



Shire of Jerramungup

FINANCE POLICY No 5

CORPORATE CREDIT CARD

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1.1 Policy Purpose

The purpose of this policy is to provide the Chief Executive Officer and Deputy Chief Executive Officer with a framework and ability to instantly pay for Council expenditure incurred whilst performing Council functions.

1.2 Policy Objectives

This policy establishes rules for the use and responsibilities of corporate credit cards by ensuring that operational and administrative costs and the risks associated with credit card use are minimised while providing cardholders with a convenient method of purchasing goods and services on behalf of the Shire.

1.3 Policy Scope

This policy applies to the Chief Executive Officer and Deputy Chief Executive Officer who are issued with a corporate credit card from the Shire's bank. It documents the responsibilities attached to these cards and their acceptable use.

1.4 Purchases and Use of Corporate Credit Cards

The Corporate Credit Cards shall only be used for purchases of goods and services in the performance of official duties for which there is a budget provision. The Corporate Credit Card is not to be used for personal purposes or for the withdrawal of cash through a bank branch or any automatic teller machine.

Where purchases are made by facsimile, over the telephone or on the internet, an invoice should be requested to support the purchase. Most internet transactions provide this ability and any telephone or facsimile communications provide the opportunity to make such a request. If no invoice or receipt is available, as much detail about the transaction should be recorded and used to support the payment when required. (Date, Company, Address, ABN, amount any GST included).

Where a payment is made for entertainment, it is important to note on the invoice/receipt the number of persons entertained and the names of any Shire of Jerramungup employees in that number. This is required to ensure the Shire pays the correct amount of Fringe Benefits Tax.

1.5 Monthly Account Settlement / Reconciliation

The combined credit limit to a maximum of \$15,000 shall be linked to Council's Municipal bank account and a recoup of expenditure be made, on a monthly basis, via funds transferred from the Shire of Jerramungup Municipal Account.

Transactions will be supported by a tax invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the Goods and Services Tax Act 1999 to enable a GST rebate to be applied.

Transactions shall be accompanied by a succinct justification of expenditure. If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'.

Should approval of expenses be denied by the Chief Executive Officer or the Shire President recovery of the expense shall be met by the cardholder.

A report will be provided to Elected Members on a monthly basis itemising transactions incurred on Corporate Credit Cards.

1.6 Lost or Stolen Cards

Cards that are lost or stolen must be reported immediately by the cardholder to the issuing bank by telephone. At the earliest opportunity, notification must also be given to the Senior Finance Officer or Accounts Payable Officer so that the cancellation of the card may be confirmed and a reconciliation of the card account from the date the card was lost or stolen may be performed.

1.7 Misuse of Corporate Credit Cards

Cards which show unreasonable, excessive or unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the cardholder.

1.8 Rewards or Bonus Points

Where the Corporate Cards carry rewards or bonus points, usually to encourage the use of the card by the issuing institution, these rewards or points will be accumulated in the name of the Shire of Jerramungup. The Chief Executive Officer will decide how these points are to be utilised and may include a charitable, social or sporting distribution. Under no circumstances are rewards or bonus points to be redeemed for an officer's private benefit.

1.9 Cardholder Responsibilities

Officers who are issued with Corporate Cards must -

- i. Ensure the care and safe keeping of the card.
- ii. Adhere to the policy and procedures in relation to use of the card and its financial limits.
- iii. Ensure receipts and tax invoices are received when the card is used and to produce them as evidence for settlement with the Bank.
- iv. Ensure relevant and correct expenditure account details (account numbers) are provided for each item of expenditure on the card to assist with the

allocation of expenses and claims for the reimbursement of GST from the Australian Taxation Office.

- v. To provide an early response to enquiries that may be made by the bank, creditors, reviewing officers, elected members or related parties, as the case may be.

1.10 Cardholder Agreement / Instructions

The following cardholder agreement / instruction will be provided to and signed by each officer receiving a corporate credit to certify their understanding of responsibility in using the card.

You have been provided with a Shire of Jerramungup sponsored Corporate Card in line with your official duties. The limit of this card is \$_____.

The following guidelines are provided for your information.

- 1. The card is issued in your name. It is a corporate card and all transactions made with it are the responsibility of the Shire of Jerramungup.*
- 2. The card is to be used for official expenditure in the performance of official duties for which there is Budget provision. Under no circumstances is it to be used for personal or private purposes.*
- 3. Being in your name, you are responsible for the care and safe keeping of the card and therefore held accountable to the Shire for its proper use.*
- 4. The card is not to be used to withdraw cash even for official functions. Any unauthorised, excessive or unreasonable use of the card will result in an enquiry and appropriate disciplinary action.*
- 5. When using the card, the holder is required to obtain Tax Invoices to support all purchases. A Tax Invoice should provide a description of the goods or services supplied, the supplier's Australian Business Number and identify any GST component of the amount paid.*
- 6. If the card is lost or stolen, you must immediately notify Bankwest immediately on 13 70 00 and the Senior Finance Officer or Accounts Payable Officer as soon as possible.*
- 7. The card must be returned to the Shire if you vacate your position either through resignation, retirement or the conclusion of an employment Contract.*