

S-G14 Corporate Credit Card Policy

Purpose	To provide guidance on the allocation, use and administration of Council corporate credit cards.	
Department	Governance	
File No.	FIN/0502	
Council Meeting Date	26 June 2024	
Minute Number	135.06.2024	
Next Review Date	Four (4) years from Council Resolution Date	
Review History	308.08.2009	20 August 2009
	172.06.2015	18 June 2015
	173.07.2017	20 July 2017
	222.08.2019	20 August 2019
	173.09.2020	22 September 2020

1 Definitions

<u>Authorised Persons</u>	Positions within Flinders Council authorised to allocate, issue and review corporate credit cards.
<u>Corporate Credit Card</u>	Any purchasing card, including credit, debit, EFTPOS and similar issued by Council, and used for purchasing on behalf of Council.

2 Objective

- 2.1 To assist in the efficient delivery of local government services by permitting the use of corporate credit cards.
- 2.2 To provide Flinders Council personnel issued with a corporate credit card, clear and concise guidelines outlining corporate credit card use.
- 2.3 To reduce the risk of fraud and misuse of corporate credit cards.

3 Scope

Flinders Council's preferred purchasing methods are purchase orders via account and purchase contracts, however, these are not available in every purchasing situation. Credit cards offer a convenient and highly traceable alternative payment option and can substantially improve purchasing efficiency by reducing administrative costs.

Any transaction method holds the potential for misuse and the convenience and flexibility of credit cards can be a vulnerability. Therefore, sound protocols for use and control must be

established to take advantage of the improved purchasing efficiency while minimising the opportunity for and impact of misuse of funds.

4 Policy

It is the policy of Flinders Council that:

- 4.1 A corporate credit card facility be provided for use by the Mayor and approved Council personnel for the purchasing of approved goods and services when preferred purchasing methods - purchase orders via account and purchase contracts - are unavailable or unsuitable.
- 4.2 Corporate credit cards may be used for purchasing in the following typical situations:
 - 4.2.1 Smaller purchase amounts, typically below \$1,000;
 - 4.2.2 Invoices for approved goods or services requiring immediate or out-of-cycle payment, when payment has been authorised;
 - 4.2.3 Where purchase orders:
 - are impossible or unworkable (such as internet purchases of approved goods or services); or
 - would take too long, unreasonably impact operational efficiency or result in missed opportunity - for example, if a purchase order would incur significant and unreasonable additional costs (either to Council or the supplier) relative to the cost of the goods or services being procured;
 - 4.2.4 Where payment by corporate credit card has been formally authorised, such as an approved travel and accommodation request form or in emergency situations; or
 - 4.2.5 For purchases that cannot be made in the office, such as work-related travel expenses generated while travelling, or field work expenses requiring payment in the field.
- 4.3 Council corporate credit cards must not be used for the following types of transactions and purchases:
 - 4.3.1 Cash advances or withdrawals;
 - 4.3.2 Purchases of a private or personal nature;
 - 4.3.3 Fines incurred by the cardholder or any other person;
 - 4.3.4 Alternative online payment methods and e-commerce payment systems or accounts, such as PayPal, Google Pay, Apple Pay, iTunes, or any system that records and stores credit card details; or
 - 4.3.5 Personal online payment systems or accounts.
- 4.4 Two Authorised Persons are required to authorise the allocation of a corporate credit card.
- 4.5 The following positions within Council are Authorised Persons for the purpose of this policy:
 - 4.5.1 General Manager;
 - 4.5.2 Community Services Coordinator;

- 4.5.3 Corporate Services Coordinator;
 - 4.5.4 Development Services Coordinator; and
 - 4.5.5 Works and Services Coordinator.
- 4.6 Council is required to authorise the allocation of a corporate credit card to the Mayor and General Manager.
- 4.7 Before a corporate credit card is issued, cardholders must sign the Corporate Credit Cardholder Agreement (attachment 1 to this policy) confirming that they have read and fully understood and will be bound by this policy and associated procedure.

5 Guidelines

5.1 Risk Management

Each active credit card represents a risk of accidental or intentional misuse of public funds and each credit limit is the extent of that risk. To minimise risks associated with credit cards, Council must:

- 5.1.1 Allocate credit cards according to departmental need, and avoid allocating on an ad hoc or individual basis;
- 5.1.2 Only issue cards to organisational roles where the operational benefits of efficient purchasing outweigh the increase in risk;
- 5.1.3 Maintain control on the total number of credit cards issued and their combined purchasing potential (or credit limit) at any one time;
- 5.1.4 Control the credit limit available on each card to an appropriate amount required to facilitate efficient purchasing for each role, considering the alternative payment options available; and
- 5.1.5 Assist cardholders to adhere to the procedures and responsibilities set out by the policy by placing an onus of evidence for each purpose upon the cardholder.

5.2 Breach of Principles

- 5.2.1 Any breaches of this policy by any cardholder, staff or elected member, depending on the nature and extent of the breach, may result in:
- Counselling and retraining in the policy and requirements;
 - Reimbursement of costs to Council;
 - Cancellation of card;
 - Disciplinary action in accordance with Council's Disciplinary Procedure; or
 - Referral to police or civil proceedings.
- 5.2.2 Breaches or misuse of the Corporate Credit Card Policy or Procedure must be immediately reported to the General Manager.
- 5.2.3 Policy breaches or misuse should also be reported to Council and credit card allocation should be reviewed.

6 Attachment 1

Corporate Credit Cardholder Agreement.

7 Procedure

This Policy should be read in conjunction with the Corporate Credit Card Procedure, the Procurement Policy and the Code for Tenders and Contracts.

8 Legislation and Related Documents

Local Government Act 1993

Code for Tenders and Contracts

Corporate Credit Card Procedure

Disciplinary Policy

Procurement Policy

Risk Management Policy

Travel and Accommodation Policy

9 Responsibility

It is the responsibility of authorised persons and cardholders to adhere to this policy.

Attachment 1

Corporate Credit Cardholder Agreement

I (insert cardholder name) _____
acknowledge that I have read and understood Flinders Council's Corporate Credit Card Policy and Procedure and agree to the following:

- I will comply with the rules and procedures of credit card use outlined in the Flinders Council Corporate Credit Card Policy and Procedure;
- I will make all purchases with the corporate credit card in accordance with Flinders Council's Procurement Policy and Code for Tenders and Contracts;
- I will observe all cardholder responsibilities as outlined by the card provider;
- Use of Corporate Credit Cards for purchases over the internet should be restricted to trusted secure sites;
- Internet and Phone purchases are to be made with the cardholder authority;
- It is the card holder's responsibility to ensure the card is used only for approved purchases and that this can be clearly demonstrated;
- I will only use the corporate credit card for Flinders Council official activities;
- I will not exceed the credit limit, which is \$_____;
- I will retain all receipts and documentation that support transactions made with the credit card and produce these as part of the reconciliation process;
- I am responsible for the safekeeping and security of the corporate credit card and will guard against improper use; and
- I understand that disciplinary action will be taken for any breaches of the policy.

Name: _____

Position: _____

Signed: _____

Date: _____

Authorisation

A Flinders Council corporate credit card is approved to be issued to the Cardholder named above, who is authorised to hold and use a Council credit card in compliance with the Corporate Credit Card Policy and Procedure.

Authorised by:

Name: _____

Name: _____

Position: _____

Position: _____

Signed: _____

Signed: _____

Date: _____

Date: _____

(Allocation of corporate credit cards and monthly credit limits are allocated, issued and reviewed by a minimum of two Authorised Persons, or by Council for the Mayor and General Manager, on an as requested or as needed basis.)