



# Corporate Credit Card Council Policy

## 1. PURPOSE

The purpose of Council's Corporate Credit Card Policy is to establish good governance to facilitate the responsible issue and use of Corporate Credit Cards by Councillors and Council Employees and to mitigate associated risks of misuse.

## 2. SCOPE & AUTHORITY

This policy and procedures apply to the use of Corporate Credit Cards by Councillors and Employees of Balonne Shire Council in accordance with Local Government Act 2009 and Local Government Regulation 2012.

This is a discretionary policy, resolved by Council under its powers in accordance with the Queensland Local Government Act (2009) Chapter 2, Section 9 which states:

### **9 Powers of local governments generally**

*(1) A local government has the power to do anything that is necessary or convenient for the good rule and local government of its local government area.*

## 3. POLICY STATEMENT

### 3.1 Council General Position

Corporate credit and purchasing cards are a routine aspect of account management and procurement for Local Government. Reliable financial management principles as required by the Local Government Regulation 2012 dictate that Councils develop a clear and comprehensive Policy to allow implementation of appropriate internal controls for the use of Council issued Corporate Credit Cards.

Corporate Credit Cards have been instigated to allow Council to transact its business in a more proficient manner and at the same time provide Councillors and Employees a more convenient method to meet costs they incur on Council's behalf.

Corporate Credit Cards should be regarded as a valuable tool for the efficient and effective operation of Council's daily business and not as a benefit assigned to individuals. The use of Corporate Credit Cards creates savings in staff administration time in matters such as arranging minor purchases of goods, transport, accommodation, and registration for attendance at conferences and workshops. It also reduced the high number of creditor creations that are required for one off purchases.

### 3.2 Issuing of Corporate Credit Cards

The Chief Executive Officer has delegated authority to authorise the issuing of Corporate Credit Cards to Council Employees and Councillors.

The Senior Finance Officer will be responsible for maintaining a register of the individual Corporate Credit Cards, including their associated limits and expiry dates.

The Senior Finance Officer will be responsible for obtaining approval of the Chief Executive Officer for the issue of a card and this will be recorded on a 'Cardholder Application and Acknowledgement' Form (Attachment A). Each cardholder will be required to sign this form on receipt of their Corporate Credit Card.

Each Corporate Credit Card will be issued to a specific Councillor or Employee who will be personally responsible for that card.

Before any Councillor or Employee can become a cardholder, it will be necessary for that individual to provide adequate proof of identity to satisfy the Bank's requirements. Details of documents that can be used for identification can be obtained from the Senior Finance Officer.

The Financial Institution's Credit Card Application is to be completed and signed by the applicant along with adequate proof identity, in the presence of the Director of Finance and Corporate Services or Senior Finance Officer.

A copy of the completed Cardholder Application and Acknowledgement Form and Corporate Credit Card Application is to be recorded in Council's record management system.



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## 3.3 Use of Corporate Credit Cards

Each Corporate Credit Card will have a monthly expenditure limit, which will be set by the Chief Executive Officer.

Corporate Credit Cards can only be used in accordance with approved expenditure and delegated authority.

The use of Corporate Credit Cards will be used as a convenience for minor purchases of goods, however, is not to be used to bypass Balonne Shire Council's Purchasing Policy.

Corporate Credit Cards issued to specific Employees are to be used for purchases that will allow the Cardholder and their staff a more convenient method to meet costs and create savings for Council.

Corporate Credit Cards are to be maintained in a secure manner and guarded against improper use.

Cardholders are to retain purchase/expenditure documentation, tax invoices and reconcile with bank statements at end of each month, this includes allocating job cost numbers to each transaction and approval of expenditure from Supervisor and return to Accounts Payable Officer as soon as practicable.

Types of approved expenditure may include, but is not limited to – consumables, minor parts and hardware supplies, resource materials, accommodation, meals, other travel expenses and conferences/seminar fees. In addition, authorisation of expenditure on Corporate Credit Cards is to include the signature of the relevant Cardholder.

Cardholders should be aware that if they do not obtain or are unable to provide a tax invoice/receipt for expenditure, Council is not able to recover any GST that may be applicable on that expenditure. In the event that a tax invoice/ receipt is not available, a statutory declaration must be completed and returned with reconciliation and statement.

When a Cardholder uses a Corporate Credit Card to provide food or drink at a social function or corporate lunch, the number of people attending and the number of those that are employees must be advised on the monthly documentation for Fringe Benefits Tax purposes.

On an ongoing basis, the Senior Finance Officer will review the individual Corporate Credit Card limit, usage patterns, internal controls and risk management relating to the Corporate Credit Card usage. The review will be documented and forwarded to the Director of Finance and Corporate Services.

Lost, stolen and/or damaged cards are to be reported immediately to the Director of Finance and Corporate Services or the Senior Finance Officer and the Cardholder is then to complete a 'Lost or Stolen Cards' Form and forward to the Finance Unit.

Corporate Credit Cards will be returned to Council a minimum of two (2) weeks prior to the expiry of term of office or cessation of employment (of a Cardholder) with Council. This will include a reconciliation of expenditure incurred on the card.

## 3.4 Restrictions

The credit limit of the individual Corporate Credit Card is not to be exceeded.

Corporate Credit Cards are not to be used for personal expenses under any circumstances, this includes food and beverages for employees. (This does not include food and beverage expenditure incurred as a result of attendance at approved conferences/workshops/training)

Corporate Credit Cards are not to be used to purchase weapons or explosives.

Corporate Credit Cards should only be used for purchases of fuel for Council vehicles in emergency situations. Staff should use their vehicle's fuel card for normal fuel purchases.

The use of Corporate Credit Cards for 'services of a 'dubious nature' is strictly prohibited. "Services of a dubious nature" are defined as any goods or services that might bring the name of Council into disrepute.

Use of Corporate Credit Cards for purchases over the internet should be restricted to trusted secure sites only.

The Cardholder will be personally liable for expenditure that cannot be shown to be related to the business of Balonne Shire Council.



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Corporate Credit Cards are not to be used for Cash Advances.

Cardholders will not be entitled to any rewards program or access rewards that may be offered as part of Council incurring expenses.

If a Corporate Credit Card is used to purchase software, especially if purchasing via the internet, it is necessary to liaise with Council's Information Technology Officer, to ensure the software is compatible and is capable of effecting support and maintenance.

## 3.5 Disputed Transactions

Council is responsible for paying all accounts on the monthly Corporate Credit Card Statement and the bank will debit this amount from Council's bank account at the end of the month.

The Cardholder will be personally liable for expenditure that cannot be shown to be related to the business of Balonne Shire Council.

The Finance Unit is to be notified of all disputed transactions. The Cardholder must complete the 'Disputed Transactions' Form and include it with the monthly reconciliation.

When a dispute occurs, the Cardholder should attempt to correct the situation with the merchant. If unable to correct the situation contact the Finance Unit, who will attempt to resolve the matter and may have to contact the Financial Institution for assistance.

The Financial Institution can assist with resolving some disputes with merchants, particularly those involving duplicated charges, non-receipt of goods ordered, or credits not processed after refund vouchers have been issued.

## 3.6 Corporate Credit Card Misconduct

If a breach of this Policy occurs, the Chief Executive Officer will assess the nature of the breach and if significant, report the breach to the Queensland Police Service and the Crime and Corruption Commission for investigation, or if lesser in nature, instigate an appropriate disciplinary process in accordance with the Balonne Shire Council's Code of Conduct for Councillors and Balonne Shire Council's Code of Conduct for Employees.

## 4. RESPONSIBILITIES

### 4.1 All Councillors and Council employees

- It is mandatory for all Councillors and Council employees to undertake any dealings relating to Corporate Credit Cards, in accordance with this Policy.

### 4.2 Managers and Directors

- Must respect, promote and act compatibly with this policy.
- Must put in place localised processes for compliance with this policy.
- Must ensure that Corporate Credit Cards are to Council a minimum of two (2) weeks prior to the expiry of term of office or cessation of employment of any employees who are Cardholders, in accordance with clause 3.3.

### 4.3 Corporate Credit Card holders

- Must act in accordance with this policy.
- Will be required to sign the 'Cardholder Application and Acknowledgement' Form (Attachment A) on receipt of a Corporate Credit Card in accordance with clause 3.2.
- Must take personal responsibility for that Corporate Credit Card issued to them in their name.
- Provide adequate proof of identity to satisfy the card issuing Financial Institution's requirements in accordance with clause 3.2.
- Complete and sign the Financial Institution's Credit Card Application, in the presence of the Director of Finance and Corporate Services or Senior Finance Officer in accordance with clause 3.2.





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- Must retain purchase/expenditure documentation, tax invoices and reconcile with bank statements at end of each month in accordance with clause 3.3.
- Must immediately report any lost, stolen or damaged cards to the Director of Finance and Corporate Services or the Senior Finance Officer and then complete a 'Lost or Stolen Cards' Form and forward to the Finance Unit in accordance with clause 3.3.
- Must not breach any of the restrictions described in clause 3.4.

## 4.4 Senior Finance Officer

- Is responsible for maintaining a register of individual Corporate Credit Cards, including their associated limits and expiry dates in accordance with clause 3.2.
- Is responsible for obtaining approval of the Chief Executive Officer for the issue of a card and this will be recorded on a 'Cardholder Application and Acknowledgement' Form (Attachment A) in accordance with clause 3.2.
- Is responsible for registering a copy of the completed Cardholder Application and Acknowledgement Form in Council's record management system in accordance with clause 3.2.
- Will review the individual Corporate Credit Card limit, usage patterns, internal controls and risk management relating to Corporate Credit Card usage. The review will be documented and forwarded to the Director of Finance and Corporate Services in accordance with clause 3.3.

## 4.5 Director Finance and Corporate Services

- Shall be the custodian of this policy
- Shall implement processes, control measures and training that provide assurance that Council acts in accordance with the policy
- Will consider the review of Corporate Credit Card limits, usage patterns, internal controls and risk management relating to Corporate Credit Card usage as described in clause 3.3 and recommend any consequential changes to policy or individual cardholding arrangements.
- Shall provide advice to the Chief Executive Office in relation to their responsibilities

## 4.6 Chief Executive Officer

- May consider authorising the issuing of Corporate Credit Cards to Council Employees and Councillors in accordance with clause 3.2
- Shall determine the monthly expenditure limit on each Corporate Credit Card in accordance with clause 3.3
- Shall consider and resolve how to address breaches of this policy in accordance with clause 3.6

## 5. RISK

This policy aims to address the risks related to the use of Corporate Credit Cards and provides controls to protect Council funds, maintain the integrity of governance processes and maintain public confidence in Councils' operations.

The use of Corporate Credit Cards is identified as a significant risk in the Crime and Corruption Commission Corruption Prevention Advisory (July 2017) regarding the "Use of Official Resources" which states:

*"The use of corporate credit cards, while convenient, poses a very high fraud risk, and therefore must be governed by strict procedures and guidelines. Staff issued with such cards require intensive training to ensure the cards are used only for official business and never for cash advances, personal expenditure or creating a temporary loan (ie putting personal expenses on the corporate card and reimbursing it later). Procedures should take account of:*

- *placing blocks on accounts to prevent cash advances (noting that these blocks can be ineffective in remote areas or manual transactions)*
- *the Treasurer's Guidelines for the use of the Queensland Government Corporate Purchasing Card (March 2017)*
- *the Queensland Procurement Policy (February 2021)*
- *the penalties for misuse, including the requirements of s. 21 of the Financial and Performance Management Standard 2009 in relation to the reporting of losses from the misuse of the card*



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- *acquittal by the card-holder which includes a signed declaration that the purchases were incurred for delegated expenditure categories and were within authorised limits*
- *the Criminal Code (Qld), and clearly state that dishonest use of the corporate credit card may incur penalties including imprisonment and/or fines.”*

## 6. IMPACTS

**Corporate Plan:** Goal – 5. Governance; Program Areas – 5.4 High levels of accountability and compliance

**Human Rights Compatibility Statement:** This Policy has been assessed as compatible with the Human Rights protected under the Human Rights Act 2019

**Engagement:** This policy has been developed in consultation with the Senior Leadership Group.

## 7. RELATED LAWS

- Local Government Act (Qld) 2009
- Local Government Regulation (Qld) 2012
- Criminal Code Act (Qld) 1899

## 8. RELATED COUNCIL DOCUMENTS

- Procurement Policy
- Procurement Procedure
- Code of Conduct for Councillors
- Code of Conduct for Employees
- Treasurer’s Guidelines for the use of the Queensland Government Corporate Purchasing Card (March 2017)
- Queensland Procurement Policy (February 2021)
- Queensland Financial and Performance Management Standard (2019)

## 9. REVISION HISTORY

**Revokes:** Corporate Credit Card policy Ref# 545686 Version 1.02 approved by Council 22/07/2021.

### **Previous approved versions:**

1.0.2 Approved by Finance 10/02/2021. Updated naming conventions.

1.0.1 Approved by Council 22/07/2017. Changed to allow minor purchases on card rather than purchase order.

1.0.0 Approved by Council 15/03/2013. New policy.

**Suggested to review by:** 21/10/2023

## 10. DEFINITIONS

**CEO** means the Chief Executive Officer of the Balonne Shire Council appointed in accordance with the Local Government Act 2009.

**Council** means Balonne Shire Council, its elected Councillors, its management and its employees.

**Council Employees** means all permanent, casual and temporary employees, contractors, volunteers, apprentices, trainees and work experience students.

**Financial Institution** means the finance institution (normally bank) which Council uses for the provision of Corporate Credit Cards.

**Finance Unit** means the organisational unit of Council responsible for managing Corporate Credit Cards.



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**Services of a dubious nature** means any goods or services that might bring the name of Council into disrepute.

## 11. ATTACHMENTS

**Attachment A:** Corporate Credit Card - Cardholder Application and Acknowledgement

**Attachment B:** Corporate Credit Card - Report of Lost or Stolen Card

**Attachment C:** Corporate Credit Card - Report of Disputed Transactions



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## Attachment A: Corporate Credit Card Cardholder Application and Acknowledgement

### APPLICATION

Applicant's Name: \_\_\_\_\_

Position: \_\_\_\_\_

Monthly Credit Limit Requested: \_\_\_\_\_

Reason for Credit Limit Request and Regularity of Use: \_\_\_\_\_

\_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### APPROVAL

Cardholder's Name: \_\_\_\_\_

Position: \_\_\_\_\_

Monthly Credit Limit: \_\_\_\_\_

Approved by Chief Executive Officer: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### ACKNOWLEDGEMENT

I acknowledge receipt of the Balonne Shire Council Corporate Credit Card and agree that:

- I will not use the Corporate Credit Card, nor permit for it to be used, other than for official purposes.
- I will ensure security of the Corporate Credit Card at all times.
- If the Corporate Credit Card is lost, stolen, or damaged I will immediately report it to the Director of Finance and Corporate Services or the Senior Finance officer
- If my position with Balonne Shire Council terminates or I am asked to surrender the card for any other reason, I will immediately return the card.
- I will retain all original supporting documentation that meets the requirements of a Tax Invoice and submit monthly.
- I will ensure that all Workplace Health and Safety requirements are complied with for all purchases.
- Accept liability for transactions, e.g. No invoice/receipt for GST purposes, non-Balonne Shire expenditure.
- If I misuse the Corporate Credit Card, I may be liable for disciplinary action.

Card No: \_\_\_\_\_ Expiry Date: \_\_\_\_\_

Signature of Cardholder: \_\_\_\_\_ Date: \_\_\_\_\_

Witness Name: \_\_\_\_\_ Signature: \_\_\_\_\_





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## Attachment B: Corporate Credit Card - Report of Lost or Stolen Card

### DETAILS

Corporate Credit Card No \_\_\_\_\_

Cardholder Name: \_\_\_\_\_

Details of Loss: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Finance Unit Notified: Yes/No \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### FINANCE UNIT (to complete)

Financial Institution Notified: \_\_\_\_\_

Corporate Credit Card Register Updated: \_\_\_\_\_

New Card No: \_\_\_\_\_ Expiry: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_





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## Attachment C: Corporate Credit Card - Report of Disputed Transactions

This form to be returned to the Finance Unit with monthly reconciliation

Corporate Credit Card Number: \_\_\_\_\_

Cardholder Name: \_\_\_\_\_ Date: \_\_\_\_\_

Cardholder Signature: \_\_\_\_\_

Transaction Date	Supplier	Reason for Dispute	Amount

