

1.4 Credit Card Policy



Council Resolution:	23/10/2012/019
Date to take effect:	21/04/2021
Legislative reference:	Regulation 6(1)(f) of the <i>Local Government Regulations 2021</i>
Review Date:	April 2025

1. Purpose

To ensure that effective controls, policies and procedures are in place with respect to the use of corporate credit cards (credit cards) by council staff members.

2. Principles

Council is committed to sound financial management, public accountability and transparency.

Credit cards are a valuable tool for the efficient and effective operation of Council's daily business and not a benefit assigned to specific individuals.

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

Council will apply best practice in relation to the management, authorisation and use of credit cards.

3. Application of policy

3.1 Issue of credit card

Before a credit card is issued, the recipient must agree to, and sign, the conditions of use at **Appendix 1**.

Council will approve the issue of a credit card to the CEO in writing. The approval will include a monthly credit limit of \$4,000 and a maximum limit for single transactions of \$4,000.

The CEO will approve the issue of a credit card to a council staff member in writing. The approval will include a monthly credit limit of \$1,000 and a maximum limit for single transactions of \$1,000.

The credit card is to have no cash advance facilities. The credit card is not to be linked to any form of award points. The CEO may limit the purposes for which the credit card may be used.

Once approval is given, the CEO will organise issue of the credit card.

The Finance Manager will maintain a register of credit cards issued to council staff members, including details of the approval, the cardholder, the institution, expenditure limits and expiry date.

3.2 Use of credit card

It is the responsibility of the cardholder to ensure that limits are not exceeded.

Personal expenditure is not to be charged to a credit card under any circumstances. The cardholder is not to gain any personal benefits from being the holder of the card.

Any expenditure using the credit card must comply with legislative requirements, Council's procurement policy, delegations and directions.

Cardholders are responsible for the safe custody and security of the Card and are liable for any misuse and associated costs.

The cardholder is not to allow others to use the credit card and must not disclose the personal identification number (PIN) or access codes to any person.

Each council staff member and the CEO's credit card is to be reconciled monthly and that reconciliation is to be reviewed and subsequently authorised by the Finance Manager.

The cardholder must ensure that all required documentation specified below is kept in relation to every use of the credit card.

The cardholder must keep up to date with monthly reconciliations.

The cardholder will be personally liable for purchases that are not authorised and / or cannot be shown to be related to the business of the Council.

No personal expenditure is to be made on the card.

3.3 Required supporting documentation

Supporting documentation must be obtained by the cardholder for every expenditure when using the credit card. For all transactions above \$82.50 (including GST), there must be a tax invoice that includes:

- (a) the Supplier's name;
- (b) the Supplier's Australian Business Number (ABN);
- (c) the date of the expenditure;
- (d) the Council's name as the purchaser; and
- (e) a brief description of the supplies purchased.

The standard machine receipt, which does not contain all of these details, is not acceptable, as the tax invoice must contain the criteria above in order for the Council to reclaim GST (see example at **Appendix 2**).

3.4 Supporting documentation not available or lost

If the supporting documentation is for some reason lost or destroyed, a statutory declaration must be completed by the cardholder giving full details of the transaction and explaining why the documentation is not available.

A statutory declaration form can be found at <https://nt.gov.au/law/processes/statutory-declarations>

Credit card reconciliations must not be approved without appropriate supporting documentation or an appropriate statutory declaration.

Where supporting documentation for credit card purchase cannot be provided, the Finance Manager must not authorise the monthly credit card reconciliation without a statutory declaration being attached.

If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep tax invoices must be brought to the attention of the CEO who will consider whether it is appropriate for the person to continue being a cardholder and whether any other action should be taken.

3.5 Credit card reconciliations

Each cardholder will be required to approve their purchase transactions for each month.

It is the responsibility of the cardholder to match their supporting documentation to the monthly purchases and return all documentation to the Finance Manager within 7 days of purchase.

The reconciliation must include information for each transaction, including transactions of \$82.50 (including GST) or less.

The Finance Manager approves reconciliations of credit cards held by the CEO and other council staff members.

Repeated failure to meet the required timeframe must be brought to the attention of CEO, who will consider whether it is appropriate for the person to continue being a cardholder and whether any other action should be taken.

The Finance Manager is to notify the CEO as soon as possible if there is a disputed card transaction in relation to a credit card transaction.

Where a council staff member's credit card has been inadvertently used for personal use, the Finance Manager must not approve the monthly credit card reconciliation unless the amount has been repaid to the council and a receipt is attached.

3.6 Credit card cancellation and replacement

If a credit card is lost or stolen, the cardholder must immediately contact the issuing institution to report the loss and cancel the card. If the cardholder is a council staff member, the matter must be reported as soon as possible to the Finance Manager.

In the above circumstances, the Finance Manager will ensure that the credit card has been cancelled, arrange a replacement card (if appropriate) and update the credit card register.

3.7 Return of credit card

The cardholder is to return the credit card to the Council as soon as the card is no longer required or, if leaving the Council, on or before the last day with Council.

The Finance Manager is to ensure that all returned credit cards are cancelled, destroyed and that the register is updated.

Appendix 1 – Corporate Credit Cardholder Agreement

Cardholder's name:	
Credit limit (monthly): \$	
Transaction amount limit: \$	
<p>ACKNOWLEDGEMENT</p> <p>I have read the attached policy; acknowledge receipt of the Council Corporate Credit Card (Credit Card) and I agree that I will strictly comply with the policy. In particular I note that:</p> <ol style="list-style-type: none"> 1. As the Cardholder I am responsible for all purchases on the Credit Card. I will not use the Credit Card, nor permit it to be used, other than for official Council purposes. I will ensure security of the Credit Card at all times and will not permit the Credit Card to be used by any other person. 2. The Credit Card may only be used in situations where it is not reasonably possible to use Council's normal procedures to pay for transactions. 3. I will ensure that personal expenditure is not charged to the Credit Card. 4. I will be personally liable for expenditure that is not authorised and / or cannot be shown to be related to the business of the Council. 5. I will retain all original supporting documentation and ensure that the documentation meets the requirements specified at clause 3.3 in the attached policy. 6. Monthly statements will be reconciled and returned with the required documentation within 7 days of purchase. 7. If the Credit Card is lost or stolen, I will immediately take the steps set out at clause 3.6 in the attached policy. 	
Credit Card number:	Credit Card expiry date:
Signature of Cardholder:	Signature date:

Appendix 2 – Example tax invoice

1	Tax invoice														
2	Windows to Fit Pty Ltd ABN: 32 123 456 789 3														
	15 Burshag Road Festler NSW 2755														
4	Date: 1 August 2018														
	To: Building Company 254 Burshag Road Festler NSW 2755														
	<table border="1"> <thead> <tr> <th>Description of supply</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Window frames 5</td> <td>\$825</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>TOTAL PRICE INCLUDING GST</td> <td>\$825 6 + 7</td> </tr> </tbody> </table>	Description of supply	Total	Window frames 5	\$825									TOTAL PRICE INCLUDING GST	\$825 6 + 7
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1. The invoice is to make clear that GST is applicable to the supply – i.e. that it is a tax invoice;
2. Include the Supplier's name;
3. The Supplier's ABN;
4. The date the invoice was issued;
5. A brief description of the supply purchased, including the quantity (if applicable) and the price;
6. The GST amount payable either shown separately; or
7. If GST is included in the price then the tax invoice is to include a statement to make this clear – e.g. 'total price includes GST'.

DOCUMENT HISTORY		
1.4 Credit Card Policy		
Date Adopted:	24 October 2012	23/10/2012/019
Amended:	10 February 2016	10/02/2016/010
Amended:	20 April 2021	2021/04/20/011