

## CP.14 Credit, Fuel & Transaction Cards

<i>Responsible Departments</i>	Corporate Services
<i>Resolution Number</i>	C.5148
<i>Resolution Date</i>	16/10/2024
<i>Next Scheduled Review</i>	2026/27
<i>Related Shire Documents</i>	Council's Procurement Policy Delegated Authority Register Code of Conduct – Employees, Volunteers, Contractors and Agency Staff
<i>Related Legislation</i>	<i>Local Government Act 1995, Section 2.7(2) (a) and (b) and 6.5 (a) Local Government (Financial Management) Regulations, Regulation 11(1) (a)</i>

### OBJECTIVE

Purchasing cards are provided to Shire employees to enable the purchase of goods and services for the Shire. The objective of this policy is to:

- Provide a clear framework to enable the use of purchasing cards;
- Provide employees issued with a purchasing card clear and concise guidelines outlining its use;
- Mitigate the risk of fraud and misuse of all Shire-issued cards.

The application of this policy is to be in conjunction with the Shire's Code of Conduct and any legislative requirements of the *Local Government Act 1995* that may be applicable.

### SCOPE

This policy applies to all Shire employees who are issued a purchasing card in accordance with this policy. Council Members not covered by this policy as they cannot be issued with purchasing cards.

The policy is intended to apply to credit cards, fuel, purchasing and transaction/store cards as well as any other similar type of corporate or organisational purchasing card.

### POLICY

#### 1. Definitions

**Transaction Card:** Any store card limiting purchases to a specific store.

**Fuel Card:** A card that is specifically used to purchase fuel for corporate vehicles.

**Credit Card:** A corporate credit card used to make work related purchases when a supplier account is not available.

**Purchasing Card:** A general term used for the purpose of this policy to encompass fuel, transaction or corporate credit card.

## 2. Permitted Transactions

Purchasing cards may only be used for:

- The Shire's business activities, where an appropriate allocation is available within the adopted budget;
- The purchase of goods or services in accordance with the Shire's Procurement Policy and can include purchases such as:
  - General retail (e.g. industrial and construction supplies, hardware and equipment, and office supplies and printing);
  - Travel and accommodation;
  - Food and drink purchases;
  - Government services (e.g. postal services, licenses, registrations and permits);
  - Information technology and digital goods;
  - Training and development; and
  - Vehicle fuel, parts and services.

## 3. Prohibited Use and Transactions

The following types of transactions and purchases are prohibited and must not be made on a purchasing card.

- No cash withdrawals are permitted.
- Any refunds for purchases made on a Shire credit card must be refunded back to the credit card account. Refunds must not be accepted in cash.
- Shire purchasing cards must not be used for purchases of a private or personal nature, even if it is intended to reimburse the Shire. Only approved, work-related expenses in accordance with this policy may be incurred.
- The use of the purchasing card shall not be tied to any type of reward system that provides cardholders with any personal benefit or reward.
- Purchasing cards are not to be used during times of leave, with the exception of fuel cards for relevant employees.
- Credit cards are not to be used to purchase fuel products for Shire vehicles unless in exceptional circumstances (a fuel card should be used for this purpose).

## 4. Eligibility for purchasing cards

A purchasing card will only be issued when it is established that the anticipated usage of the card is warranted.

On receipt of a purchasing card, the cardholder must acknowledge and accept the conditions of use through the Cardholder Declaration.

## 5. Allocation of Credit Cards and Limits

Allocation of a credit card must be approved by the Chief Executive Officer or the Executive Manager Corporate Services in the instance the credit card is for the Chief Executive Officer.

The Chief Executive Officer will determine the limits on the credit cards.

## 6. Reconciliation and Reporting

Reconciliation of purchasing cards is to be completed on a monthly basis and acquittal of each transaction requires:

- A relevant 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.
- If no supporting documentation is available, the cardholder is required to provide a statutory declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'.
- Authorisation of expenditure incurred on credit cards must be signed by both the credit cardholder and one other Executive Manager or the Chief Executive Officer.
- A succinct explanation of why the expense was incurred and the appropriate expense account, with an annual budget allocation, for costing purposes.
- Should a lack of detail be a regular occurrence for a particular cardholder, the cardholder may be refused access to a purchasing card in the future.
- Each transaction will go through an individual approval process to ensure each expense is adequately validated.
- If the card is lost or stolen the cardholder is to immediately inform the bank and Executive Manager Corporate Services.
- Cards are to be surrendered to the Executive Manager Corporate Services (or Shire President in the case of Chief Executive Officer) when the cardholder ceases employment or the card expires.
- If the Chief Executive Officer or Executive Manager Corporate Services deny the approval of expenses, the recovery of the expense is to be met by the cardholder.
- A monthly report of all credit card transactions will be included in the Statement of Accounts report to Council.

## 7. Cardholder Responsibility and Liability

Cardholders are responsible for the safe custody and security of the card and account and are liable for any misuse and associated costs. Cardholders are responsible for

resolving use and transaction disputes and ensuring that use of the card is ethical and strictly in accordance with this policy.

## **8. Fuel Cards**

Employees who have Shire vehicles for personal use will be provided a fuel card and this is only for use with the nominated vehicle.

Fuel cards for the Shire pool vehicle will be managed by the Procurement Coordinator.

## **9. Credit cards**

All staff with credit cards must be given delegated authority to make purchases on a credit card.

## **10. Review of purchasing cards**

To ensure compliance and the integrity of the purchases, periodic reviews of expenditure will be undertaken by an employee nominated by the Chief Executive Officer or Executive Manager Corporate Services.

External scrutiny of purchasing card expenditure will be encouraged as part of the external audit process.

Purchasing card limits will be reviewed annually for all cardholders by the Executive Manager Corporate Services.