dictate that the purchase proceeds, an itemised list is to be attached to the supplier's documentation using either a Warren Council purchase requisition or purchase cardholder transaction form. Any future purchases should be from a supplier who will provide an itemised list;
5. Check and process their purchase card transactions in the purchase card sub ledger of Practical Plus System on a daily basis;
6. If the transaction is in order, then approve it and key the budget account number that this transaction is to be debited to;
7. If the transaction is not in order, then nominate it as a disputed transaction for follow-up and checking;
8. Forward the tax invoice documentation to Financial Services Accounts Payable office with one day of acceptance in Practical Plus System.
9. If the invoice is not subject to GST, then the appropriate GST code is to be amended. Any queries should be directed to the Treasurer or the Accounts Payable Officer.
10. The need for prompt processing of documentation and the acceptance of the transaction in purchase card sub-ledger of Practical Plus within one day is paramount so as to ensure the transactions are valid and accrued in the general ledger.

#### **4.2 Using the Credit Card by Stores Purchasing Officer**

Stores Purchasing officer must:

1. Only use their CCC with the authority of a requisition signed and approved by an officer delegated the authority for requisitioning of goods or services by the General Manager;
2. Record CCC transactions on a purchasing daily checklist form;

3. Clearly state his/her name, CCC number, CCC expiry date and contact phone number when authorising a purchase to Supplier;
4. Advise the Supplier of the name of the Officer picking up the goods;
5. Advise the Supplier to check the identification of the Officer picking up the goods;
6. Advise the supplier not to issue any goods until the identification of the Officer picking up the goods is confirmed;
7. Advise the supplier to contact the Purchasing Officer if the ID of the Officer picking up the goods is not correct.

The officer collecting the goods

1. Must collect the Invoice and the CCC receipt from the supplier and deliver it to the Purchasing Officer within one working day;

#### **4.3 Processing for Payment of Corporate Credit Card**

Card Holder

1. The individual card holder is responsible to complete the “Card Credit Expense Report.”
2. All receipts **MUST** be accounted for and should receipts be misplaced a “Statutory Declaration is required to be completed on the approved form.” Should receipts be continually misplaced by the cardholder the Card Credit will be remove from the individual.

Financial Team

1. Ensure prompt processing of Credit Card Accounts via a direct bank debit entry;
2. Reconcile the Credit Card control account to that of the Credit Card bank statement on a monthly basis after the cardholder has forwarded the “Credit Card Expense Report.”;
3. Reconcile the CCC sub ledger to that of the control account in the General Ledger on a monthly basis;
4. Download the Electronic Transactions from the Bank to the CCC Sub Ledger;
5. Match the Invoices/Documentation from the Credit Card Holders to the individual statements received from the bank on a monthly basis;
6. Follow up outstanding documentation and transactions with the individual Credit Card holders.

#### **4.4 Non-Compliance by Credit Cardholders**

Should any Credit Cardholder not adhere to this Policy or other financial policy requirements, then consideration may be given to cancelling the individual Corporate Credit Card.

The Divisional Manager Finance and Administration shall submit a report to the General Manager outlining non-compliance issue and recommending a course of action to remedy the situation.

### **5. POLICY REVIEW**

Warren Council reserves the right to vary, replace or terminate this policy at any time. This policy will be reviewed every 2 years or earlier if there are relevant statutory or State Government policy changes.

## **APPENDIX 1 – REQUIREMENTS OF A VALID TAX INVOICE**

### **For purchases less than \$1,000:**

- the words “Tax Invoice” stated prominently
- the name of the supplier
- the ABN of the supplier
- the date of issue of the tax invoice
- a brief description of the goods or services purchased
- total price of the sale (including GST)
- where the GST is exactly 1/11<sup>th</sup> of the total price, GST must be shown separately **or** provide the statement such as “total price includes GST”.
- Where the GST is less than 1/11<sup>th</sup> of the total price, show the GST amount **and** the total amount excluding GST for the purchase.

### **For purchases more than \$1,000:**

- the words “Tax Invoice” stated prominently
- the name of the supplier
- the ABN of the supplier
- the name of the recipient (Warren Shire Council)
- the address or ABN of the recipient (Warren Shire Council – 87 198 932 652)
- the date of issue of the tax invoice
- the quantity of goods purchased or the extent of the services provided
- a brief description of the goods or services purchased
- total price of the sale (including GST)
- where the GST is exactly 1/11<sup>th</sup> of the total price, GST must be shown separately **or** provide the statement such as “total price includes GST”.
- where the GST is less than 1/11<sup>th</sup> of the total price, show the GST amount and the total amount excluding GST for the purchase.

### **For purchases where the cost includes taxable purchases and a GST free or input taxed purchase (a mixed supply) the tax invoice must also:**

- clearly identify each taxable purchase
- show the total amount of GST to be paid
- show the total amount payable for the sales.



**APPENDIX 2 – CREDIT & PURCHASING CARD CONDITION OF USE**

**Note terms such as ‘total price includes GST’ or similar are not sufficient for invoices in this category.**

Applicant (Cardholder)	
Position	
Department	

The Corporate Credit Card (CCC) will be issued to you on the following conditions:

- a. I am required to take strict care over the custody and use of the card at all times.
- b. I will not permit the CCC to be used by another person according to guidelines.
- c. I will not use the CCC, nor permit it to be used, for other than official purposes.
- d. I may only use the CCC for purchasing goods and services required for Council related purposes.
- e. I will not use the CCC to obtain cash.
- f. I may only use the CCC for purchasing/paying to a limit of my delegated authority in any one transaction.
- g. I will check and process my purchase card transactions in the Practical System each day.
- h. I will forward all relevant documentation to Financial Services within one (1) week of the statement being received.
- i. I will use the CCC in accordance with the CCC Administrative Policy & Procedure
- j. I will obtain the approval of the Manager for my department for all entertainment and hospitality expenditure equal to or greater than \$1,000.
- k. If a Manager of a department, I will obtain the approval from the General Manager of all entertainment and hospitality expenditure equal to or greater than \$2,000.
- l. If employed as the General Manager of Council, I will obtain the approval from the Mayor of all entertainment and hospitality expenditure equal to or greater than \$2,000.
- m. If the CCC is lost or stolen, I will immediately inform the Accounts Payable Team Leader/Senior procurement officer and/or the card provider.
- n. If I identify or it is brought to my attention that misuse or fraud is taking place against my CCC, I will immediately inform the Divisional Manager Finance and Administration and the card provider.
- o. Upon the notification and/or cessation of my employment in the current position, I am required to return the CCC promptly to Divisional Manager Finance and Administration.
- p. I understand that my card may be cancelled for non-compliance.

I acknowledge that I have read and understood the conditions set out above, and the Credit Card Policy and Procedure documents, which govern the issue and use of the CCC in my name and I will report all breaches to the Divisional Manager Finance and Administration immediately.

Signature of Cardholder	
Name of Cardholder	
Telephone Number of Cardholder	
Date signed	

I have witnessed the signature of the cardholder – YES / NO

Signature of Witness	
Name of Witness	
Date signed	

**APPENDIX 3 – Statutory Declaration for Missing Receipts on Council Credit Card**

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

Payee: \_\_\_\_\_

Amount: \_\_\_\_\_

GL / WO No: \_\_\_\_\_

Details of Expense: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I, \_\_\_\_\_ (name), confirm the above purchase details are true and correct.

Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_