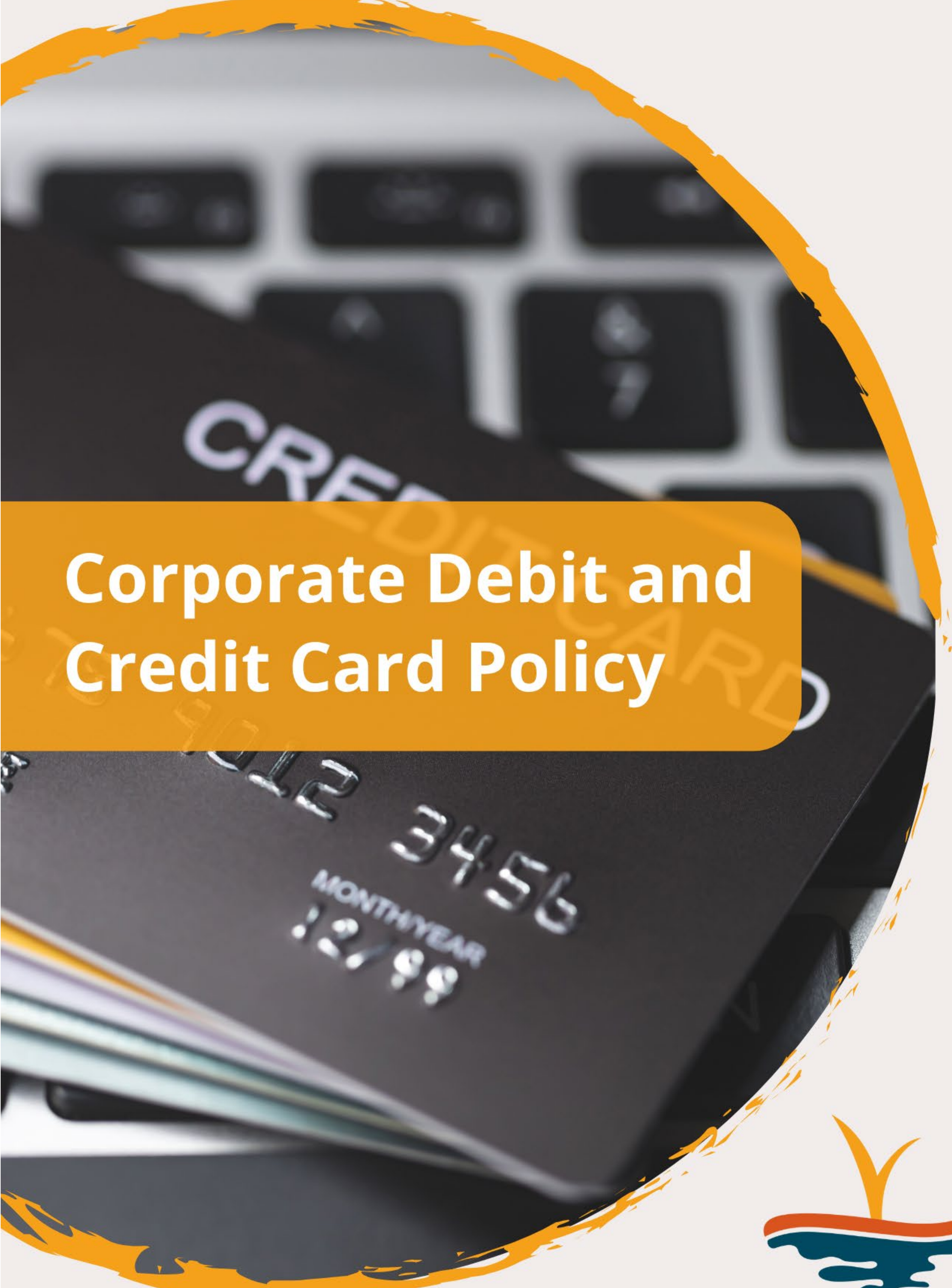


# Corporate Debit and Credit Card Policy

Yarriambiack
SHIRE COUNCIL

# Corporate Debit and Credit Card Policy

*Yarriambiack Shire Council encourages a working environment which promotes gender equality and models non-violent and respectful relationships.*

## Contents

## 1 Objective

The purpose of the policy is to ensure:

a) Effective controls, policies and procedures are in place with respect to the use of corporate debit and credit cards.

b) Transparency in Council's operations concerning the use of corporate debit and credit cards.

c) Council's resources are managed with integrity and diligence.

The objectives of this policy are to:

a) Fulfil all statutory requirements of the *Local Government Act 2020* and supporting regulations with respect to the use of corporate debit and credit cards.

b) To adopt best practice principles in developing a clear and comprehensive policy on the use of corporate debit and credit cards.

## 2 Responsibility

This policy applies to all Councillors, employees, contractors, volunteers, and anyone undertaking business with or on behalf of Yarriambiack Shire Council.

Council is responsible for the good governance of the municipality, the protection of public money and assets, and Council's reputation. Additionally, Council is responsible for setting the highest standards of honesty and integrity in the provision of services to the community and the management of the organisation.

Fraud prevention rests with all levels of management, and all employees have the responsibility to report suspected fraud. Any employee who suspects fraudulent activity must immediately notify their Manager/Supervisor, or the Chief Executive Officer.

## 3 Policy Statement and Scope

### 3.1 Purpose of Corporate Debit and Credit Cards

Corporate debit and 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 debit and 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 debit and credit cards will create savings in staff administration time in matters such as software purchasing, arranging transport, accommodation and registration for attendance at conferences. It will also reduce the number of creditor creations that are required for one-off purchases.

The use of corporate debit and credit cards 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.

### 3.2 Issuing of Cards

The Chief Executive Officer has delegated authority to authorise the issuing of corporate credit and debit cards to staff.

Annexure A of the Procurement Policy serves as the register for individual corporate and debit cards. The Procurement Policy is overseen by the Chief Financial Officer (Principal Accounting Officer).

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

The Bank requires that a 'Visa Corporate Card Cardholder Request' 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 Chief Executive Officer 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 debit or credit card and acknowledge the applicable policies and procedures.

### 3.3 Monthly Limit and Authorisations

Each corporate debit and 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:

| Type of Card | Authorised Position | Monthly Limit | Restrictions |
|---|---|---|---|
| Credit Card | Payroll / Accounts Payable Officer | $2,500 | Yarriambiack Shire Council official business only. |
| Debit Card | Chief Executive Officer | $5,000 | Software subscriptions only. |

The credit limit of the individual cards is not to be exceeded.

### 3.4 Entitlement to Credit Card

The Mayor and Chief Executive Officer positions are entitled to a credit card. At this point in time, only the Chief Executive Officer has been issued with a debit card.

### 3.5 Restrictions on Use

Corporate debit and credit cards are not to be used for personal expenses under any circumstances and are to be utilised for Council official business only.

Corporate debit and credit cards are not to be used for purchases of fuel for Council vehicles. Staff should use their vehicle's fuel card for fuel purchases.

Use of the corporate debit or credit cards for purchases over the internet should be restricted to trusted secure sites (sites with padlocks).

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

The corporate debit card has been established to purchase subscription software only. This card cannot be utilised for any other purposes.

The corporate credit card is to be utilised only on occasions when it is a once off purchase, when the business will not accept purchase orders or when it is a last minute booking for accommodation. Credit and debit card purchasing is Council's least preferred option to procure goods, services and works.

The corporate debit and credit card cannot be utilised for cash advances made from automatic teller machines, or over the counter teller services. The cards are also not to be utilised for BPay purchases.

The cards are not to be 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 debit or credit cards.

Credit and debit cards can only be utilised by designated cardholders where there is a completed Credit Card and Debit Card Purchase Request Form accompanying the transaction.

### 3.6 How to Use a Corporate Debit and Credit Card

The Credit Card and Debit Card Purchase Request Form must be completed and approved prior to utilising the corporate debit or credit cards.

The Form along with the supporting tax invoice must accompany the monthly debit and credit card reconciliations.

A tax invoice is required to be obtained for every purchase that is made on the corporate debit or credit card.

If a transaction is done by telephone or in rare instances 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.

The tax invoices must contain the following components 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 Yarriambiack 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.

Use of a corporate debit and credit card will require the user to abide by Council's purchasing policies including purchasing from Council's preferred suppliers wherever possible.

### 3.7 Payment of Monthly Account

The outstanding balance of each corporate debit and credit card will be automatically debited to Council's bank account at the end of the month.

### 3.8 Reconciling Monthly Statements

a) 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.

b) Monthly statements must be reconciled and returned to the Corporate Services Department within seven days of receiving the statement. The statements must be signed and dated by the assigned Council Officer.

c) When the monthly statements are received by the Corporate Services Department, each transaction listed in the Xero Account Management System is reconciled to the monthly statements and is supported by a compliant tax invoice and, where applicable, a Credit Card and Debit Card Purchase Request Form. The monthly reconciliation report generated from Xero is then sent to the cardholder and a second approver for signed approval. The second approver for:

   (i) Credit Card issued to Payroll and Accounts Payable Officer is the Chief Financial Officer.

   (ii) Debit Card issued to Chief Executive Officer is the Mayor.

d) The signed reconciliation report is saved in SharePoint (Council's records management system) with all supporting documentation.

e) For Fringe Benefits Tax (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.

f) The Internal and/or External Auditor will include as part of their annual work plan, a periodical review of the supporting documentation in respect of the monthly corporate debit and credit card statements.

### 3.9 Overseas Transactions

Overseas transactions are permitted on the condition that currency conversion is considered on the purchase and the Credit Card and Debit Card Purchase Request Form and tax invoice reflects Australian currency and meets Australian taxation law requirements.

### 3.10 Disputed Purchases

Council is responsible for paying all accounts on the monthly corporate debit and 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 Yarriambiack Shire Council.

The Corporate Services Department is to be notified of all disputed transactions.

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 Corporate Services Department who 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.

### 3.11 Terminating or Ceasing Employment

Cards must be returned to the Chief Financial Officer as soon as no longer required to be destroyed. If leaving the services of Council, cards must be returned, no later than the last day of employment.

### 3.12 Reporting Lost or Stolen Cards

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

The Chief Financial Officer should be contacted immediately and advised by the next business day. The cardholder should then complete a Lost or Stolen Corporate Card Form and forward it to the Corporate Services Department.

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

### 3.13 Replacement Cards

The card is valid for the period shown on the face of the card and the Bank will automatically reissue replacement cards to the Corporate Services Department one month prior to the expiry date. The Corporate Services Department will then update the register details in regard to the replacement card and issue it to the cardholder.

### 3.14 Consequences of Misuse

The consequences of misuse will be addressed in accordance with the Human Resources Policy and Guidelines Manual:

- Guideline – Managing and Investigating Misconduct and
- Guideline – Disciplinary and Corrective Action.

## 4 References

a) Public Interest Disclosure Policy and Procedures

b) Procurement Policy

c) Procurement Management Manual

d) Finance and Payroll Management Manual

e) Council Expense Policy

f) Fraud and Corruption Prevention Policy

g) Employee Code of Conduct

h) Human Resources Policy and Guidelines Manual

i) Lost or Stolen Corporate Card Form

j) Credit and Debit Card Purchase Request Form

## 5 Consistency with Governance Principles Local Government Act 2020

| Governance Principle | Section of policy where covered |
|---|---|
| a) Council decisions are to be made and actions taken in accordance with the relevant law; | Section 7 – Legislative Context. |
| b) priority is to be given to achieving the best outcomes for the municipal community, including future generations; | Section 1 - Objective |
| c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted; | Section 2 – Responsibility and Section 3 – Policy Scope |
| d) the municipal community is to be engaged in strategic planning and strategic decision making; | Section 4 – References, in regard to Council Plan Strategic Objective 4: A Council Who Services Its Community, and Section 7 – Legislative Context. |
| e) innovation and continuous improvement is to be pursued; | This policy undertakes a Policy Review process in accordance with Section 6 every three year. |
| f) collaboration with other Councils and Governments and statutory bodies is to be sought; | Not applicable for this policy. |
| g) the ongoing financial viability of the Council is to be ensured; | Section 7 – Legislative Context.<br>Council has a credit and debit card, with lower limits, to ensure business continuity, and to enable Council to achieve value for money. |
| h) regional, state and national plans and policies are to be taken into account | Not applicable for this policy. |

| Governance Principle | Section of policy where covered |
|---|---|
| in strategic planning and decision making; | |
| i) the transparency of Council decisions, actions and information is to be ensured. | This overarching policy outlines the objective and scope of the use of Corporate Debit and Credit Cards. |

In giving effect to the overarching governance principles, a Council must take into account the following supporting principles—

| | |
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| **Community Engagement Principles** | • A community engagement process must have a clearly defined objective and scope.<br>• Participants in community engagement must have access to objective, relevant and timely information to inform their participation.<br>• Participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement.<br>• Participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement.<br>• Participants in community engagement are informed of the ways in which the community engagement process will influence Council decision making. |
| **Comment:** | Not applicable. |
| **Public Transparency Principles** | • Council decision making processes must be transparent except when the Council is dealing with information that is confidential by virtue of this Act or any other Act.<br>• Council information must be publicly available unless—<br>(i) the information is confidential by virtue of this Act or any other Act; or<br>(ii) public availability of the information would be contrary to the public interest.<br>• Council information must be understandable and accessible to members of the municipal community.<br>• Public awareness of the availability of Council information must be facilitated. |
| **Comment:** | This policy ensures that transparency in the Council's operations concerning the use of corporate debit and credit cards is of utmost importance. It involves maintaining clear and open communication about the policies, procedures, and transactions associated with these financial instruments, thereby fostering accountability and trust within Council and among its stakeholders. |

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| **Strategic Planning Principles** | • An integrated approach to planning, monitoring and performance reporting is to be adopted.<br>• Strategic planning must address the Community Vision.<br>• Strategic planning must take into account the resources needed for effective implementation.<br>• Strategic planning must identify and address the risks to effective implementation.<br>• Strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances. |
| **Comment:** | Not applicable. |
| **Financial Management Principles** | • Revenue, expenses, assets, liabilities, investments and financial transactions must be managed in accordance with a Council's financial policies and strategic plans.<br>• Financial risks must be monitored and managed prudently having regard to economic circumstances.<br>• Financial policies and strategic plans, including the Revenue and Rating Plan, must seek to provide stability and predictability in the financial impact on the municipal community.<br>• Accounts and records that explain the financial operations and financial position of the Council must be kept. |
| **Comment:** | This policy addresses the financial management principles by ensuring effective controls, transparency, compliance with statutory requirements, best practice principles, fraud prevention, financial monitoring, and consequences for misuse. |
| **Service Performance Principles** | • Services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community.<br>• Services should be accessible to the members of the municipal community for whom the services are intended.<br>• Quality and costs standards for services set by the Council should provide good value to the municipal community.<br>• A Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring.<br>• Service delivery must include a fair and effective process for considering and responding to complaints about service provision. |
| **Comment:** | Not applicable. |

## 6 Policy Review

This policy will be reviewed in conjunction with its associated procedures every three years.

From time to time, circumstances may require minor administrative changes to be made to this Policy. Where an update does not materially alter this Policy, such a change may be made administratively and need not be considered and adopted by Council.

Where any change or update may materially change the intent of this policy, or the legal responsibilities of any member of the community, it must be considered and adopted by Council, or by the Chief Executive Officer in reliance on delegated authority.

## 7 Legislative Context

This policy has been developed to meet the Financial Management Principles (section 101) and overarching Governance Principles and Supporting Principles (section 9) outlined in the *Local Government Act 2020*.

**Council Approved Policy**

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|---|---|---|
| **Policy Adopted:** | Ordinary Meeting 30 June 2018 | Page 41 |
| **Policy Reviewed:** | Ordinary Meeting 23 June 2021 | Page 208 |
| | Ordinary Meeting 27 March 2024 | Page 35 |
| | Administrative Review 12 April 2024 by CEO | |
| | Administrative Review 05 September 2025 by CEO<br>Based off internal assessment of VAGO reviews to enhance governance frameworks. | |

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