

CORPORATE CREDIT CARD POLICY



City of Ryde

Effective Date
1 March 2009

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1. POLICY STATEMENT

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

2. PRINCIPLES

- Ensure transparency in Council's operations concerning the use of Corporate Credit Cards
- Ensure Council's resources are managed with integrity and diligence.

3. OBJECTIVES

- Fulfill all statutory requirements of the Local Government Act with respect to the use of Corporate Credit Cards.
- To adopt best practice in developing a clear and comprehensive policy on the use of Corporate Credit Cards

4. STRATEGIES

Purpose of Corporate Credit Cards

Corporate credit cards have been implemented to allow the Council to transact its business in a more efficient manner and at the same time provide Council Officers with a more 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. The use of corporate credit cards will create savings in staff administration time in matters such as arranging transport, accommodation and registration for attendance at conferences and by eliminating the need for overseas bank drafts for certain purchases. It will also reduce the high number of creditor creations that are required for one-off purchases.

It is intended to save time and paperwork in making purchases while still maintaining control of purchases through the monthly reconciliation process as well as reducing the need for Council staff to use their private credit card to conduct Council business.

Staff members are not to use their private credit card to conduct Council business over the amount of \$100 in any one transaction.

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Issuing of Cards

The General Manager has delegated authority to authorise the issuing of corporate credit cards to staff.

The Chief Financial Officer will be responsible for maintaining a register of the individual corporate credit cards including their associated limits and expiry dates.

Before anyone can become a cardholder it will be necessary for that person to provide adequate proof of identity to satisfy the Bank's requirements of at least 100 identification points. Details of documents that can be used for identification are available from the Chief Financial Officer.

Westpac Bank requires that a "Corporate Credit Card New Cardholder Details" form is completed and applicants will be provided with this form by the Chief Financial Officer.

The Chief Financial Officer will be responsible for obtaining approval of the General Manager for the issue of a card and this will be recorded on a "Cardholder Approval and Acknowledgement" form. Each cardholder will be required to sign this form on receipt of the corporate credit card and acknowledge these policies and procedures.

Monthly Limit and Authorisations

Each corporate credit card will have a monthly limit on expenditure and the expenditure is to be authorised by the person as indicated in the following table.

| | <i>Monthly Limit</i> | <i>Expenditure Authorisation</i> |
|----------------------------------|--------------------------|--------------------------------------|
| General Manager | \$10,000 | Internal Auditor |
| Group Manager Corporate Services | \$10,000 | General Manager |
| Chief Financial Officer | \$10,000 | Group Manager |
| Corporate Planning Coordinator | \$10,000 | General Manager |

Restrictions

Corporate credit cards are not to be used for personal expenses under any circumstances.

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

Use of the corporate credit cards for purchases over the internet should be restricted to trusted secure sites.

The cardholder will be personally liable for expenditure that can not be shown to be related to the business of City of Ryde.

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How Do I Use It?

Corporate credit cards are to be used as a normal credit card, with the valid signature required to make 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.

A Tax Invoice is required to be obtained for every purchase you make. This is required in reconciliations of the Corporate Credit Card statement at the end of each month.

If a transaction is done 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:

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

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 IT Unit to ensure the software is compatible and is capable of effective support and maintenance.

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 Westpac Bank Hotline on 1300 651 089.

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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.

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 Unit within seven days of receiving the statement.
3. When the monthly statement is received, a check is required to ensure all purchases that are supported by invoices retained.
4. Record next to each transaction:
 - The reason for the purchase e.g.
LGMA Conference – accommodation deposit – 5/1/09 – Canberra.
 - The account number the purchase is to be costed to.
5. Attach tax invoices for all the purchases with GST and normal invoices for purchases without GST.

PLEASE NOTE:

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.
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 Financial Accounting Section of the Finance Unit.
10. After processing, all corporate credit card statements will be kept by the Financial Accounting Team.

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11. The Internal Auditor will include as part of the annual work plan, a periodical review of the supporting documentation in respect of the monthly corporate credit card statement.

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 the City of Ryde.

The Financial Services Unit is to be notified of all disputed transactions. The cardholder must complete the "Disputed Transactions" form and include it with the monthly reconciliation.

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 unable to correct the situation, contact the Financial Accounting Section of the Financial Services Unit. The Finance Unit 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.

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.

Reporting Lost or Stolen Cards

If a card is lost or stolen it is the cardholder's responsibility to immediately telephone Westpac Bank to report the loss.

Westpac Bank can be contacted 24 hours a day, 7 days a week on 1300 651 089.

The Chief Financial Officer should be contacted immediately and advised by the next business day and the cardholder should then complete a "Lost or Stolen Cards" form and forward it to the Finance Unit.

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

Replacement Cards

The card is valid for the period shown on the face of the card and Westpac Bank will automatically reissue replacement cards to the Finance Unit one

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month prior to the expiry date. The Finance Unit 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 and sign the form on receipt of the new card.

Attachments

- Attachment 1 Cardholder Approval and Acknowledgement
- Attachment 2 Disputed Transactions
- Attachment 3 Lost or Stolen Cards
- Attachment 4 Replacement Cards

11. IMPLEMENTATION

The Chief Financial Officer is responsible for the implementation of this policy.

12. EVALUATION AND REVIEW

The policy will be evaluated and reviewed every year from date of adoption.

13. RESOURCE IMPLICATIONS

Minimal impact as procedures already in place and operating.

14. AUTHORISATION

This policy was adopted by the Finance & Audit Committee on 24 February 2009.

15. OWNERSHIP

The Chief Financial Officer, Corporate Services is responsible for implementing and reviewing the policy.

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ATTACHMENT 1

**CORPORATE CREDIT CARD
CARDHOLDER APPROVAL AND ACKNOWLEDGEMENT**

| | |
|---|-------|
| APPROVAL | |
| Cardholder's Name: | |
| Position: | |
| Credit Limit (Monthly): \$ | |
| General Manager or Group Manager Corporate Services Signature: | Date: |

| | |
|---|---|
| ACKNOWLEDGEMENT | |
| I acknowledge receipt of the City of Ryde Corporate Credit Card and agree that: | |
| 1. | <i>I will not use the Corporate Credit Card, nor permit it to be used, other than for official Council purposes.</i> |
| 2. | <i>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.</i> |
| 3. | <i>If the Corporate Credit Card is lost or stolen, I will immediately report it missing to Westpac Bank and will also inform the Chief Financial Officer.</i> |
| 4. | <i>If my position with City of Ryde changes or my employment terminates, or I am asked to surrender the card for any other reason, I will immediately return the card.</i> |
| 5. | <i>I will retain all original supporting documentation that meets the requirements of a Tax Invoice for presentation to the relevant authorising officer.</i> |
| 6. | <i>I will ensure that all Occupational Health & Safety requirements are complied with for all purchases.</i> |
| 7. | <i>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.</i> |

| | |
|--------------------------|--------------|
| Card No: | Expiry Date: |
| Signature of Cardholder: | Date: |
| Witness Name (Print): | Signature: |

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ATTACHMENT 3

CORPORATE CREDIT CARD

LOST OR STOLEN CARDS

Note: This notification is on the loss or theft of a City of Ryde Corporate Credit Card. You are requested to telephone Westpac Bank immediately the loss is discovered. The Chief Financial Officer 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: | |
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| Westpac Bank notified on (Date): | |
| Chief Financial Officer notified on (Date): | |
| Cardholder's signature: | Date: |

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| FINANCIAL CONTROL (Chief Financial Officer to complete) | |
| Westpac Bank notified: | |
| Corporate Credit Card Register updated: | |
| New Card No: | |
| Date received: | Signature: |

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ATTACHMENT 4

**CORPORATE CREDIT CARD
REPLACEMENT CARDS**

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

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|--|------------|
| FINANCIAL CONTROL (Chief Financial Officer to complete) | |
| Westpac Bank notified: | |
| Corporate Credit Card Register updated: | |
| New Card No: | |
| Date received: | Signature: |