

## Corporate Debit and Credit Card Policy

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

### 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 is 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 and for the protection of public money and assets, and Council's reputation. It 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 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 cards to staff.

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The Manager Corporate Services (Principal Accounting Officer) will be responsible for maintaining a register of the individual corporate debit and 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 bank requirements of at least 100 identification points. Details of documents that can be used for identification are available from the Manager Corporate Services.

The Bank requires that a "~~Corporate Debit or Credit Card New Cardholder Details~~[Visa Corporate Card Cardholder Request](#)" form is completed and applicants will be provided with this form by the Manager Corporate Services.

The Manager Corporate Services 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	<del>Director Business Strategy and Performance</del> <a href="#">Chief Executive Officer</a>	<del>\$2,500</del> <a href="#">\$5,000</a>	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, ~~both positions are not issued with either debit or credit cards~~[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, or when the business will not accept purchase orders. 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.

### 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 reconciliation debit and credit card reconciliations.

A tax invoice is required to be obtained for every purchase that is made on the corporate debit and 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 statement is received, a check is required to ensure all purchases are supported by a compliant tax invoice and where applicable a Credit Card and Debit Card Purchase Request Form. When the monthly statements are received by the Corporate Services Department, each transaction listed in the Xero Account~~

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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.

- e)d) The signed reconciliation report is saved in Sharepoint (councils records management system) with all supporting documentation.
- e)e) 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.
- e)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 should be returned to the Manager Corporate Services as soon as no longer required to be destroyed. If leaving the services of Council, cards should 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 Manager Corporate Services 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 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.

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#### 4 References

- a) Public Interest Disclosure Policy
- b) Public Interest Disclosure Procedure – Guidelines
- c) Procurement Policy
- d) Procurement Management Manual
- e) Finance and Payroll Management Manual
- f) Fraud and Corruption Prevention Policy.
- g) Lost or Stolen Card Form
- h) [Credit and Debit Card Purchase Request Form](#)
- h)i) [Council Plan – Strategic Objective 4: A Council Who Serves Its Community](#)

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

Governance Principle	Section of policy where covered
(h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making;	<u>Not applicable for this policy.</u>
(i) the transparency of Council decisions, actions and information is to be ensured.	<u>This overarching policy outlines the objective and scope of the use of Corporate Debit and Credit Cards.</u>

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

- (a) the community engagement principles;
- (b) the public transparency principles;
- (c) the strategic planning principles;
- (d) the financial management principles;
- (e) the service performance principles.

## 6 Policy Review

This policy will be reviewed in conjunction with its associated procedures every three years, and in accordance with the Local Government Act 2020 requirements (if applicable).

## 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

<b>Policy Adopted:</b>	30 June 2018	
<b>Policy Reviewed:</b>	Ordinary Meeting 23 June 2021	Minute Book Page 208