

Corporate Purchase Card Policy

Corangamite Shire

April 2022



**CORANGAMITE
SHIRE**

Council Policy



Corporate Purchase Card Policy

Introduction

This policy sets out the guidelines and principles that need to be followed by the Mayor and Council officers who utilise a corporate purchase card.

Purpose

The objective of introducing purchase (credit) cards is to increase efficiency by reducing the cost, paperwork and time associated with purchasing goods and services. No purchase order needs to be completed when a credit card is used for the transaction

Scope

This policy applies to any Councillor or Council officer who holds a corporate purchase card. It should be considered part of and should be read in conjunction with the Council Procurement Policy. It is considered that this Policy does not impact negatively on any rights identified in the Charter of *Human Rights and Responsibilities Act (2006)*.

Definitions

Council Business Expenditure – are bona fide business transactions that are required by a cardholder undertaking normal duties in the course of their employment with Council and would otherwise be undertaken by purchase order or petty cash.

Corporate Purchase cards – will be a credit card identified by the words Corangamite Shire. The card will be personalised and issued to the user to provide a clear audit trail. The name of the card holder is on the card.

Cardholder (Authorised Officers) – is any officer of the Corangamite Shire receiving authorisation to have a corporate purchase card issued in his or her name. This includes the CEO and Mayor.

Personal Use/Personal transaction – any purchases intended for personal benefit. Purchase of any items not normally provided to a staff member in the course of their employment with Council.

Commbiz – Commonwealth Bank of Australia online banking system. This system is used to manage Council's purchase cards.

References

- Procurement Policy
- Staff Meals and Accommodation Policy

Policy Detail

APPLICATION

- The authorising Manager completes the online application form for an employee whose position and duties require the issue of a purchase card. The staff member must have a financial delegation under the Procurement Policy.
- The application is to be authorised by:
 - Appropriate Director
 - Finance Manager
- The employee must complete the “Council Corporate Credit Card Acknowledgement and Undertaking” form before the use of the Card.
- All cards will be issued to cardholders by the Finance Manager, or delegated officer and the details of that card must be immediately entered in the register of Credit Cards.
- Card limits are at the discretion of the Chief Executive Officer and should not be more than the officer’s financial delegation under the Procurement Policy. Where a business need requires a limit in excess of the financial delegation a transaction limit in line with financial delegation will be applied.
- Card limits are to be reviewed at least annually by Manager Finance. Amendments to limits are to be recommended to the Chief Executive Officer for approval.

CARD USE

- The card must be used for **Council business expenditure** only and in accordance with the *Local Government Act 2020*, the Council’s Purchasing Card Policy, and the Procurement Policy.
- All meals and accommodation expenditure must be in line with the Meals and Accommodation Policy
- The card must not be used for personal use or a personal transaction.
- The card must not be used for gratuities (or tips).
- The card must not be used for the withdrawal of cash through any facility, whether it is a Bank, ATM or EFTPOS facility.
- The card must not be used by officers other than the card holder, unless the card holder is a Manager or Senior Officer and infrequent use is requested by the officer and granted by the card holder.
- The cardholder shall not provide the card number or card pin to another officer for the purposes of undertaking transactions.
- The card must not be used for fuel purchases unless the fuel card is unable to be used.
- The cardholder must retain all tax invoices and/or receipts and maintain any other records of their transactions to facilitate reconciliation and costing of transactions for that card.
- The cardholder must take strict care to maintain the security of their card, ensuring that it is kept in their possession at all times and not left in any place from which it may be taken.

The cardholder must return their card to the Finance Manager, or delegated officer, prior to periods of extended leave (any period in excess of four weeks), where the use is no longer required or where their employment is terminated with the Corangamite Shire.

RESPONSIBILITIES

Cardholders

The individual cardholder is responsible for:

- The safe keeping of the card and the prompt reporting to their respective manager and the finance department if the card is mislaid or stolen.
- Ensuring that the card is only used within the approved limits attributed to that particular purchase card and within the approved budget.
- Purchasing is required be in line with the existing Procurement Policy and quotes are required in line with spend limits in the policy.
- Meals and accommodation expenditure are in line with the Staff Meals and Accommodation Policy.
- Purchasing does not need to be from existing approved Council providers.
- Returning the card to the Finance Manager or other person designated by the Corangamite Shire during periods of extended leave, where the use is no longer required or upon the termination of their employment with the Shire.
- Registering all tax invoices and other support documentation in ECM under the respective folder and maintain these documents in accordance with Council Procedures. EFTPOS receipts do not represent tax invoices and will not be accepted as supporting documentation.
- In the event that a tax invoice is lost or unavailable a statutory declaration is required.
- Completing the credit card allocation process within TechOne to facilitate prompt costing and authorisation of credit card transactions, with an accurate description of goods or services purchased.
- Reporting any disputed transactions to their manager and the finance department to allow for the prompt resolution of any errors or misuse.
- Completion of annual acknowledgement and undertaking declaration.

Managers, Directors and CEO

Managers, Directors and CEO are responsible for:

- The initial approval of applications for purchase cards by employees within their area of responsibility.
- Ensuring that each employee is made aware of and understands their individual responsibility associated with holding a purchase card.
- The prompt receipt, costing and authorisation of transactions for each cardholder within their area of responsibility.
- Ensuring all issues pertaining to disputed transactions are brought to the attention of the Finance Department.

Finance Department

The Finance Manager (or their delegate) is responsible for:

- Ensuring the credit card register within Commbiz is maintained and accurate at all times.
- Safe custody of cards surrendered by employees during extended periods of leave.
- Annual review of all purchase cards and limits to ensure appropriate business need.
- Coordination of annual acknowledgement and undertaking declarations.
- Maintaining a register of purchase cards which should include the following details:
 - Name of the cardholder
 - Card number
 - Date of issue
 - Card expiry
 - Delegation limit
 - Card limit
 - Transaction Limit

- Cardholder agreement signed.

Audit Committee

The Audit Committee is responsible for:

- Review of the Corporate Purchase Card policy as required.
- Review of CEO and Mayor purchase card usage

AUTORISATION OF TRANSACTIONS

Employees transactions

Transactions on employee credit cards will be authorised via a supervisor in line with their existing delegated authority.

CEO Transactions

Transactions on the CEO credit card will be signed by the mayor, approved by the Director of Corporate and Community Services and reported to the audit committee on a quarterly basis.

Mayor

Transactions on the Mayors credit card will be approved by the CEO and reported to the audit committee on a quarterly basis.

TERMINATION OF USE

Once it has been established that a cardholder no longer requires a card, the card, together with all supporting documentation for any outstanding transactions and other relevant documentation must be forwarded to the finance department who will cancel the card in Commbiz.

Payroll shall not release any termination payments until appropriate clearances in respect of a cardholder's card have been obtained from the Finance Manager.

UNAUTHORISED USE

Unauthorised use means any instance of non-compliance with this policy, whether by the cardholder or another person and can involve:

- Unauthorised or inappropriate transactions made on a card; or
- Any other non-compliance with any direction or rules for card use, including use that, from the public perspective, has the potential to cause reputational risk to Council.

Unauthorised use will be subject to disciplinary action including the requirement for reimbursement by the employee of the expense.

Review Date

The next review of this document is scheduled for completion by the Manager Finance on or before April 2025.

It is considered that this Policy does not impact negatively on any rights identified in the *Charter of Human Rights and Responsibilities Act 2006*.