

POS	CORPORATE CREDIT CARDS	PSFCS24
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POSITION STATEMENT CODE:	PSFCS24
DIRECTORATE:	Finance & Corporate Services
BUSINESS UNIT:	Financial Services
SERVICE UNIT:	Accounting Services
RESPONSIBLE OFFICER:	Director, Finance & Corporate Services
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BACKGROUND:

The use of corporate credit cards complements the City's procurement processes and provides a more streamlined and efficient method for making certain types of payment. Regulation 11(1)(a) of the Local Government Financial Management Regulations 1996 require a local government to develop procedures for the authorisation and payment of accounts, including for the effective security and authorised use of credit cards.

PURPOSE:

This position statement and the supporting guidelines serve to ensure that operational risks and administrative costs associated with the use of corporate credit cards are effectively managed. This includes establishing effective controls for their use and setting responsibilities for approved cardholders.

POSITION:

- (1) The Chief Executive Officer, Directors, SBG Managers and any other staff approved by the relevant Director or Chief Executive Officer, will be issued with a corporate credit card in accordance with the credit limits determined from time to time by Council as set out in the supporting guidelines.

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- (2) The City's Corporate Credit Cards are to be used only for work related purchases and under no circumstances whatsoever are they to be used for personal or private purposes.
- (3) Cash withdrawals are strictly prohibited and all cards issued under the City's facility shall have this feature disabled.
- (4) A register of all current credit cards is to be maintained by Accounting Services. This shall include the name and position of the cardholder, card number, expiry date and credit limit.
- (5) The acquittal of expenditure incurred on credit cards need to be reviewed and approved by the cardholder's line manager. Where the cardholder is a Director or the CEO, the review is to be performed by another Director or CEO.
- (6) Cards are to be used strictly in accordance with the requirements of the Corporate Credit Card Guidelines as appended. ([Appendix I](#)).



CORPORATE CREDIT CARDS GUIDELINES

8 December 2015

INTRODUCTION

The City has established a corporate credit card facility for the purpose of streamlining certain types of purchases and payments. This fosters improved administrative efficiency and more effective cash management. Some of the outcomes targeted include:

- Reducing paperwork for both the City and its suppliers.
- Improving productivity across the various departments.
- Reduce requirements for petty cash and reduce cash handling risks.
- Ability to take advantage of special offers and discounts available for immediate payment.
- Enabling online internet purchases and payment from anywhere in the world.

However, it is not intended that the card facility be used as a substitute for the current system of ordering goods and services by requisition through Procurement Services.

1. **GOODS AND SERVICES FOR WHICH THE CORPORATE CREDIT CARDS CAN BE USED**

Cards can be used to procure goods and services up to the value of financial limits approved with these guidelines.

Transaction types which Card may be used for:

- (a) Conference, seminar and training event registration fees;
- (b) Costs related to flights, accommodation and attendance at approved conferences, seminars and training events;
- (c) Subscriptions, memberships and publications payable by credit card;
- (d) Entertainment expenses (must note number of staff entertained on documentation for FBT purposes) CEO/Directors/SBG Managers only;
- (e) Other business purchases of less than \$1,000 in value for items over \$1,000 will need an official order raised).

Transaction types allowable on cards will be restricted on an individual basis in accordance with these guidelines and to suit cardholder needs (eg. Entertainment expenses, flights, car rentals etc).

2. **ISSUE OF CORPORATE CREDIT CARDS**

Accounting Services is responsible for arranging the issue of Corporate Credit Cards after approval is received from the relevant Director or CEO (as appropriate). All approved requests for cards must be forwarded to the Manager, Financial Services.

3. RESPONSIBILITIES

3.1 Accounting Services

Accounting Services are responsible for the following activities in relation to corporate credit cards:

- (a) arrange the issue of the Corporate/Business Card.
- (b) administer a system for cardholders to acquit their card purchases.
- (c) act as the liaison between the City and the financial institution.
- (d) ensure cardholder is advised of their responsibilities and that guidelines are issued to them.
- (e) ensure each cardholder signs a copy of the “Acknowledgement of Terms and Conditions of Use – Corporate Credit Card” form.

3.2 Cardholders

Following are the responsibilities of the individual cardholders:

- (a) Ensure monthly credit card acquittals are processed within 5 working days of the statements being uploaded into the financial system and forward the relevant paperwork to Accounting Services, after it has been reviewed and signed off by their Line Manager.
- (b) Adherence to the policies and procedures in relation to the card and ensure financial limits are not breached.
- (c) Cardholders must ensure that transaction acquittals include:
 - 1. A full and proper description of the goods purchased on the tax invoice (ie. Descriptions like “goods” are not acceptable).
 - 2. Allocate appropriate budget account details, relative to the nature of expenditure.
- (d) Cardholders must immediately return the card to Accounting Services if:
 - 1. They resign or their employment is terminated for whatever reason;
 - 2. They are instructed to relinquish the card.
- (e) If the cardholder disagrees with any transaction on the billing statement, the cardholder must advise Accounting Services in writing, as soon as possible once aware of the issue. The Manager Financial Services is to be informed on any disputes.
- (f) Cardholders will be required to sign for receiving the Card and acknowledge the conditions of use of the card.

- (g) If the cardholder loses a tax invoice or receipt, they should make reasonable attempts to obtain a copy from the supplier. Failing this, a memo signed by the cardholders Manager will need to be provided explaining the loss of the document and the details of the transaction.
- (h) To comply with banking laws, the cardholder must ensure the corporate credit card is not used by any other officer unless it is for an online or telephone transaction and the cardholder's permission has been pre-obtained (i.e. not able to be used by non-cardholders for in person transactions).
- (i) The cardholder must immediately report loss or theft of the corporate credit card to the issuing financial institution and Accounting Services.
- (j) The City, if it deems necessary, will hold the cardholder personally liable for any unauthorised and non-compliant use by the cardholder and may seek reimbursement of such monies from the cardholder.

4. CARDHOLDER CLASSIFICATIONS

Position	Monthly Credit Limit \$
Chief Executive Officer	15,000
Directors	10,000
Strategic Procurement Manager	8,000*
Strategic Business Group Managers	4,000*
Other Staff (as determined by SBG Manager & Director)	2,000*

* *The Director, Finance and Corporate Services may approve certain staff to be given an increased limit of up to \$10,000 where the business requirement is satisfactorily demonstrated.*