

Corporate Credit Card Policy

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Responsible Officer:	Director Corporate
Relevant Legislation:	Local Government Act 1999 Local Government (Financial Management) Regulations 2011 Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth)
Related Documents:	Internal Financial Control Framework Policy General Ledger Policy Risk Management Policy Corporate Credit Card Protocol Financial Delegations Policy Procurement Policy Entertainment and Hospitality Policy Rewards and Recognition Protocol Rewards and Recognition Program LGA Financial Sustainability Information Paper No.18 – Financial Policies and Procedures

1. Introduction

- 1.1. The City of Burnside is accountable to the community for the expenditure decisions it makes and through this Policy, Council aims at providing guidance on appropriate corporate credit card expenditure and ensuring that this expenditure is reasonable for the circumstances.

- 1.2. This policy applies to all City of Burnside employees and relates to situations in which staff use a Corporate credit card to expend Council funds.
- 1.3. This Policy applies the provisions of the *Local Government Act 1999* (the Act) Section 124, (Accounting Records to be Kept), regarding Council's Corporate Credit Cards and how financial information pertaining to Credit Card purchases, transactions and reconciliations are undertaken across all Council operations. It should be noted that this is only one method of procuring goods and services with other methods including petty cash, expense reimbursements and Accounts Payable.
- 1.4. It is subordinate to the Internal Financial Control Framework Policy, which outlines the risk management principles all Council financial policies are created under and must comply with.
- 1.5. The Internal Financial Control Framework Policy complements Council's overarching Risk Management Policy, outlining risk mitigation principles for all Council operations. Where there are any queries over items not specifically covered within this Policy, employees are required to obtain approval from their relevant line Manager prior to entering into any arrangements or incurring expenditure.

2. Strategic Community Plan Desired Outcome

- Principle:* 4. Governing with Integrity
- Themes:* Spans across all Strategic Plan Themes
- Goals:* Spans across all Strategic Plan Goals
- Priorities:* Spans across all Strategic Plan Priorities

3. Legislative Requirements and Corporate Policy Context

- 3.1. This Policy forms part of Council's Internal Financial Control Framework as a direct consequence of the provisions of Section 125 (Internal Control Policies) of the Act for South Australia. This commits Council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard assets, and to secure the accuracy and reliability of council records.
- 3.2. Section 137 (Expenditure of funds) of the Act gives Council the power to expend its funds in the exercise, performance or discharge of its powers, functions or duties under the Act or any other Act. Council has delegated this power, with limitations, to the Chief Executive Officer

(CEO) in accordance with Section 44 of the Act and this power is further sub-delegated in accordance with Section 101 of the Act.

- 3.3. Section 127 (Financial Statements) of the Act prescribes a Council to produce annual financial statements in accordance with standards required by the regulations.
- 3.4. In addition Section 129 (Conduct of Audit) of the Act requires an external auditor to form an opinion as to whether there is sufficient evidence providing reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.
- 3.5. The Policy also adheres to and identifies specific provisions in the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006, primarily concerning identification of staff members in order to initiate a corporate credit card with the issuing bank.

4. Interpretation

Council adopts the following definitions for this policy.

- 4.1.1. **Account Holder** means an employee or staff member of Council responsible for and authorised to use a corporate credit card for incurring Council business expenditure.
- 4.1.2. **Australian Business Number (ABN)** means a registered number that identifies a supplier to the government and community. An ABN is not a Tax File Number (TFN) or an Australian Company Number (ACN).
- 4.1.3. **BPAY** means a recognised form of remitting funds electronically to suppliers within Australia.
- 4.1.4. **Card Issuer or Card Provider** means the bank or financial institution issuing the card to the Account Holder.
- 4.1.5. **Council** means the City of Burnside.
- 4.1.6. **Credit Cards** mean any type of corporate or organisational purchasing card, including credit, debit, EFTPOS and similar bank cards used for purchasing on behalf of the Council.
- 4.1.7. **Delegated Credit Limit** means the credit limits determined for an Account Holder by Chief Executive Officer and the Account Holder's division Director, with reference to the Financial Delegation Policy Limits.
- 4.1.8. **Individual Transaction Limit** means the maximum amount that can be purchased on a corporate credit card in any one (1) transaction.
- 4.1.9. **Group Manager Finance and Risk (GMF&G)** means the most senior person managing the finance function (and reporting to

the Director), regardless of alternative position titles that may be applied to that officer from time to time.

- 4.1.10. **Merchant or Vendor** means a supplier of a good or service.
- 4.1.11. **Monthly Limit** means the maximum credit amount allowed to be accumulated on a corporate credit card before requiring repayment over any given period.
- 4.1.12. **PIN** means the Personal Identification Number assigned to a card for electronic purchase authorisation.
- 4.1.13. **Personal Expenses** means any expense undertaken to receive a personal benefit and not related to work or business activities.
- 4.1.14. **ProMaster** is an expense management software system, which Council uses to allocate credit card transaction expenses and approve them.
- 4.1.15. **Supervisor or Approver** means the staff member authorised to approve expenditure incurred on a designated Account Holder's corporate credit card.
- 4.1.16. **Taxation Receipt or Taxation Invoice** means a record of the purchase provided by the merchant or vendor that states a supplier's Australian Business Number.

5. Objectives

- 5.1. To enable the Council and corporate credit card Account Holders an efficient way to conduct business and provides a more convenient method to meet costs incurred on Council's behalf.
- 5.2. The use of corporate credit cards is encouraged in undertaking purchases of less than \$2,000 and for non-recurring suppliers.
- 5.3. Prior to expending Council funds, Account Holders or any other employee using a credit card must turn their mind towards the following:
 - 5.3.1. the benefit (real or perceived) gained by the public from the expenditure;
 - 5.3.2. the public's expectations of government agencies;
 - 5.3.3. the appropriateness of the amount of the expenditure;
 - 5.3.4. the merits of an alternative method of payment; and
 - 5.3.5. whether the expenditure was reasonably necessary for the carrying out of the council's functions

6. Policy Objectives/Scope/Actions

6.1. Corporate Credit Card Limits and Approvals

- 6.1.1. The Chief Executive Officer has delegated authority to approve issuing corporate credit cards to staff members, procedures for which are contained in the Corporate Credit Card Protocol. It should be noted that Credit Cards will not be provided to Council Members.
- 6.1.2. On receipt of the card from the Card Provider, the new Account Holder will formally acknowledge receipt of the card by reading and signing the “Corporate Credit Card Account Holder Agreement Form”, Appendix 1 on the Corporate Credit Card Protocol.
- 6.1.3. Each corporate credit card shall have a monthly limit capping the maximum amount that can be purchased on that corporate credit card in any one (1) billing period.
- 6.1.4. Each corporate credit card shall have an individual transaction limit capping the maximum amount that can be purchased on a corporate credit card in any one (1) transaction.
- 6.1.5. The credit limit for any Account Holder shall be determined by the Chief Executive Officer and the Account Holder’s division Director, with reference to the Financial Delegation Policy, and submitted business case.
- 6.1.6. Credit limits for the Chief Executive Officer’s corporate credit card shall be approved by the CEO Recruitment, Performance Appraisal & Remuneration Committee.
- 6.1.7. These approval processes shall be replicated for any subsequent amendments to monthly expenditure and individual transaction limits after the initial credit limit has been approved.
- 6.1.8. An annual review of credit cards including number of cards, positions with allocated cards and credit card limits shall be undertaken by the Group Manager Finance and Risk and provided to the Executive Team for endorsement.

6.2. Transactions, Terms and Conditions of Use

- 6.2.1. Corporate credit cards are to be used for adhoc purchases. If possible, it is recommended that any purchases above \$2,000 should use an alternative form of payment.
- 6.2.2. Corporate credit card purchases for group functions such as meetings with an entertainment element, i.e. lunch or dinner meetings, the most senior credit card Account Holder must pay. This expenditure must comply with the Entertainment and Hospitality Policy. Purchases on the corporate credit card are to be made in accordance with Council's related policies, in particular the Procurement Policy and the Entertainment and Hospitality Policy.
- 6.2.3. Prior to using the corporate credit card for a transaction, the Account Holder should turn their mind to the appropriateness of the expenditure, and ensure it is in line with Council's policies and justified as a genuine business expense.
- 6.2.4. Cash advances are strictly prohibited and BPAY facilities are not available.
- 6.2.5. Personal expenses of any kind are not to be incurred by a staff member on a corporate credit card.
- 6.2.6. If by unintentional causes, personal expenses are incurred, the Account Holder:
 - 6.2.6.1. is liable and will need to reimburse Council for those transactions;
 - 6.2.6.2. The Account Holder must report this personal expense to the Finance Projects Officer or the Group Manager Finance & Risk as soon as identified.
- 6.2.7. Corporate credit cards are not to be linked to any form of loyalty points or rewards program.
- 6.2.8. All transactions are to be verified with a taxation receipt/invoice on completion. The documents are required for statement verification, transaction audits and to confirm input tax credits accumulated by Council for Goods and Services Tax reporting.
- 6.2.9. Declaration within ProMaster is required to be made which states that the Account Holder / Approver has complied with their responsibilities in line with this Policy and the Corporate Credit

Card Protocol. Confirmation is also required that public funds have been appropriately incurred and/or approved.

- 6.2.10. If a taxation receipt/invoice is lost, or the expense cannot be verified with a taxation receipt/invoice, the Account Holder will request a copy of the taxation receipt/invoice from the merchant or vendor. If this is not possible, the Account Holder must complete a statutory declaration and use this in place of the taxation receipt/invoice. An EFTPOS receipt is not an acceptable form of verification and will not be accepted. Refer to the Statutory Declaration template, Corporate Credit Card Protocol Appendix.
- 6.2.11. Under no circumstances are corporate credit cards to be used to purchase software, without first consulting the Team Leader Innovation and Technology.
- 6.2.12. The Chief Executive Officer, and in the case of the Chief Executive Officer, the CEO Recruitment, Performance Appraisal & Remuneration Committee, reserves the right to request an Account Holder to forfeit their corporate credit card at any time.
- 6.2.13. An Account Holder found to have used a corporate credit card in contravention of the terms and conditions of use as prescribed by the Card Provider, or those stated in this policy, may be subject to disciplinary action. This may result in forfeiture of the Account Holder's corporate credit card.

6.3. Transactions, Terms and Conditions of Use

- 6.3.1. The Account Holder is required to reconcile their transaction expenses listed on ProMaster, by coding to the relevant general ledger account with the matched taxation receipts/invoices.
- 6.3.2. The Approver must verify each coded transaction expense on ProMaster and turn their mind to the appropriateness of each transaction, to ensure it is in line with Council's relevant policies and justified as a genuine business expense before approving. An expense not adequately justified will need to be repaid by the Account holder or person who used the credit card to undertake the purchase.
- 6.3.3. Reporting and reconciliation of corporate credit card transactions will be undertaken by the Finance Projects Officer using ProMaster, Council's online expense management system.

- 6.3.4. Total monthly expenditure incurred on corporate credit cards shall be authorised according to the MATRIX - Corporate Credit Card Expenditure Authorisation.

6.4. Disputed or Unverified Transactions

- 6.4.1. Should the Account Holder identify an unverified transaction, such as, a duplicate transaction, amount discrepancies by merchants/vendors, unknown or fraudulent charges, the Account Holder will:
 - 6.4.1.1. Report this to their Approver as soon as practical;
 - 6.4.1.2. Report this to the Finance Projects Officer or Group Manager Finance and Risk, and assistance can be offered;
 - 6.4.1.3. Initially follow up or dispute the transactions with the Merchant/Vendor, where possible. If this is not successful;
 - 6.4.1.4. Action the Dispute process on ProMaster as outlined in the Corporate Credit Card Protocol, as soon as practical; and
 - 6.4.1.5. Per the Corporate Credit Card Protocol, when the dispute form is submitted via ProMaster, the Card Issuer will assist in resolving disputed transactions involving duplicated charges, charges for goods not received, or credit refunds not processed after an agreed refund with the merchant or vendor.

6.5. Lost, Stolen or Replacement Cards

- 6.5.1. It is the responsibility of the Account Holder to resolve issues relating to Lost, Stolen or Replacement Cards and immediately report this to the Card Issuer. The detailed process is included in the Corporate Credit Card Protocol.

7. Review and Authority

- 7.1. Without changing the intent, only the CEO may waive or vary the requirements of this policy as needed to meet operational requirements; any deviations in this regard will be provided through the CEO's monthly report to Council.

8. Availability

- 8.1. The Policy is available to be downloaded, free of charge, from Council's website www.burnside.sa.gov.au.
- 8.2. The Policy will be available for inspection without charge at the Civic Centre during ordinary business hours, and a copy may be purchased at a fee, as set annually by Council.
- 8.3. City of Burnside Civic Centre; 401 Greenhill Road, Tusmore SA 5065
Telephone; 8366 4200; Email; burnside@burnside.sa.gov.au Office hours: Monday to Friday, 8.30am to 5.00pm (except public holidays)

9. Further information

- 9.1 For further information about this Policy please contact:

City of Burnside Civic Centre; 401 Greenhill Road, Tusmore SA 5065
Telephone; 8366 4200; Email; burnside@burnside.sa.gov.au

APPENDIX 1

STATUTORY DECLARATION

State of South Australia - *Oaths Act 1936*

I, [full name] _____,

of, [address] _____

do solemnly and sincerely declare that,

I, [insert name and title] _____, declare that a purchase from, [insert merchant name]

_____ for the purpose of [explain the reason for the purchase and provide adequate justification of why it was deemed a business expense]

_____ was made on my City of Burnside Corporate Credit Card on [insert date] _____ for [insert total amount] \$ _____.

I purchased the following items/service/s [insert details of items/service/s purchased]

I declare I have misplaced/lost the tax receipt/invoice, and confirm the purchase made related to a business activity for the City of Burnside. I have attempted to replace the tax receipt/invoice with no success.

And I / We make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1936*.

Declared at _____ in the State of South Australia this, _____ day of _____ 20_____.

.....

Signature of person making this declaration
[to be signed in front of an authorised witness]

Before me,

.....
Signature of authorised witness