

# LIVERPOOL PLAINS SHIRE COUNCIL

## POLICY REGISTER

Policy No. 1.61

**POLICY TITLE:** CORPORATE CREDIT CARDS

**File Reference No:** 13.6.1  
**Date Adopted:** 26<sup>th</sup> February 2014  
**Minute No:** 719  
**Last Updated:** New Policy

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### **OBJECTIVE**

The purpose of this policy is to control the use of credit cards within Council and ensure sound governance of expenditure incurred on behalf of Council.

**POLICY STATEMENT**

Whilst the use of credit cards is not a legislated matter the incurring of expenditure on behalf of Council is controlled by legislation and Council policy and must be undertaken ensuring consistency with the following principles:

1. Expenditure paid for using corporate credit cards shall be incurred in the exercise of Council business.
2. All expenditure incurred on corporate credit cards shall be authorised by the General Manager.
3. Ensure the principles of good governance, financial accountability and transparency, and sound procurement processes as outlined by Council policy.

**1. Limitations**

Corporate credit cards shall only be used as follows:

- For the carrying out of Council authorised business including reasonable travel, accommodation and meal expenses.
- For the meeting of Council liabilities where it is efficient to do so on condition of issuing a purchase order or other document as required by Council's relevant procurement policy.
- No private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure.
- The corporate credit card cannot be used to obtain cash advances.

**2. Transaction Types**

Transactions shall be incurred on the following basis, without exception:

- No private expenditure shall be incurred.
- EFTPOS transactions shall be allowed on condition that they are signed only, and a receipt and taxation compliant invoice is received for record purposes.
- Telephone transactions shall be allowed however a receipt and taxation compliant invoice must be sought and retained for record purposes.
- Internet transactions shall be allowed however a receipt and taxation compliant invoice must be sought and retained for record purposes.

**3. Credit Limit**

Credit limits of up to \$5,000 applied to each corporate credit card shall be managed, and any changes authorised, by the General Manager in all cases.

**4. Approval of Corporate Credit Card Expenditure**

- All expenditure incurred on corporate credit cards shall be supported by a taxation compliant invoice.
- All officers and members issued with a corporate credit card shall provide, and be responsible for, the production of supporting documentation.

- All expenditure incurred on corporate credit cards shall be reviewed and authorised monthly by the General Manager.
- Expenditure incurred on a corporate credit card that is not supported by documentation and budgetary allocations may result in the expenditure having to be repaid to Council.

## **5. Issue of Corporate Credit Cards**

Corporate credit cards shall be signed for, using the form at Appendix 1, by the holder and the General Manager (or for the General Manager's card, the Director of Corporate Services) and kept in Council's records system, upon the issuing or reissuing of a card.

Cards will be issued to the:

- Mayor
- General Manager
- Directors
- Managers where necessary and approved by the General Manager

No other cards will be issued to other staff or members unless approved by Council.

## **6. Management of Cards**

All cards issued shall:

- Be signed on the reverse side of the card upon receipt; prior cards destroyed by cutting the card and returning it to the Director Corporate Services.
- Not be used for any use other than that outlined in this document.
- Be the responsibility of each person issued with a card, including the security of the card
- If a card is lost it shall be reported immediately to the National Australia Bank (1800 033 103) by the holder and cancelled. The loss shall also be reported to the Director Corporate Services or General Manager.
- Not be permitted to be used by any person other than the card holder unless an order is issued prior to any purchase and signed by the card holder.

## **7. Cessation of Employment**

It is the responsibility of the departing employees to ensure that his/her account is settled prior to departure. Accounts in arrears will be liable for legal action. Prior to departure or termination of duties, the cardholder must acquit all expenditures on his/her Card account. The card must be surrendered upon termination of employment to the Director Corporate Services.

## **8. Monthly Statements**

The National Australia Bank issues statements on a monthly basis. Corporate Credit Card expenditures must be reconciled monthly and all card holders should have reconciled their documentation within 7 days of the date of the Statement being handed to them and submitted it to the Finance Officer for processing and payment.

Cardholders who do not acquit their monthly expenditures by month end will be sent a reminder of their obligations under this Policy. Continued or repeated non-conformance to this Policy will result in cancellation of the Card and such other actions as appropriate.

If Card expenditures are not reconciled or acquitted within two months of the normal month end reconciliation date and a plausible explanation has not been received by the General Manager, the Corporate Credit Card will be cancelled and the Cardholder invoiced for the amount. Note that further disciplinary action may also be taken against the Cardholder.

## **9. Compliance with Policy**

Persons issued with a Corporate Credit Card are in a position of trust in regard to use of public funds. Improper or unauthorised use of the Card may result in the Cardholder being held liable for expenditures, legal/disciplinary action being brought against the Cardholder, termination of Card-use and/or termination from the Council.

Council's Internal and External auditors may audit corporate credit card transactions on a yearly basis, together with random audits throughout the year as deemed appropriate.

**Acceptance of Corporate Credit Card**

I acknowledge receipt of one (1) National Australia Bank Corporate Credit Card, and that I have read and understood the Liverpool Plains Shire Council's Policy document relating to the use of Corporate Credit Cards.

**NAME.....**

**DATE.....**

**SIGNATURE.....**

**NAME OF ISSUING OFFICER.....**

**TITLE OF ISSUING OFFICER.....**

**SIGNATURE OF ISSUING OFFICER.....**