

Finance

Corporate Purchasing Cards

Objective

The objective of this policy is to:

- Provide guidance in the issue and use of corporate credit cards and purchasing cards (“**Corporate Cards**”) in order to ensure good governance.
- Reduce the risk of fraud and misuse of Corporate Cards and minimise the Shire’s financial and reputational risk.
- Fulfil all statutory requirements of the Local Government Act with respect to the use of Corporate Cards.
- Adopt best practice in developing a clear and comprehensive policy on the use of Corporate Cards.

Policy

The requirements of this policy covers all Shire employees that are issued with and/or use Corporate Cards.

This policy does not extend to Elected Members, as the Local Government Act does not make any provision for Elected Members to incur a debt, which would be the case with a Corporate Card. A Local Government can only pay allowances or reimburse expenses to a Councillor.

Advantages of Corporate Cards

The use of Corporate Cards shall only be approved if there is a demonstrated need and advantage to the Shire. These include:

- eliminating or reducing time spent on paper-based ordering and payments;
- reduction of administrative costs;
- reducing the number of payments per month;
- provision of a useful resource in an emergency situation; and
- reducing the need to carry cash on the premises.

Register

A register shall be maintained by the Deputy Chief Executive Officer of all Corporate Cards issued and kept in a secure location. The register shall include:

- Date of approval by Chief Executive Officer;
- Name of card holder;
- Card number and expiry date;
- Conditions of use of the card; and
- A review date for continuing use of the card, not exceeding 24 months.

Corporate Credit Card Authorised Users and Limits

The Shire of Koorda has one (1) credit card facility, with three (3) individually identifiable purchase cards attached.

Credit Cards are held by:

1. Chief Executive Officer,
2. Deputy Chief Executive Officer, and
3. Works Supervisor.

The Shire’s corporate credit card facility shall not exceed \$10,000. This overall limit can only be increased by Council Resolution.

Financial Institution

The Shire's Corporate Credit Cards are to be issued by its financial institution once approved by the Chief Executive Officer.

The Financial Institution will verify the card user by requiring identification as per banking legislation policy prior to issue of the card.

Fuel Cards & Purchasing Cards

Fuel Cards

The requirement for corporate fuel cards will be determined on a case-by-case basis and approved by the Chief Executive Officer.

Fuel cards will only be used for purchasing fuel for the Shire vehicle (or hire vehicle where appropriate) to which the application relates.

All fuel card expenditure gets billed monthly on the Great Southern Fuel Supplies invoice and will be reported to Council within the list of monthly creditors payments.

Other Purchase Cards

The requirement for other purchase cards (eg; Bunnings) will be determined on a case-by-case basis and approved by the Chief Executive Officer.

Purchase Cards will only be used for purchasing items for the Shire.

All expenditure is to be reported to Council within the list of monthly creditors payments.

Policies and Procedures governing the use of Corporate Cards

The following shall be compiled with for controlling the use of Corporate Cards issued:

- An agreement shall be signed by the cardholder which sets out the cardholder's responsibilities and legal obligations when using the corporate purchasing and credit cards.
- A secure register managed by the Deputy Chief Executive Officer of all current cardholders should be kept which includes card number and expiry date of the card. Details of goods and services the cardholder has authority to purchase are outlined in the cardholder agreement.
- All new and existing cardholders shall be provided with a copy of the policies and procedures relating to the use of corporate purchasing and credit cards and shall formally sign the register to acknowledge that they have read and understood the requirements of the policy.
- When an employee misplaces their Corporate Card, they shall promptly report the matter to the Deputy Chief Executive Officer who shall immediately cancel the card.
- Corporate Cards shall not be transferred to other users.
- Use of the reward schemes, such as Fly Buys and Frequent Flyers, will not be permitted for personal gain.
- All surrendered Corporate Cards shall be destroyed by the Deputy Chief Executive Officer in the presence of another employee.
- In the event that a cardholder fails to comply with the policy's requirements, the Chief Executive Officer shall withdraw the use of the Corporate Card and take appropriate disciplinary action. All criminal/illegal acts of alleged misuse shall be reported to the Police and other relevant authorities.
- The use of Corporate Cards for any personal use whatsoever is strictly prohibited.
- Use of the Corporate Cards for purchases over the internet should be restricted to trusted secure sites.

For Fringe Benefits Tax purposes, any expenditure for entertainment must include the reason for the function, the number of people who were in attendance and the full names of any Shire staff.

Purchasing

- Corporate Cards shall only be used for purchasing goods and services on behalf of the Shire and in circumstances when the issue of a Purchase Order Number from the Shire is not accepted, appropriate or convenient.
- Fuel Cards will be issued to employees where applicable and must only be used when purchasing fuel for Shire vehicles.
- Personal expenditure is strictly prohibited.
- A Credit Card shall not be used for cash withdrawals.
- Purchases by facsimile, telephone or over the internet shall be authorised by the person and all paperwork shall be kept and verified.
- The nominated fuel card should be used in preference to a Credit Card when purchasing fuel unless it is not accepted by the retailer and then the vehicle odometer reading and fuel receipt are to be recorded at the time of purchase.
- Corporate Card purchases are to comply with the Procurement Policy for acquiring of goods and services.
- The purchase of meals in Koorda with the Corporate Credit Card is limited to hosting visiting dignitaries, Council functions and other purposes authorised in advance by the Chief Executive Officer following consultation with the Shire President.
- Meals purchased while away from Koorda are to comply with the limit value approved from year to year by Council during the budget process.

Payments and Acquittals

- The cardholder will be responsible for providing appropriate and sufficient documentary evidence of all charges, as required, on a monthly basis. Information should include a copy of the GST invoice, account number for costing purposes and an explanation as to why the expense was incurred.
- Time frames for all payment of accounts shall be monitored by the Deputy Chief Executive Officer to ensure that credit charges are minimised, and accounts are paid so as not incur a penalty or interest.
- Cardholders cannot approve expenditure incurred on their own cards, unless an approved recurring direct debit, these will be referred to the Chief Executive Officer for approval, with the Chief Executive Officer expenditure being referred to the President for approval.
- All transactions requested by Officers other than the cardholder must complete the Credit Card Authority Form, which is approved by the Chief Executive Officer.
- The signed corporate credit card statement and all supporting documentation are to be given to the Chief Executive Officer for certification, with the Chief Executive Officer Statement being referred to the President for certification.
- All transactions on Corporate Credit Cards are to be listed and form part of the monthly financial reports to Council in accordance with the requirements of *Local Government (Financial Management) Regulation 13*.

Related Documents (Legislation/Local Law/Policy/Procedure/Delegation)

Local Government Act 1995 – Section 2.7 (2)(a) and (b)

Local Government Act 1995 – Section 6.5(a)

Local Government (Financial Management) Regulations 1996 –11

Local Government (Financial Management) Regulations 1996 – 13

Review History

Review Due: March 2024

| Date | Council Resolution | Description of review/amendment |
|---|--------------------|--|
| 28/06/2023 | Res: 120623 | V1.0. Re-write policy and include additional corporate purchasing cards. |
| Former Policy: F18 Corporate Credit Card Use | | |
| 17/08/2016 | RES: 050816 | Adoption of Policy (F18) |

