



CORPORATE CREDIT

CARD POLICY

CORPORATE CREDIT CARD POLICY

PURPOSE:

The aim of this policy is to ensure that effective controls, policies and procedures are in place with respect to the use of Corporate Credit Cards.

OBJECTIVES:

To ensure transparency in Council's use of Corporate Credit Cards;

To ensure Council's resources are managed with integrity and diligence;

To fulfil all statutory requirements of the Local Government Act and Circular 04/04 "Appropriate Controls on the use of Council issued Credit Cards" with respect to the use of Corporate Credit Cards; and

To adopt best practice in developing a clear and comprehensive Operational Policy on the use of Corporate Credit Cards

STATEMENT:

Corporate Credit Cards have been implemented to allow the Council to transact its business in an efficient manner by providing Council Officers with a convenient method to meet costs they incur on Council's behalf.

Corporate Credit Cards should be recognised as a valuable tool for the efficient and effective operation of Council's daily business and not as a benefit assigned to specific individuals. In appropriate circumstances the use of Corporate Credit Cards create savings in staff administration time for transactions such as arranging transport, accommodation, and by eliminating the need for overseas bank drafts for certain purchases.

Corporate Credit Cards should only be used in situations where it is not reasonably possible to go through the Council's normal procedures for the ordering of and/or payment for goods or services.

It should be noted that expenditure on behalf of Council can be easily and quickly reimbursed either through:

- Accounts Payable by completing an EFT/ Cheque request form with reimbursements being made directly to the employee's bank account overnight, or
- Petty Cash, where available.

(i) Issuing of Cards

Applications for issue of a credit card will be determined by the General Manager upon written application. Formal acknowledgement of policy conditions will be required from the cardholder to whom the credit card is issued (Refer Attachment 1).

The Corporate Services Department will be responsible for maintaining a register of the individual Corporate Credit Cards including their associated limits and expiry dates.

Each cardholder will be required to accept the conditions of use accompanying this Policy on receipt of the corporate credit card by acknowledging these policies and procedures (Refer Attachment 1).

(ii) Monthly Limit and Authorisations

Each Corporate Credit Card will have a monthly limit on expenditure. The following table is a guide to the maximum monthly limit that should be used. It is recognised that for some positions a higher limit may be required based on the particular needs of the role. Accordingly, this should be reviewed by the General Manager or Director at the time of approving the issue of a Corporate Credit Card (Refer Attachment 1).

Position	Monthly Limit
Mayor	\$5,000
General Manager	\$5,000
Directors	\$5,000

The credit limit of the individual cards is not to be exceeded. The remaining credit limit can be ascertained at any time by contacting the Commonwealth Bank on 13 2221.

Where a temporary increase on a limit is necessary this can be arranged with the approval of the General Manager or Director of Urban & Corporate Services on 24 hours' notice by contacting the above mentioned staff.

Corporate Credit Card expenditure is to be authorised in accordance with Council's Delegations Register.

(iii) Restrictions

Under no circumstances must TIPS or personal expenditure be charged against the Corporate Credit Card. Alcohol should not be charged against the Corporate Credit Card unless approved by another Council Policy or in advance by the General Manager.

If a card is inadvertently used for personal use the Cardholder should:

- Identify if the Supplier is able to reverse the transaction; or
- Ensure that repayment is made immediately (or as soon as practicably possible), with a copy of the receipt for reimbursement attached to the statement.

Where a Corporate Credit Card is inadvertently used for personal use, authorising officers must not approve the statement, without a reimbursement receipt being attached.

Corporate credit cards should only be used for purchases of fuel for Council vehicles in an emergency. Where possible, staff should use their vehicle's fuel card for normal fuel purchases.

Use of Corporate Credit Cards for purchases over the internet should be restricted to trusted secure sites.

The cardholder will be personally liable for expenditure that cannot be shown to be related to the business of Coonamble Shire Council.

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.

If the Corporate Credit Card is used to purchase software, especially if purchasing through the internet, it is necessary to liaise with Council's I.T. Department to ensure the software is compatible and is capable of effective support and maintenance.

(iv) How Do I Use It?

Corporate Credit Cards are to be used as a normal credit card, with the valid signature or PIN required making any purchase.

No cash advances are available from automatic teller machines or over the counter and BPay facilities are not available.

The card is for official council business only and may not be used for personal items under any circumstances. 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.

All holders of Corporate Credit Cards must refer to and follow the guidelines that are provided with the cards when they are issued.

It is the card holder's responsibility to ensure the card is used only for approved purchases and that this can be clearly demonstrated.

(v) Supporting Documentation Required for Obtaining Supplies



The standard credit card slip is not acceptable to the Australian Tax Office (ATO) as sufficient evidence to claim back the input tax credits relating to GST paid. Additionally, the ATO could hold that 46.5% of the amount paid by credit cards should have been withheld where an ABN is not quoted as Council has not met its obligations under the GST legislation. Given the above it is therefore necessary that a tax invoice be obtained when purchasing taxable supplies by credit card. A tax invoice will need to contain the ABN number of the supplier and either the words GST inclusive or provide detail of the amount of GST charged. Regardless of the method adopted the total of the invoice should include the GST component applicable to the transaction. In certain circumstances the supplier may not be registered for GST. In this case, the invoice must contain the ABN but make no references to the GST. Input credits for the GST will not be claimable on supplies received from those suppliers.

A Tax Invoice is required to be obtained for every purchase you make. This is required as part of the reconciliation of the Corporate Credit Card statement at the end of each month. If a receipt or transaction document is for some reason lost, a statutory declaration must be completed (Attachment 8).

If a transaction is completed by telephone or by mail order, 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:

- Date of issue:
- Name of creditor:
- The Australian Business Number (ABN) of the creditor:
- The quantity and a brief description of what is being supplied:
- The name Coonamble Shire 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.

(vi) Payment of Monthly Account

The outstanding balance of each Corporate Credit Card will be automatically debited to Council's bank account at the end of the month.

(vii) Reconciling Monthly Statements

1. 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.
2. Monthly statements must be reconciled and returned to the Finance Department within fourteen days of corporate credit card statement being issued.
3. When the monthly statement is received, a check is required to ensure all purchases are supported by invoices.
4. Record next to each transaction:
 - The account number the purchase is to be costed to e.g. 210106
 - The reason for the purchase e.g. LGMA Conference – Parking – 5/07/10 – Sydney.
5. Attach tax invoices for all the purchases with GST and normal invoices for purchases without GST.
NB: Tax Invoices are necessary to enable Council to claim back the GST each month.
6. 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. (Refer Attachment 6).
7. Sign and date the monthly Corporate Credit Card statement at completion of the reconciliation.
8. The monthly Corporate Credit Card statement, with all invoices attached, should then be authorised by the appropriate person as described in the Monthly Limit and Authorisations section of this policy.
9. The Corporate Credit Card statement and all attachments are then to be sent to the Finance Manager for processing.
10. After processing, all Corporate Credit Card statements will be kept by the Financial Manager.

(ix) 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 cardholder will be personally liable for expenditure that cannot be shown to be related to the business of Coonamble Shire Council.

The Finance Department is to be notified of all disputed transactions. The cardholder must complete the "Disputed Transactions" form and include it with the monthly reconciliation (Attachment 2).

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 you are unable to correct the situation, contact the Finance Manager. The Finance Department 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.

(x) Terminating or Ceasing Employment

Cards should 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.

(xi) 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 13 2221.

The Finance Department should be contacted immediately and advised by the next business day and the cardholder should then complete a "Lost or Stolen Cards" form (Attachment 3) and forward it to the Finance Department.

A replacement card will be arranged and issued upon receipt from the bank.

(xii) 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 Finance Department one month prior to the expiry date. The Finance Department will then update the register details in regard to the replacement card and issue it to the cardholder.

The cardholder will need to complete a "Replacement Cards" form (Attachment 4) and sign the form on receipt of the new card.

(xiii) Misuse of Cards

If a Corporate Credit Card is misused (i.e. used in a manner otherwise than in accordance with the instructions provided) the cardholder may be liable for disciplinary action. Actions in relation to the misuse of the card include the cancellation of the card, disciplinary action and/ or termination of employment.

Finance has the authority to cancel cards for misuse or repeated failure to meet the timetable for completing monthly reconciliations (after a maximum of 2 reminders) with sign off by the General Manager and notification to the relevant Director.

Attachments

Attachment 1 -Cardholder Approval and Acknowledgement

Attachment 2 -Disputed Transactions

Attachment 3 -Lost or Stolen Cards

Attachment 4 - Replacement Cards

Attachment 5 -Corporate Credit Card Statutory Declaration

Attachment 6 -Fringe benefits Tax (FBT) Entertainment Declaration

Authorisation

This Policy was originally adopted by the Council on 9 July 2008.

It was reviewed and amended 20 January, 2014

Noted & Adopted by Council: 12 February 2014 Min No 0720

Cardholder Approval, Guidelines and Acknowledgement

**CORPORATE CREDIT CARD
CARDHOLDER APPROVAL, GUIDELINES AND ACKNOWLEDGEMENT**

Cardholder's Name:	Position:
Credit Limit (Monthly): \$	
General Manager or Director's Signature: Date:	
ACKNOWLEDGEMENT I acknowledge receipt of the Coonamble Council Corporate Credit Card and agree that: <ol style="list-style-type: none">1. As the cardholder I am responsible for all purchases on my Corporate Credit Card. I will not use the Corporate Credit Card, nor permit it to be used, other than for official Council purposes. 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.2. The Corporate Credit Card will only be used in situations where it is not reasonably possible to go through the Council's normal procedures for the ordering of and/or payment for goods or services. Expenditures which may validly be charged against the Corporate Credit Card include (but are not limited to) such things as travel, accommodation and meal expenses associated with conferences or work related activities of the cardholder, elected members, guests of Council and minor equipment, stationery or business expenses incurred in the course of the employee's duties, or as authorised under any contract of employment.3. If the Corporate Credit Card is lost or stolen, I will immediately report it missing to the Commonwealth Bank on 132 221 and will also inform the Finance Dept (02) 68271900.4. If my position with Coonamble Shire 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. Goods and Services Tax (GST) can be claimed as an input tax credit by Council. For this to happen it is essential that all receipts are "Tax Invoices". I will retain all original supporting documentation that meets the requirements of a Tax Invoice for presentation to the relevant authorising officer. If a receipt or transaction document is for some reason lost, a statutory declaration must be completed.6. Under no circumstances must TIPS or personal expenditure be charged against the Corporate Credit Card.7. Monthly statements will be reconciled and returned to the Finance Department within fourteen days of the statement being issued. The charges must be allocated to the appropriate job number to which the expenditure is to be charged, with an appropriate description of the reason for incurring the charge.8. I will ensure that all Occupational Health & Safety requirements are complied with for all purchases.9. If I misuse the Corporate Credit Card (i.e. use it in a manner otherwise than in accordance with the instructions provided) I may be liable for disciplinary action. Actions in relation to the misuse of the card include the cancellation of the card, disciplinary action and/ or termination of employment. I CERTIFY THAT I HAVE READ AND ACCEPT THE TERMS LISTED ABOVE FOR THE USE OF CORPORATE CREDIT CARDS.	
Card No:	Expiry Date:
Signature of Cardholder:	Date:

ATTACHMENT 3

Corporate Credit Card Replacement Card

CORPORATE CREDIT CARD LOST OR STOLEN CARDS

Note: This notification is on the loss or theft of a Coonamble Chire Council Corporate Credit Card. You are requested to telephone the Commonwealth Bank immediately the loss is discovered. The Finance Department should be advised on the first business day and the following information completed.

DETAILS (Cardholder to complete)	
Corporate Credit Card No:	
Cardholder's Name:	
Details of Loss:	
Commonwealth Bank notified on (Date):	
Finance Department notified on (Date):	
Cardholder's signature:	Date:

FINANCIAL CONTROL (Finance Department to complete)	
Commonwealth Bank notified by:	Date:
Corporate Credit Card Register updated by:	Date:
New Card No:	
Signature:	Date:

Corporate Credit Card Replacement Card

**CORPORATE CREDIT CARD
REPLACEMENT CARDS**

DETAILS (Cardholder to complete)	
Name:	
Old Corporate Credit Card No.	
Reason for replacement:	
Cardholder's signature:	Date:

FINANCIAL CONTROL (Finance Department to complete)	
Commonwealth Bank notified by:	Date:
Corporate Credit Card Register updated by:	Date:
New Card No:	
Signature:	Date:

Corporate Statutory Declaration

CORPORATE CREDIT CARD
STATUTORY DECLARATION

Commonwealth of Australia
STATUTORY DECLARATION
Statutory Declarations Act 1959

1 Insert the name,
address and
occupation of
person making
the declaration

I,¹

make the following declaration under the *Statutory Declarations Act 1959*:

2 Set out matter
declared to in
numbered
paragraphs

2

I understand that a person who intentionally makes a false statement in a statutory declaration is guilty of an offence under section 11 of the *Statutory Declarations Act 1959*, and I believe that the statements in this declaration are true in every particular.

3 Signature of
person making
the declaration

3

4 Place
5 Day
6 Month and year

Declared at ⁴ on ⁵ of ⁶

7 Signature of
person before
whom the
declaration is
made (see over)

Before me,
7

8 Full name,
qualification and
address of person
before whom the
declaration is
made (in printed
letters)

8

Note 1 A person who intentionally makes a false statement in a statutory declaration is guilty of an offence, the punishment for which is imprisonment for a term of 4 years — see section 11 of the *Statutory Declarations Act 1959*.

Note 2 Chapter 2 of the *Criminal Code* applies to all offences against the *Statutory Declarations Act 1959* — see section 5A of the *Statutory Declarations Act 1959*.

Corporate Statutory Declaration**A statutory declaration under the *Statutory Declarations Act 1959* may be made before—**

(1) a person who is currently licensed or registered under a law to practise in one of the following occupations:

Chiropractor		Dentist	Legal practitioner
Medical practitioner	Nurse		Optometrist
Patent attorney	Pharmacist	Physiotherapist	
Psychologist		Trade marks attorney	Veterinary surgeon

(2) a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described); or

(3) a person who is in the following list:

Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public
Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the *Consular Fees Act 1955*)
Bailliff
Bank officer with 5 or more continuous years of service
Building society officer with 5 or more years of continuous service
Chief executive officer of a Commonwealth court
Clerk of a court
Commissioner for Affidavits
Commissioner for Declarations
Credit union officer with 5 or more years of continuous service
Employee of the Australian Trade Commission who is:
 (a) in a country or place outside Australia; and
 (b) authorised under paragraph 3 (d) of the *Consular Fees Act 1955*; and
 (c) exercising his or her function in that place
Employee of the Commonwealth who is:
 (a) in a country or place outside Australia; and
 (b) authorised under paragraph 3 (c) of the *Consular Fees Act 1955*; and
 (c) exercising his or her function in that place
Fellow of the National Tax Accountants' Association
Finance company officer with 5 or more years of continuous service
Holder of a statutory office not specified in another item in this list
Judge of a court
Justice of the Peace
Magistrate
Marriage celebrant registered under Subdivision C of Division 1 of Part IV of the *Marriage Act 1961*
Master of a court
Member of Chartered Secretaries Australia
Member of Engineers Australia, other than at the grade of student
Member of the Association of Taxation and Management Accountants
Member of the Australasian Institute of Mining and Metallurgy
Member of the Australian Defence Force who is:
 (a) an officer; or
 (b) a non-commissioned officer within the meaning of the *Defence Force Discipline Act 1982* with 5 or more years of continuous service; or
 (c) a warrant officer within the meaning of that Act
Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants
Member of:
 (a) the Parliament of the Commonwealth; or
 (b) the Parliament of a State; or
 (c) a Territory legislature; or
 (d) a local government authority of a State or Territory
Minister of religion registered under Subdivision A of Division 1 of Part IV of the *Marriage Act 1961*
Notary public
Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public
Permanent employee of:
 (a) the Commonwealth or a Commonwealth authority; or
 (b) a State or Territory or a State or Territory authority; or
 (c) a local government authority;
 with 5 or more years of continuous service who is not specified in another item in this list
Person before whom a statutory declaration may be made under the law of the State or Territory in which the declaration is made
Police officer
Registrar, or Deputy Registrar, of a court
Senior Executive Service employee of:
 (a) the Commonwealth or a Commonwealth authority; or
 (b) a State or Territory or a State or Territory authority
Sheriff or Sheriff's officer, Teacher employed on a full-time basis at a school or tertiary education institution