



Policies, Procedures and Guidelines

CORPORATE CREDIT CARD POLICY

FIN002

INTRODUCTION

Corporate credit cards are a routine aspect of Council's accounts payable and goods procurement functions. When used appropriately, credit cards provide benefits to Council in the form of streamlined purchasing processes and better utilisation of resources. However, the use of credit cards involves the potential risk of fraud and misuse. This policy establishes procedures and guidelines in order to protect Council funds and to maintain public confidence in Council's operations.

Council officers with credit cards are to comply with these instructions. It is the responsibility of each employee or Councillor to understand the policies and procedures as well as their meaning and intent. Should an employee have any questions they are to be raised with their respective supervisor or manager. Councillors should contact the General Manager in the first instance.

In observing the policies and procedures contained herein, Council officers will ensure that they are making a meaningful contribution to Council's objectives which in turn contribute to meeting Council's Mission.

RELEVANT LEGISLATION & POLICIES

- Local Government Act (NSW) 1993
- Local Government (General) Regulation 2005
- Lachlan Shire Council Procurement & Disposal Policy

DELEGATION OF AUTHORITY

The Council delegates the General Manager the authority to incur financial expenditure on behalf of Council under the following provisions:

- Where expenditure has been provided for in Council's budget; or
- Genuine emergency or hardship.
- Other officers may only incur expenditure on behalf of the Council if:
 - The officer has been granted a financial delegation by the General Manager and such delegation is recorded in the Register of Delegations; and

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- Expenditure is provided for in Council's budget; or
- In the case of genuine emergency, or hardship where the power to incur expenditure in these circumstances has also been delegated

The General Manager must approve financial delegations in writing by recording them in the Register of Delegations.

ELIGIBILITY

The provision of a corporate credit card is a facility offered by Council to officers occupying certain positions from time to time. The officers occupying these positions will be designated by Council as being eligible under this policy. Positions designated for this scheme are:

- Mayor
- General Manager
- Executive Assistant
- Director – Community Services & Governance
- Director – Infrastructure Services
- Director – Environmental Services & Planning
- Manager Building Services
- Environmental & Development Services Manager
- Manager Operations
- Chief Financial Officer
- Manager People & Organisation Development
- Librarian
- Overseer Plant & Depot
- Storekeeper
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Council reserves the right to amend, alter or vary the list of eligible positions from time to time. Where an officer occupies a position subject to change, such officer will be consulted and a period of at least one calendar month of notice shall be given of the change.

The General Manager has the right to cancel corporate credit cards in circumstances that he/she considers warranted.

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CREDIT LIMITS

The maximum credit limit for a Lachlan Shire Council corporate card shall be \$10,000 for the General Manager and up to \$5,000 for all other cardholders . The General Manager shall have the authority to determine, within this limit, the credit limits for individual card holders.

CIRCUMSTANCES IN WHICH CARDS MAY OR MAY NOT BE USED

Corporate credit cards must only be used for the payment of goods and services associated with Council business. Activities that would **not** qualify for the use of a corporate credit card include the following:

- Any use that is of a personal or private nature;
- Cash advances;
- Payment of fines, for example a parking fine or a speeding offence which was incurred whilst on Council business.

Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the card holder. Should there be an accidental transgression, the Chief Financial Officer is to be notified and the Council reimbursed immediately.

FORMAL ACKNOWLEDGEMENT OF POLICY CONDITIONS

Council officers issued with corporate credit cards are in a position of trust with regard to the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action or criminal prosecution. All corporate card holders are to acknowledge receipt of the corporate card and instructions for use. The acknowledgement will include a signed agreement to abide by all Council and card supplier guidelines and conditions of use.

INTERNAL CONTROL & RECONCILIATION PROCEDURES

- The corporate card must be signed with the card holders' usual signature immediately upon receipt.
- A compliant Tax Invoice must be obtained for all purchases over \$50.
- Card holders are to ensure that proposed transactions will not cause the credit limit to be exceeded.
- Card statements will be forwarded to card holders for checking each month.

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- Signed statements together with Tax Invoices and job numbers are to be returned to the Creditor/Finance Officers by the 15th day of the month.
- Card statements will be forwarded to the card holders' direct supervisor for retrospective review and approval.
- Finance shall maintain a Register of Corporate Credit Card Holders, detailing card holder name, card number, credit limit and expiry date for all cards. The Register shall be kept up to date and reflect any changes notified to the corporate card supplier.

ANNUAL REVIEW OF CORPORATE CARD FACILITY

The Chief Financial Officer is to prepare a written report on an annual basis at 30 June to the General Manager that includes details of:

- Expenditure for the year to date in summary form;
- Any matters indicating the efficiency or effectiveness of the corporate card eg card not used;
- Action taken in response to issues raised in the report; and
- The results of action taken in response to issues raised in previous reports.

PROCEDURES FOR LOST, STOLEN OR DAMAGED CARDS

Card holders are personally responsible and accountable for the safe custody of the issued card.

Card holders must:

- Secure the card at all times to safeguard against theft or loss;
- Ensure that personal identification numbers (if applicable) are not written on or stored near the card, or disclosed to any other person;
- Report the loss or theft of a card to the supplying bank immediately and notify the Chief Financial Officer;
- Damaged cards should be reported to the Chief Financial Officer for replacement.

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PROCEDURES UPON CESSATION OF EMPLOYMENT

Upon cessation from employment or membership with Council, the card holder must ensure that:

- All outstanding transactions are cleared and properly accounted for;
- The card is returned to the Chief Financial Officer for cancellation and destruction;
- Written acknowledgement of the return of the card is obtained.

COMPLAINTS

Those persons wishing to lodge a complaint regarding corporate credit card policy and practice at Lachlan Shire Council should phone 02 6895 1900 or forward their written complaint to the following address:

Robert Hunt

GENERAL MANAGER

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