

POLICY: CORP-F-007

CORPORATE CREDIT CARD

PURPOSE

City of Kalgoorlie-Boulder corporate credit cards are provided to Executive Management officers to enable the purchase of goods and services for the City.

The objective of this policy is to:

- Provide a clear framework to enable the use of corporate credit cards;
- Provide staff issued with a corporate credit card clear and concise guidelines outlining its use; and
- Reduce the risk of fraud and misuse of the corporate credit card.

The application of this policy is to be in conjunction with the City of Kalgoorlie-Boulder Code of Conduct and any legislative requirements of the *Local Government Act 1995* that may be applicable.

Definitions

Nil

Statement

1.1. Authorised Usage

City of Kalgoorlie-Boulder corporate credit cards may only be used for;

- Council business activities;
- The purchase of goods and services in accordance with Council's Purchasing Policy;
or
- Practical purposes, where a purchase order cannot be issued.

1.2. Non-Authorised Usage

City of Kalgoorlie-Boulder corporate credit cards may not be used:

- As a cash advance facility and are not to be used by the cardholder for payment of

- any employment benefits that attach to the cardholder's position;
- For the cardholder's personal use including goods, services or any other expenses that are of a personal nature; or
- To purchase fuel products for Council vehicles unless in exceptional circumstances, a fuel card should be used for this purpose where possible.

1.3. Eligibility and application procedures for new Corporate Credit Cards

A corporate credit card will only be issued when it is established that the anticipated usage of the card is warranted.

Allocation of a corporate credit card must be approved by the Chief Executive Officer (CEO), or the City Mayor in the instance the card is for the CEO. Once approved, the credit card application form is to be signed by the cardholder and two (2) signatories to the City's bank accounts.

On receipt of the credit card, the cardholder must acknowledge and accept the conditions of use through the Corporate Credit Card - Cardholder Agreement.

1.4. Corporate Credit Card Reconciliation and Reporting

Corporate credit card statements will be issued to the relevant cardholder, who is required to within seven (7) days, acquit the following for each transaction:

- A relevant tax invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied;
- A purchase order detailing a succinct explanation of why the expense was incurred and the appropriate expense account for costing purposes; and
- The cardholder sign and date the credit card statement with supporting documentation attached stating 'all expenditure is of a business nature'.

If no supporting documentation is available, the cardholder is required to provide a statutory declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'.

Should a lack of detail be a regular occurrence for a particular cardholder, the cardholder

may be refused access to a credit card in the future.

Should the Chief Executive Officer or Mayor deny the approval of expenses, the recovery of the expense is to be met by the cardholder.

A monthly report of all credit card transactions will be included in the Accounts Payable report presented to Council.

1.5. Disputed Transactions

Council is responsible for the payment of all transactions on the credit card statement; this account is settled monthly via a direct debit from the City's operating bank account.

In the instance that a cardholder believes that charges are incorrect, they should first contact the supplier to determine the cause of the discrepancy. If necessary, the Senior Finance Officer will notify the bank in writing to lodge a formal dispute.

1.6. Review of Corporate Credit Card Use

All receipts and documentation are reviewed monthly and any expenses that do not appear to represent fair and reasonable business expenses shall be referred to the Chief Executive Officer or in the case of the Chief Executive Officer, the City Mayor for consideration.

To ensure compliance and the integrity of the purchases, periodic reviews of expenditure will be undertaken by an officer nominated by the Chief Executive Officer or Chief Financial Officer, External scrutiny of the credit card expenditure will also be encouraged as part of the external audit process of Council's finances.

1.7. Review of Credit Card Limits

Credit limits are reviewed annually for all cardholders. If there is a request for a variation to the monthly limit, a business case will need to be provided to the Chief Executive Officer for consideration.

1.8. Cancelled Cards

Cancellation of a credit card may be necessary where the:

- Cardholder changes job function within Council;
- Cardholder terminates employment with the City;
- Council terminates employment with the Cardholder;
- Card is no longer required;
- Cardholder has not adhered to set procedures; or
- Misuse of the corporate credit card.

1.9. Procedures for lost, stolen and damaged cards

The loss or theft of a credit card must be immediately reported by the cardholder to the

card provider regardless of the time or day discovered. The cardholder must also formally advise the City Accountant of the loss or theft on the next working day.

Advice of a damaged card is to be provided to the City Accountant who will organise a replacement card.

Relevant Documents

City of Kalgoorlie-Boulder Code of Conduct

City of Kalgoorlie-Boulder Purchasing Policy CORP-AP-001

Corruption and Crime Commission Act 2003

Local Government Act 1995

Goods and Services Tax Act 1999

Corporate Credit Card - Cardholder Agreement

I (insert cardholder name) acknowledge and accept the below listed conditions of use of the City of Kalgoorlie-Boulder Corporate Credit Card:

Conditions of Use

- i) Ensure corporate credit cards are maintained in a secure manner and guarded against improper use;
- ii) Corporate credit cards are to be used only for City of Kalgoorlie-Boulder official activities, there is no approval given for any private use;
- iii) Ensure no one else uses the credit card;
- iv) All documentation regarding a corporate credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure;
- v) Credit limits are not to be exceeded;
- vi) Observe all cardholder responsibilities as outlined by the card provider;
- vii) Purchases on the corporate credit card are to be made in accordance with City of Kalgoorlie-Boulder Purchasing Policy;
- viii) Reconciliation is to be completed within seven (7) days of the date the credit card statement is issued;
- ix) Transactions are to be supported by a Tax Invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied;
- x) Transactions are to be supported by a purchase order detailing a succinct explanation of why the expense was incurred and the appropriate expense account for costing purposes;
- xii) In the instance that no supporting documentation is available, the cardholder is to provide a declaration detailing the nature of the expense and must state on the declaration 'all expenditure is of a business nature';
- xii) Should the Chief Executive Officer or Mayor deny the approval of expenses, the recovery of the expense is to be met by the cardholder;
- xiii) The cardholder shall sign and date the corporate credit card statement with supporting documentation attached, stating 'all expenditure is of a business nature';
- xiv) Lost or stolen cards are to be reported immediately to the card provider and a written account of the circumstances shall be provided to the Financial Controller on the next working day.

- xv) Credit cards are to be returned to Human Resources on or before the employee's termination date with a full acquittal of expenses.

Failure to comply with any of these requirements could result in the card being withdrawn from the employee. In the event of loss or theft through negligence or failure to comply with the City of Kalgoorlie-Boulder Corporate Credit Card Policy, any liability arising may be passed on to the cardholder.

Signed: _____
Cardholder's Signature

Cardholder: _____
Cardholder's Name

Date

Witnessed: _____
Witnesses Signature

Cardholder: _____
Witnesses Name

Date