



POLICY REGISTER

Credit / Debit Card policy

Policy adopted: 17.12.2021 (Minute No. 220/2021)

Reviewed:

File Ref: D21.57912

Document Control

Issue.	Prepared/Revised by and Date	Action/Amendment Description	Approved By and Date
1.0	Glenn Wilcox Acting General Manager 2021	First Edition	Council Minute No. (2021)

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1. PURPOSE AND SCOPE

1.0 To simplify and reduce the time and costs otherwise associated with small scale purchasing of goods and services required by Balranald Shire Council (BSC) and to minimize the costs otherwise incurred in reimbursing BSC expenses incurred by employees.

1.1 To meet the cost of certain employment benefits e.g. accommodation or food.

1.2 Applies to all employees of the council that have access to a Corporate Credit or Debit Card.

2. RESPONSIBILITIES

2.0 Cardholder

1. Ensure the card is used only for allowable transactions.
2. Ensure the card is taken care of, to report its loss immediately to the issuer of the card and also in writing to the General Manager and to return the card to the General Manager when leaving BSC.
3. To retain valid Tax Invoices, receipts and dockets (refer to Appendix 1 for the requirements of a valid Tax Invoice).
4. To justify the purposes and expenditure for which the card is used, to the satisfaction of the General Manager and in accordance with BSC Council's standards as issued from time to time.
5. To complete the credit card acquittal in accordance with clause 4.1.

2.1 General Manager

- a. Ensure that cardholders are aware of and perform their accountabilities in relation to the system.
- b. Check that use of the credit / debit card is within the authority of the cardholder.

2.2 Finance

1. Ensure BSC requirements concerning usage of credit and debit cards is known by cardholders and ensure the publication of timetables for acquittals are issued from time to time.
2. Ensure incomplete credit / debit card account acquittals are returned to the originator.
3. To ensure cost allocations are made in a manner suitable for management accounting and reporting purposes.
4. Ensure accounts and records are kept in order to comply with relevant taxation laws.
5. Ensure payments to card issuers are made by the due date.
6. Bring to the attention of the General Manager any:
 - Card usage that appears to be beyond the authority of the cardholder
 - Non-conformance with the system for acquittals of card statement account
7. Bring to the attention of the General Manager any non-conformances or unusual matters not resolved in a reasonable period of time.
8. Ensure the system is audited as part of the overall program of financial audits.
9. Report to the General Manager and to BSC auditors immediately any reasonable concern that arises in relation to fraud or misappropriation and initiate an investigation.
10. Review the operation of the system from time to time and modify it to meet the needs of the organisation.

3. DEFINITIONS

3.0 Allowable Transactions

Transactions primarily for travel related transactions, minor stores and accessories. These transactions could include:

- Air fares
- Taxi fares
- Accommodation & meals
- Fuel for council vehicles (where there is no fuel card supplier)
- Council vehicle servicing
- Work related books
- Work related conferences/courses
- Other one off purchases approved by the General Manager
- White Goods
- Protective Equipment
- Store items less than \$2000 and or where the supplier does not accept purchase orders

3.1 Transactions are not to include the following:

- Private use
- Cash advances
- eBay or similar web based purchasing

4. POLICY STATEMENT

4.0 Card Account Acquittals

The cardholder shall:

1. Annotate the card account statement sufficiently for the General Manager to be able to understand and approve (or question) the listed expenses.
2. Attach to the card account statement Tax Invoices for every expense and to reconcile the card account statement with these documents.
3. Where a Tax Invoice is lost (expected to be a rare event), every effort must be made to acquire a copy from the relevant supplier, otherwise attach a signed declaration to that effect, with details of the expense to the satisfaction of the General Manager.
4. Certify, by signing the card account statement, that the expenses listed have been incurred, that the goods and/or services have been received, that the details have been reconciled, and are correct for payment.
5. Obtain the signature of their Manager signifying approval for payment of the card account statement.
6. Forward the approved card account statement to Accounts Payable for payment
7. Comply with the timetable for card account acquittals issued from time to time by the General Manager.

The cardholder's Manager shall:

1. Check that the card account statement has been reconciled and is ready for payment.
2. Sign and approve the card account statement for payment.
3. Comply with the timetable for card account acquittals as issued from time to time.

4.1 Using the Credit / Debit Card by staff other than the Nominated Officer(s)

Staff, other than the nominated Officer will be considered to be in breach of BSC Code of Conduct, unless the staff member undertakes a requested booking or the payment of an account with the authorisation of the Nominated Officer.

The Card holder must authorise the card expenditure and sign all Tax Invoices.

Example 1: The General Manager requests an accommodation booking be made by another staff member using the credit or debit card. The General Manager must authorise the purchase and sign all Tax Invoices associated with that purchase.

Example 2: A Corporate Debit card is provided to a staff member to cover expenses whilst travelling to a work area. The staff member must retain all receipts and tax invoices to cover all eligible purchases, sign the invoices and return the Debit Card and the invoices to the Finance staff member to process.

4.2 Processing for Payment of Corporate Credit Card

Card Holder

1. The individual card holder is responsible to complete the "Card / Debit Credit Expense Report."
2. All receipts **MUST** be accounted for and should receipts be misplaced a "Statutory Declaration is required to be completed on the approved form." Should receipts be continually misplaced by the cardholder the Card / Debit Credit will be remove from the individual.

Financial Team

1. Ensure prompt processing of Credit / Debit Card Accounts via a direct bank debit entry;
2. Reconcile the Credit / Debit Card control account to that of the Credit / Debit Card bank statement on a monthly basis after the cardholder has forwarded the "Credit / Debit Card Expense Report.";
3. Reconcile the Card sub ledger to that of the control account in the General Ledger on a monthly basis;
4. Download the Electronic Transactions from the Bank to the Card Sub Ledger;
5. Match the Invoices/Documentation from the Credit / Debit Card Holders to the individual statements received from the bank on a monthly basis;
6. Follow up outstanding documentation and transactions with the individual Credit Card holders.

4.3 Non-Compliance by Credit Cardholders

Should any Credit / Debit Cardholder not adhere to this Policy or other financial policy requirements, then consideration may be given to cancelling the individual Corporate Credit / Debit Card.

The General Manager shall prepare a report for the Auditors outlining non-compliance issue and recommending a course of action to remedy the situation.

5. POLICY REVIEW

BSC reserves the right to vary, replace or terminate this policy at any time. This policy will be reviewed every 2 years or earlier if there are relevant statutory or State Government policy changes.

APPENDIX 1 – REQUIREMENTS OF A VALID TAX INVOICE

For purchases less than \$1,000:

- the words “Tax Invoice” stated prominently
- the name of the supplier
- the ABN of the supplier
- the date of issue of the tax invoice
- a brief description of the goods or services purchased
- total price of the sale (including GST)
- where the GST is exactly 1/11th of the total price, GST must be shown separately **or** provide the statement such as “total price includes GST”.
- Where the GST is less than 1/11th of the total price, show the GST amount **and** the total amount excluding GST for the purchase.

For purchases more than \$1,000:

- the words “Tax Invoice” stated prominently
- the name of the supplier
- the ABN of the supplier
- the name of the recipient (BSC)
- the address or ABN of the recipient (BSC)
- the date of issue of the tax invoice
- the quantity of goods purchased or the extent of the services provided
- a brief description of the goods or services purchased
- total price of the sale (including GST)
- where the GST is exactly 1/11th of the total price, GST must be shown separately **or** provide the statement such as “total price includes GST”.
- where the GST is less than 1/11th of the total price, show the GST amount **and** the total amount excluding GST for the purchase.

For purchases where the cost includes taxable purchases **and** a GST free or input taxed purchase (a mixed supply) the tax invoice must also:

- clearly identify each taxable purchase
- show the total amount of GST to be paid
- show the total amount payable for the sales.

APPENDIX 2 – CREDIT & PURCHASING CARD CONDITION OF USE

Note terms such as ‘total price includes GST’ or similar are not sufficient
for invoices in this category.

Applicant (Cardholder)	
Position	
Department	

The Corporate Credit / Debit Card (C/DC) will be issued to you on the following conditions:

- a. I am required to take strict care over the custody and use of the card at all times.
- b. I will not permit the C/DC to be used by another person according to guidelines.
- c. I will not use the C/D C, nor permit it to be used, for other than official purposes.
- d. I may only use the C/DC for purchasing goods and services required for Council related purposes.
- e. I will not use the C/DC to obtain cash.
- f. I may only use the C/DC for purchasing/paying to a limit of my delegated authority in any one transaction.
- g. I will check and process my purchase card transactions in the Authority Module each day.
- h. I will forward all relevant documentation to Finance within one (1) week of the statement being received.
- i. I will use the C/DC in accordance with the C/DC Administrative Policy & Procedure
- j. I will obtain the approval of the General Manager for all entertainment and hospitality expenditure equal to or greater than \$1,000.
- k. If employed as the General Manager of Council, I will obtain the approval from the Chair for all entertainment and hospitality expenditure equal to or greater than \$2,000.
- l. If the C/DC is lost or stolen, I will immediately inform the General Manager and/or the card provider.
- m. If I identify or it is brought to my attention that misuse or fraud is taking place against my C/DC, I will immediately inform the General Manager and the card provider.
- n. Upon the notification and/or cessation of my employment in the current position, I am required to return the C/DC promptly to the General Manager.
- o. I understand that my card may be cancelled for non-compliance.

I acknowledge that I have read and understood the conditions set out above, and the Credit / Debit Card Policy and Procedure documents, which govern the issue and use of the C/DC in my name and I will report all breaches to the General Manager immediately.

Signature of Cardholder	
Name of Cardholder	
Telephone Number of Cardholder	
Date signed	

I have witnessed the signature of the cardholder – YES / NO

Signature of General Manager or Chair	
Name	
Date signed	

APPENDIX 3 – Statutory Declaration for Missing Receipts on Council Credit Card

Transaction Date:

Payee:

Amount:

GL / WO No:

Details of Expense:

I, _____ (name), confirm the above purchase details are true and correct.

Signature: _____ Date: ___/___/___

General Manager Signature: _____ Date: ___/___/___