



Credit Card Usage Policy

AUTHOR: Paul Spyve
DEPARTMENT: Governance and Integrated Planning
DATE CREATED: August 2011
DATE REVISED:
DATE ADOPTED BY EXECUTIVE TEAM: 4 August 2011
DATE APPROVED BY COUNCIL: 16 August 2011
NEXT REVIEW DATE: August 2012
TRIM REF: A11/0488

Table of contents

1.	Introduction		3
2.	Objectives		3
3.	Restrictions on Use		3
4.	Issuing of Credit Cards		4
5.	Using the Credit Card		4
	5.1 General use requirements	4	
	5.2 Reconciling Monthly Statements	6	
	5.3 Disputed Purchases	6	
	5.4 Terminating or Ceasing Employment	6	
	5.5 Reporting Lost or Stolen Cards	6	
	5.6 Replacement Cards	6	
6.	Implementation		6
7.	Evaluation and Review		6
8.	Attachments		7
	Attach. 1: Waverley Council Card Holders	7	
	Attach. 2: Card Holder Approval & Acknowledgement Form	8	
	Attach. 3: Disputed Transactions Form	9	
	Attach. 4: Lost or Stolen Cards Form	10	
	Attach. 5: Replacement Cards Form	11	

Revisions		
Revision Date:	Council Meeting:	Council Resolution No.
	16 August 2011 Policy Adopted	1108.12.4

1. INTRODCUTION

This Credit Card Policy is to ensure that effective controls, policies and procedures are in place within Waverley Council in respect of the use of Corporate Credit Cards.

Corporate Credit Cards have been implemented to allow the Council to transact its business in a more efficient manner and at the same time provide specified Council Officers with a more convenient method to meet costs they incur on Council's behalf when carrying out their duties. Council recognises corporate credit cards as a valuable tool for the efficient and effective operation of its daily business and not as a benefit assigned to specific individuals.

Council has specified certain positions within the organisation which may utilise a Corporate Credit Card with a defined credit limit. These positions and their credit limits are specified in **Attachment 1**.

The key principles of this policy are to:

- Ensure transparency in Council's operations concerning the use of Corporate Credit Cards
- Ensure Council's resources are managed with integrity and diligence.

2. OBJECTIVES

The objectives of this policy are to allow Council to:

- Fulfil all statutory requirements of the Local Government Act with respect to the use of Corporate Credit Cards.
- Adopt best practice in developing a clear and comprehensive policy on the use of Corporate Credit Cards
- Reduce the cost of processing purchases for Council in certain areas
- Allow for the better utilisation of resources
- Reduce the need for urgent or rushed requests
- Provide for prompt vendor payments
- Provide clear audit procedures for various types of purchases
- Ease the access for specified officers when purchasing certain goods or services required within their areas, and
- Provide transparency of purchases

3. RESTRICTIONS ON USE

The use of Corporate Credit Cards will save time and paperwork in making purchases while still maintaining control of purchases through the monthly reconciliation process as well as reducing the need for Council staff to use their private credit card or cash to conduct Council business. The following restrictions will apply to the use of the credit card:

- Staff members who are allocated a Corporate Credit Card are not to use this credit card for private purchases.
- 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 Card for purchases over the internet should be restricted to trusted secure sites.

- The cardholder will be personally liable for expenditure that can not be shown to be related to the business of Waverley Council.
- The card will not be used for cash advances.
- The card is not linked to any form of award points and any personal award card or membership should not be used in conjunction with the use of the Corporate Credit Card.
- The credit limit of the individual cards is not to be exceeded.
- Financial Services Manager should be contacted for urgent transactions where credit card limits for the month may be exceeded.

4. ISSUING OF CREDIT CARDS

- The General Manager has delegated authority to authorise the issuing of Corporate Credit Cards to staff within the Council.
- The Divisional Manager Finance & Information Systems & Services will be responsible for maintaining a register of the individual corporate credit cards including their associated limits and expiry dates.
- Before anyone can become a cardholder it will be necessary for that person to provide adequate proof of identity to satisfy the Bank's requirements of at least 100 identification points. Details of documents that can be used for identification are available from the Divisional Manager Finance & Information Systems & Services.
- The Divisional Manager Finance & Information Systems & Services will be responsible for obtaining approval of the General Manager for the issue of a card and this will be recorded on a **Cardholder Approval and Acknowledgement Form (Attachment 2)**. Each cardholder will be required to sign this form on receipt of the corporate credit card and acknowledge these policies and procedures.
- The General Manager and the Divisional Manager Finance & Information Systems & Services will review the corporate credit card holders on a regular basis and the Policy at least once a year to determine which positions within the organisation need to hold a corporate credit card and for what purpose they would be required. This review will also determine the credit card limit which should apply.

5. USING THE CREDIT CARD

5.1 General use requirements

- Corporate Credit Cards are to be used as a normal credit card, with the valid signature/PIN required to make any purchase.
- A Tax Invoice is required to be obtained for every purchase made. This is required in reconciliations of the Corporate Credit Card statement at the end of each month.

- If a transaction is done by telephone, by mail order or over the internet, the cardholder will need to ensure that an appropriate Tax Invoice is obtained from the supplier and included with the monthly reconciliation.
- 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:
 - Name of creditor
 - The Australian Business Number (ABN) of the creditor
 - Date of issue
 - The quantity and a brief description of what is being supplied
 - The name Waverley Council (being the recipient)
 - The words 'Tax Invoice'
 - The GST as a separate component OR the invoice total with a statement that 'Total includes GST'
- All details of the purchase, including Tax Invoices are required to be obtained and retained to support the appropriate allocation of purchases 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.

5.2 Reconciling Monthly Statements

- 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 to the monthly statement.
- Record next to each transaction:
 - The reason for the purchase e.g. *LGMA Conference – accommodation deposit – 5/1/09 –Canberra.*
 - The account number the purchase is to be costed to.
- Attach tax invoices for all the purchases with GST and normal invoices for purchases without GST. It is important to do this as *Tax Invoices are necessary to enable Council to claim back the GST each month.*
- 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.
- Sign and date the monthly corporate credit card statement at completion of the reconciliation.
- The monthly Corporate Credit Card statement, with all invoices attached, should then be forwarded to the relevant Divisional Manager or Director for authorisation. In the case of the General Manager's Credit Card this should be authorised by the Mayor.
- Monthly statements must be reconciled and returned to the Financial Services Section within seven days of receiving the statement.
- The Corporate Credit Card statement and all attachments are to be sent to the Financial Services section for processing. After processing, all Corporate Credit Card statements will be kept by Financial Services.

- When the monthly statement is received by Financial Services, a check is required to ensure that all purchases are supported by invoices retained.
- The Internal Auditor will include as part of the annual work plan, a periodical review of the supporting documentation in respect of the monthly corporate credit card statement.

5.3 Disputed Purchases

- Council is responsible for paying all accounts on the monthly corporate credit card statements and the bank will debit this amount to the Council's bank account at the end of the month.
- The Divisional Manager Finance & Information Systems & Services is to be notified of all disputed transactions. The cardholder must complete the **Disputed Transactions Form (Attachment 3)** and include it with the monthly reconciliation.
- When a dispute occurs, the cardholder should attempt to correct the situation with the merchant. In many cases a simple telephone call can clear up a problem without any delay. If unable to correct the situation, contact the Divisional Manager Finance & Information Systems & Services. The Divisional Manager Finance & Information Systems & Services will attempt to resolve the matter and may have to contact the bank for assistance. 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.

5.4 Terminating or Ceasing Employment

- Cards must be returned as soon as no longer required and if leaving the services of Council, should be returned, no later than the last day of employment.

5.5 Reporting Lost or Stolen Cards

- If a card is lost or stolen it is the cardholder's responsibility to immediately telephone the Commonwealth Bank to report the loss. The Commonwealth Bank can be contacted 24 hours a day, 7 days a week on 132 221.
- The Divisional Manager Finance & Information Systems & Services should be contacted immediately and advised by the next business day and the cardholder should then complete a **Lost or Stolen Cards Form (Attachment 4)** and forward it to the Divisional Manager Finance & Information Systems & Services. A replacement card will be arranged and issued upon receipt from the bank.

5.6 Replacement Cards

- The card is valid for the period shown on the face of the card and the Commonwealth Bank will automatically reissue replacement cards to the Financial Services Section one month prior to the expiry date. The Financial Services Section will then update the register details in regard to the replacement card and issue it to the cardholder.

- If a card requires replacement the cardholder will need to complete a **Replacement Cards Form (Attachment 5)** and sign the form on receipt of the new card.

6. IMPLEMENTATION

The Divisional Manager Finance & Information Systems & Services is responsible for the implementation of this policy.

7. EVALUATION AND REVIEW

The policy will be evaluated and reviewed every year from date of adoption.

8. Attachments

- Attachment 1:** Waverley Council Officers permitted to hold a Corporate Credit Card
- Attachment 2:** Cardholder Approval and Acknowledgement Form
- Attachment 3:** Disputed Transactions Form
- Attachment 4:** Lost or Stolen Cards Form
- Attachment 5:** Replacement Cards Form

Attachment 1: Waverley Council Officers permitted to have a Council Credit Card.

Card Holder (Position)	Credit Limit
General Manager	\$10,000
Corporate Procurement Manager	\$10,000
Divisional Manager Cultural & Community Services	\$5,000

Note: The General Manager and the Divisional Manager Finance & Information Systems & Services will review the credit card holders on a regular basis to determine which positions within the organisation need to hold a corporate credit card and for what purpose they would be required. This review would also determine the credit card limit which should apply.

Attachment 2: Corporate Credit Card Approval and Acknowledgement Form

A11/0488

CORPORATE CREDIT CARD APPROVAL AND ACKNOWLEDGEMENT FORM



APPROVAL

Card Holder's Name: _____

Position: _____

Credit Limit (Monthly): \$ _____

General Manager: _____

Signature: _____ Date: _____

ACKNOWLEDGEMENT

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

1. *I will not use the Corporate Credit Card, nor permit it to be used, other than for official Council purposes.*
2. *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.*
3. *If the Corporate Credit Card is lost or stolen, I will immediately report it missing to the Commonwealth Bank and will also inform the Divisional Manager Finance & Information Systems & Services.*
4. *If my position with Waverley 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. *I will retain all original supporting documentation that meets the requirements of a Tax Invoice for presentation to the relevant authorising officer.*
6. *I will ensure that all Occupational Health & Safety requirements are complied with for all purchases.*
7. *If I misuse the Corporate Credit Card (i.e. use it in a manner otherwise than in accordance with the instructions provided and Council's Credit Card Policy) I may be liable for disciplinary action.*

Card No.:	Expiry Date:
_____	_____
Signature of Card Holder:	Date:
_____	_____
Witness Name (Print)	Signature:
_____	_____

Attachment 3: Disputed Transactions Form

A11/0488

CORPORATE CREDIT CARD DISPUTED TRANSACTIONS FORM

This form is to be completed and forwarded to the Divisional Manager Finance & Information Systems & Services with the Credit Card's Monthly Reconciliation



Corporate Credit Card Number:	

Card Holder's Name:	Date:

Transaction Date	Supplier	Reason for Dispute	Amount (\$)

Attachment 4: Lost or Stolen Credit Card Notification Form

A11/0488

CORPORATE CREDIT CARD LOST OR STOLDEN CARD FORM

This notification is on the loss or theft of a Waverley Council Corporate Credit Card. The holder of the card is required to contact the Commonwealth Bank immediately the loss is discovered. The Divisional Manager Finance & Information Systems & Services must be advised on the first business day and the following information completed.



DETAILS: (Card Holder to complete)

Corporate Credit Card Number:

Card Holder's Name:

Details of the Loss:

Commonwealth Bank Notified on (Date/Time):

Divisional Manager Finance Notified on (Date):

Card Holders Signature:

Date:

FINANCIAL CONTROL (Divisional Manager Finance & Information Systems & Services to Complete)

Commonwealth Bank notified: _____

Corporate Credit Card Register Updated: _____

New Card Number: _____

Date Received: _____ Signature: _____

Attachment 5: Replacement Cards Form

A11/0488

CORPORATE CREDIT CARD REPLACEMENT CARD FORM



DETAILS: (Card Holder to complete)

Name:

Old Credit Card Number:

Reason for Replacement:

Card Holders Signature:

Date:

FINANCIAL CONTROL (Divisional Manager Finance & Information Systems & Services to Complete)

Commonwealth Bank notified:

Corporate Credit Card Register Updated:

New Card Number:

Date Received:

Signature:
