

## CREDIT CARD



<b>Policy No:</b>	<b>CS50</b>
<b>Policy Title:</b>	<b>CREDIT CARD</b>
<b>Section Responsible:</b>	<b>Corporate Services</b>
<b>Minute No:</b>	<b>19/095</b>
<b>MagiQ No:</b>	<b>400813</b>
<b>Next Review Date:</b>	<b>December 2021</b>

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### Objective

To ensure that all purchases made on Corporate Credit Cards are properly accounted for and authorised by the appropriate Manager or Supervisor.

1. To provide an alternative payment mechanism for the purchase of Council goods and services.
2. To ensure that only goods and services obtained are paid for, disbursements have been made to the correct party and are properly classified and recorded in the financial records.
3. To prevent theft and misappropriation by ensuring invoices and related documentation are properly authorised and are bona fide.

### Policy Statement

Narrandera Shire Council Credit Cards are to be used for official Council business only. Expenditure will be within a monthly credit limit and purchases *must* not exceed the Cardholders delegation for expenditure.

Credit Cards provide an option for purchasing and payment when access to Council's online purchasing system is not available. The use of Credit Cards is not intended to avoid the application of existing internal controls. Credit Card transactions are to be for "one off" purchases or payments where time is of the essence or Credit Card is the only accepted method of payment. Credit Cards provide flexibility to make purchases in the following circumstances.

- Outside business hours when a council purchase order cannot be obtained.
- When employees are working outside the Shire and purchase orders are not available.
- When Credit Card is the only acceptable means of payment such as online purchasing of travel and accommodation.

Credit Cards allow staff to process purchases in circumstances where the issue of a

Council purchase order is not available or immediate settlement is required by the vendor.

### **Scope (who does the policy apply to?)**

This policy applies to all staff that have been issued with a Narrandera Shire Council Credit Card.

### **Content**

Only the General Manager can authorise the issue of a new card and the credit transaction limits to be applied. *Approval for issue of a credit card is to be directed by email to the GM or appropriate DGM*

The Cardholder must sign a “letter of acknowledgement and declaration” acknowledging their responsibilities to comply with the Narrandera Shire Council’s guidelines when using their card (Attachment 1).

The Finance Manager must maintain a register of all cardholders (Attachment 2).

A Cardholder must return their card to the Finance Manager as soon as the Cardholder:

- Resigns;
- Retires;
- Is transferred or promoted to another position which does not require the use of their card; or
- Is instructed to do so

The Finance Manager must cut any cards no longer required in half and arrange cancellation of the card at the bank.

A Cardholder is responsible for all purchases on their card. The Credit Card is for use for official Council purposes only. Should a card holder inadvertently use a card for personal purposes such use should be reported immediately to the Finance Manager and arrangements made to reimburse Council. The card is not to be used for cash advances. All transactions by cardholders are to be performed in accordance with Council’s bank’s conditions of use.

If a Cardholder uses their card to make a purchase, the Cardholder must:

- Produce their card to the supplier of the goods or services to be purchased;
- Ensure the correct particulars are recorded on the sales voucher prior to authorising the voucher;
- Retain the copy of the sales voucher given by the supplier;
- Obtain and retain a tax invoice.

Where a purchase is made online or by telephone, a sales voucher and tax invoice shall be printed for retention or forwarded to Council by the vendor.

It is the cardholder's responsibility to ensure that all relevant paperwork and receipts are retained, allocated a job cost, reconciled with and attached to the monthly Credit Card Statement which is authorised by their signature. The cardholder shall ensure that their supervisor checks and signs the statement authorizing the expenditure prior to submission to the Finance Manager. For the card utilized by the GM the check and counter signature will be performed by the Mayor.

The Finance Manager must authorise the value and costing of transactions. Any transactions which are outside the Cardholder's authority are to be investigated by the Finance Manager immediately and reported to the General Manager if warranted.

A Cardholder must detail any disputed transaction in writing to the Finance Manager to be forwarded subsequently to the bank.

Lost or stolen cards are to be reported immediately to the Financial Institution issuing the card and to council's Finance Manager.

## **Compliance**

Monthly review of credit card usage will be conducted by the Finance Department. Any suspicious transaction or other issues of concern identified through the review process must be reported to the General Manager within 10 working days. If the issue of concern relates to the *GM*, the matter must be reported to Council's Internal Auditor within 10 working days.

Following the monthly transaction review the Finance Manager or delegate conducting the review will sign and file a statement stating that the review was clear or any issues raised have been resolved or reported to the General Manager.

A breach of this policy may constitute a breach of Council's Code of Conduct and be resolved through Council's disciplinary process.

Failure to comply with this policy may result in the Cardholder losing the authority to have a Council authorised corporate Credit Card.

A single breach of the following will result in the confiscation of the corporate Credit Card (including but not limited to);

- Unauthorised purchases of goods;
- Obtaining cash advances;

Three breaches of the following will result in the confiscation of the corporate Credit Card (including but not limited to);

- Failure to authorise cost and attach invoices; or
- Failure to authorise statement.

The use and control of credit cards are the sole responsibility of the person whose name appears on the card and they are responsible for ensuring that the proper use of the card is maintained and can be accounted for under the provisions of this policy.

## Roles and Responsibilities

Staff issued with a Corporate Credit Card hold a position of trust in regard to the use of public funds. Improper use of a Credit Card can bring an employee and consequently Council into disrepute. Improper use may render the card holder liable to disciplinary/legal action/criminal proceedings. It is the Cardholder's responsibility to ensure the card is used only for approved purchases that can be clearly demonstrated. Credit Cards are not to be transferred to other employees. Purchases on Credit Cards are not to exceed a staff member's financial delegation.

## Reporting Annually

In July each year the Finance Manger will provide to the ELT a report on credit card usage for the past year. The report will set out each Cardholder recorded in the Credit Card Register in the past year and the amount expended during the year by each.

## Related Legislation/Guidelines/Narrandera Policies and Associated Procedures

- Procurement Policy CS100 Magiq 8346
- Procurement Manual Magiq 26513
- Code of Conduct Magiq 26514
- Discipline Policy HRD003 Magiq 26510

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## Policy History

Endorsed by relevant Committees (name) and date

Adopted by MANEX

Adopted by Council	21 June 2005
Amended	20 March 2007
Amended	17 February 2009
Amended	15 July 2014
Adopted	19 August 2014
Amended	18 August 2015
Amended	12 September 2017
Endorsed by ELT	15 May 2018
Adopted by Council	15 May 2018
Endorsed by ELT	14 January 2019
Adopted by Council	21 May 2019



**Signed:** General Manager, George Cowan

**Date:** 3 June 2019

**Attachment 1**

**National Australia Bank Business Card Cardholder  
Acknowledgment and Declaration**

To the Deputy General Manager Corporate and Community of Narrandera Shire Council

I, \_\_\_\_\_  
(Cardholder's Full Name)

**Acknowledge that I am to be issued a National Australia Bank Business Card ("the Card") for use on the Narrandera Shire Council's National Australia Bank Business Card account.**

I:

- am aware of my responsibilities and duties as a National Australia Bank Business Cardholder under Narrandera Shire Council's operating procedures;
  - acknowledge that my use of the card must be:
    - within the financial delegations given to me
    - for business use only
  - am aware that transactions made with the card are subject to authorisation and auditing;
  - undertake to return the card to Narrandera Shire Council's Finance Manager:
    - on request
    - prior to my assuming duties in another position that does not require the use of the card
    - on my resignation; or
    - on my retirement
  - Undertake to advise National Australia Bank Customer Service Card Services by telephone on 1800 033 103 immediately I am aware that the card has been lost or stolen or that it has been misused. I will also advise Narrandera Shire Council's Finance Manager.
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- Acknowledge that my monthly credit limit is \$\_\_\_\_\_and the maximum transaction amount is \$\_\_\_\_\_.

Cardholder's Signature: \_\_\_\_\_ Date:  
/ /

Witness's Signature: \_\_\_\_\_ Date:  
/ /

Witness's Full Name (print): \_\_\_\_\_

Attachment 2

Example:

**Narrandera Shire Council**  
**Credit Card Register**

<b>Cardholders Name</b>	<b>Cardholder's Position</b>	<b>Approved by GM</b>	<b>Monthly Limit</b>	<b>Acknowledgement Received</b>	<b>Date Issued</b>