



Credit Cards Policy

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| Reference Number: | 3.7 |
| Type: | Council |
| Category: | Corporate Services |
| Relevant Community Plan Outcome: | <ul style="list-style-type: none">• Be bold and innovative in our practices, leadership and decision making.• Adaptive and sustainable management of the City's finances. |
| Responsible Officer(s): | Manager Financial Services |
| First Issued/Approved: | July 1996 |
| Minutes Reference: | CoS 07/08/2023, Item 4.29 |
| Last Reviewed: | August 2023 |
| Next Review Due: | August 2024 |
| Applicable Legislation: | Local Government Act 1999 Local Government (Financial Management) Regulations 2011 |
| Related Policies: | Hospitality, Gift and Employee Expenses Policy Recognition of Service Policy Employee Code of Conduct Policy Procurement Policy |
| Related Procedures: | Corporate Credit Card Procedure Corporate card conditions of use |

1. Purpose

To provide clear direction regarding expenditure usage of Council's corporate credit cards. It is acknowledged that any legislative requirement which affects Council will take precedence over Council policies and procedures.

2. Scope

This policy applies to all Council employees who are assigned a Corporate Credit card and their Supervisors and/or Authorisers.

3. Policy Statement

Council will operate a Corporate Credit card system which permits an appropriate level of cards to be issued to operational staff throughout the organisation. The number of cards issued by Council will be reviewed regularly to ensure that the number of valid cards is appropriate for operational requirements.

Corporate Credit cards are only provided to a limited number of employees within Council. An employee who applies for a Corporate Credit card must be able to clearly demonstrate the need for a card. A Corporate Credit card can only be issued with approval of the responsible General Manager. Where cards have not been used for at least 12 months they may be withdrawn.

The Corporate Credit card recipient must comply with the Corporate Credit Card Conditions of Use Agreement that is acknowledged prior to application. This document details limits on usage and conditions relating to substantiation required to support credit card transactions.

The monthly expenditure limit for Corporate Credit card use is up to a maximum of \$3,000 per month GST inclusive as approved by the relevant General Manager. Any changes to the monthly expenditure limit approved for the cardholder up to \$3,000 can be approved by the General Manager. Only the Chief Executive is authorised to approve a higher monthly expenditure limit greater than \$3,000 for an individual officer to address their specific operational requirements whether it be one off or a recurring annual/quarterly expenditure.

Maximum single transaction limits (value) are based on operational requirements and are defined in accordance with the Corporate Credit Card Conditions of Use Agreement, Corporate Credit Card Procedure and financial delegations.

To support the cost effective use of credit cards where the business use dictates a higher monthly expenditure limit relevant staff may be given a temporary increase in the maximum single transaction limit

Staff and Supervisors who are either cardholders or authorisers and who fail to comply with the Corporate Credit Card Policy, Procedures or Conditions of Use Agreement may either have the card(s) withdrawn and/or be subject to disciplinary action under the Staff Code of Conduct Policy

4. Principles

Corporate Credit cardholders must have regard to the following principles when using their Corporate Credit Cards:

- a. the business purpose of the expenditure was clearly justified at the time with the expenditure necessary for the Council to carry out its functions and to realise its community, corporate plan objectives;
- b. the transaction was compliant with relevant Council policies and within financial delegations;
- c. the transaction is reasonable for the circumstances and publicly defensible;
- d. the transaction record is properly documented and explains the nature of the expense.

5. Responsibilities of cardholders and authorisers

A cardholder has a responsibility for ensuring their usage of their credit card complies with all relevant policies, the cardholder conditions of use and must have sufficient financial delegation.

When using the credit card, the cardholder must ensure the transaction substantiation and narration clearly identifies the purpose of the transaction having regard to the corporate credit card principles.

A complying tax invoice is required as substantiation for all transactions greater than \$82.50. Where the amount is less than \$82.50 cardholders are still required to provide substantiation in the form of receipts except for carparking where the credit card statement will be considered appropriate evidence.

Approvers of credit card transaction must have appropriate financial delegation.

Approvers must ensure the transaction substantiation and narration has sufficient information for them to have confidence the transaction is appropriate and meets the principles of transparency and accountability before they approve the transaction, having regard to the credit card principles.

In particular, where the transaction is considered “sensitive type expenditure” the cardholder and authoriser must be aware of the perception of the community and higher levels of scrutiny regarding an acceptable business purpose. Compliance with the Hospitality, Gifts, Employee expenses will be strictly enforced. Where a degree of judgment is required under these policies there must be authorisation by the relevant GM and/or CEO with reasons, having regard to the credit card principles.

In the interests of transparency all credit card transactions will be posted monthly on council’s website, and a statement of the total amount of expenditure incurred using credit cards provided by the council for use by members or employees of the council during the relevant financial year will be included in the Annual Report.

6. Definitions

| Key Term – Acronym | Definition |
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| Cardholder | is a Council employee who has a Corporate Credit card. |
| Card Provider | is the bank or financial institution that supplies the Corporate Credit Card. |
| Monthly Expenditure Limit | is maximum aggregated value of expenditure that a Cardholder may purchase with their Corporate Purchase Card in a calendar month. |
| Single Transaction Limit | is the maximum value that the cardholder may spend in a single use of a Corporate Purchase Card |
| Authoriser | is the Council supervisor responsible for reviewing and approving expenditure of the cardholder and ensuring it meets the principles of the Credit Cards Policy. |
| Sensitive type expenditure | is expenditure involving alcohol, gifts and benefits, hospitality, reward and recognition as defined within the Hospitality, Gift and Employee Expenses Policy. |