

Upper Macquarie County Council

POLICY: UMCC_2019_12

CREDIT CARD POLICY

The use of Council credit cards.

Adopted by: Upper Macquarie County Council

Date: 12th April 2019

Review Date: Every 4 years or as required

Next Due: April 2023

Policy Document Approved by:

David Young
General Manager

Date: 4th April 2019

1. POLICY PURPOSE

This purpose of the policy is to set out the framework within which credit cards issued by the County Council are to be used.

2. SCOPE OF POLICY

The policy is applicable to all Council *credit cards* and all Council staff issued with credit cards. For the purposes of this policy any 'purchase' enabling card is considered a credit card.

3. POLICY CONTEXT

The County Council has adopted the Westpac Credit Card to assist with the purchase of goods and services on behalf of the County Council. The benefits of the card include the reduction of administrative costs and paperwork in purchases of lower value items and proof of GST status on purchases.

The policy is prepared taking into account the principles of sound financial management set out in the local government legislation and best practice in the management of credit card use by Government agencies.

4. POLICY POSITION

Obtaining a Credit Card:

1. The General Manager is responsible for determining the need for individual credit cards, the establishing of credit card accounts, and the issuance and cancellation of credit cards.
2. Any Council officer issued a credit card must before being issued such credit card acknowledge in writing on the prescribed form that they are aware of the responsibilities and restrictions placed on their use of the credit card prior to taking possession of the card; and that they are responsible for the security of the card and must not allow it to be used by any other person.
3. A credit card will have a spending limit set at the minimum necessary for the relevant person to make proper use of the credit card for purchasing within their area of delegation. This will typically be between \$3,000 and \$6,000 unless otherwise determined for good reason.

Use of a Credit Card:

4. The card may only be used for authorised official County Council purposes. No personal use is permitted
5. The card cannot be used in ATM machines and must NOT be used to obtain cash advances.
6. The user must not exceed the monthly credit limit.
7. The card may be used for telephone/internet purchases by giving the card number over the telephone or internet after receiving prior approval for the purchase.
8. On receipt of the goods or services the user MUST obtain a Tax Receipt voucher, and itemised cash sales invoice if available from the supplier. A detailed record of purchases made over the telephone and internet orders should be kept.
9. The card is not to be used to purchase goods or services for personal use. *[Unless in an emergency – in which case such emergency use must be reported to the General Manager and the purchase value repaid to the Council as soon as possible after the purchase].*

10. Where a card is used to pay for 'entertainment and hospitality' expenses (such as at a conference etc), it is the responsibility of the most senior staff member present to meet the cost. *[That is – where more than one staff member are attendees the credit card of the most senior staff member will be used to ensure approval by a non-attending officer.]*
11. The card may be used for work related taxi and public transport expenses where appropriate.

[Note: Misuse of the credit card will necessitate the Council taking disciplinary and/or legal action against the cardholder.]

Lost or Stolen Credit Card:

12. If at any stage a credit card is lost or stolen, the Westpac Bank must be advised immediately on their twenty-four-hour, 7 day a week toll free number or in person at a Westpac Branch.

[It should be noted that until the bank is notified all unauthorised purchases made on the card are the responsibility of the County Council. To this extent, notification must occur immediately, or as soon as practically possible, after the credit card is lost or stolen. Further notification, in writing, must be given to the General Manager. This notification must include the details concerning the card's disappearance.]

Credit Card Record Keeping:

13. It is critical that evidence of each transaction and authority to incur the expenditure is obtained for each purchase. If the transaction is via the internet, a copy of the evidence of the transaction must be obtained as evidence of the transaction. *[This will allow a credit card holder to keep within the total credit limit and assist in reconciliation with the online credit card statement.]*

Payment of Credit Card Expenses:

14. Payment for credit cards is made through auto-debit from the County Council operating account on a monthly basis. The purchased itemised on the credit card are reconciled against tax invoices during the month-end accounting processes.
15. Where a credit card user has a query on their Statement, the first contact should be with the supplier. If the supplier agrees that the charge is incorrect or the goods have not been delivered or incorrectly delivered, they must organise for a credit to be issued. The cardholder is responsible for this enquiry and to ensure that credits, where agreed, ultimately appear on the statement.
16. Where agreement cannot be reached with the supplier regarding an incorrect charge, the transaction should be marked as a disputed transaction and a Disputed Transaction form,

available online, completed and faxed to the Westpac Bank who will take up the complaint with the supplier.

Authorisation and Approval of Credit Card Expenses:

17. As part of the month-end reconciliation of the each credit card account statement, the credit card holder will be required to confirm that all purchases were duly made in accordance with this policy and for goods or services approved in the operating budget.
18. The reconciliation statement will also need to be approved by either the General Manager for staff credit cards or the County Chairman for the General Manager's credit card.

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