



Name	FIN12 Purchasing Card Policy
Policy Type	Administrative Policy
Responsible Officer	Director of Corporate Services
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1 Purpose

This policy is designed to control the use of corporate purchasing cards issued under the name of Litchfield Council. Procedures outlined in this policy ensure sound governance of expenditure incurred on behalf of Council.

2 Principles

Litchfield Council is committed to sound financial management, public accountability and transparency.

3 Definitions

For the purposes of this Policy, the following definitions apply:

Purchasing Cards	Corporate purchasing cards issued in the name of Litchfield Council.
Cardholder	Litchfield Council employee that is holder of a corporate purchasing card.

4 Policy Statement

4.1 Issuing of Credit Cards

- 4.1.1 Credit Cards are only issued to officers that hold the positions with the required authority given to them by the Chief Executive Officer. Those positions are outlined in the Financial Delegation policy.
- 4.1.2 To be issued a credit card staff will be provided with a credit card request form from Finance. The form is provided by Litchfield Council's banking service provider. Staff will be required to prove their identity with the bank issuing the credit card.
- 4.1.3 Council officers issued with 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 cardholders are to acknowledge receipt of the Credit Card Policy in form of a signed agreement.

4.2 Credit Limit

- 4.2.1 The monthly maximum credit limit for credit cards is set in the financial delegation's policy. The Chief Executive Officer may exercise their authority to determine, within this limit, to vary the credit limits for individual card holders.

4.2.2 In the case of an emergency situation, in line with the Council’s disaster recovery plan, the Chief Executive Officer shall have the authority to raise credit limits for a short period of time above the maximum limit set in the financial delegation’s policy. Any such instances need to be reported to Council as soon as practical.

4.3 Cancellation of Credit Cards

4.3.1 Each issued credit card remains the sole property of Litchfield Council. The Chief Executive Officer may revoke the use of any credit card at any given time.

4.3.2 Cancellation of a credit card is necessary where the:

- Cardholder changes job function that has not got appropriate authority
- Employment with cardholder ceases
- Cardholder has not adhered to set procedures and policies
- Misuse of credit card
- Cardholder breaching any terms of this policy

4.4 Use of Credit Card

4.4.1 Credit cards must only be used for the carrying out of Council authorised business and for the meeting of Council liabilities where it is deemed to be inefficient to adhere to the electronic purchase order system.

4.4.2 No private expenditure shall be incurred, even if private funds are transferred or repaid immediately, to offset the expenditure. This includes the payment of parking fines or speeding offences even if incurred whilst on Council business.

4.4.2 All purchases on the credit card require appropriate authorisation in line with relevant Procurement and Financial Delegations policy.

4.4.3 Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder. Should there be an accidental transgression, the Director of Corporate Services is to be notified and the Council reimbursed immediately.

4.5 Cardholder Responsibilities

4.5.1 The cardholder has to ensure that the credit card is maintained in a secure manner and guarded against improper use.

4.5.2 All documentation regarding a credit card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.

4.5.3 Reconciliation is to be completed within seven days of the date of the credit card statement being issued to the cardholder.

4.5.4 The cardholder must follow responsibilities outlined by the card provider.

4.5.5 Credit cards are to be returned to the Director of Corporate Services on or before the employee's termination date with a full acquittal of expenses.

4.6 Credit Card Reconciliation Procedures

4.6.1 Credit card statement accounts will be issued to the relevant cardholder monthly. The cardholder must provide finance with the following information on the statement:

- Description of purchase
- Budget (General Ledger) allocation
- Applicable GST amounts

4.6.2 All transactions on the statement must be supported by 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 GST rebate to be applied.

4.6.3 If no supporting documentation is available the cardholder will provide a statutory declaration detailing the nature of the expense and must state on that declaration to the effect 'all expenditure is of a business nature'. Approval of this expense is referred to the Chief Executive Officer for a decision. Should approval of the expenses be denied by the Chief Executive Officer recovery of the expense shall be met by the cardholder.

4.6.4 The cardholder shall sign and date the credit card statement with supporting documentation attached. Furthermore, the immediate supervisor of the cardholder shall give written approval of the purchases by signature on the credit card statement. In the case of the Chief Executive Officer, the Mayor shall sign.

4.6.5 A monthly report of all credit card transactions will be authorised by the Director of Corporate Services and the Chief Executive Officer as part of the monthly reporting to Council.

4.7 Disputed Transactions

4.7.1 Litchfield Council is responsible for paying all accounts on the monthly credit card statement and the bank processes a direct debit from the operational bank account for such.

4.7.2 It is the Cardholder's responsibility to investigate with the supplier to determine the causes of the discrepancy. Only if this process does not resolve the dispute the cardholder needs to inform finance, who will initiate a formal dispute process with the bank.

4.7.3 A formal dispute process will require the cardholder to fill in a dispute form from the bank. A finance staff member will facilitate the process between the staff member and the bank.

4.7.4 Any amounts in dispute need to be highlighted on the credit card statement and will be debited to a suspense account until resolved.

4.8 Procedures for Lost, Stolen and Damaged Cards

4.8.1 The loss or theft of a credit card must be immediately reported by the cardholder to the card provider regardless of the time or day discovered. The cardholder must also formally advise the Director of Corporate Services on the next working day.

4.8.2 Advice of a damaged credit card is to be provided to the Director of Corporate Services who will arrange a replacement.

4.9 Finance Services Responsibilities

4.9.1 The Finance Manger will ensure that the following responsibilities will be met by Finance Services:

- Arrange issues and cancellations of credit cards
- Maintain register of all cardholders
- Provide cardholders with the policy, and where required any changes to the policy and their responsibilities and obligations as cardholders
- Process payments of credit cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements.
- Arrange for all cardholders to sign the Corporate Credit Cardholder Agreement with application for the credit card.
- Assist with formal dispute process

5 Associated Documents

Litchfield Council Policies

6 References and Related Legislation

Local Government Act, Regulations, and Ministerial Guidelines

I understand and accept my responsibilities as a Cardholder under this policy.

Name

Date

Signature