



Name	FIN15 Purchasing Cards – Elected Council Members and Chief Executive Officer
Policy Type	Council
Responsible Officer	Chief Executive Officer
Approval Date	17/03/2021
Review Date	17/03/2025

1. Purpose

The purpose of this policy is to provide guidance on how Council purchasing credit cards are to be allocated, used, and administered. This policy is designed to control the use of corporate purchasing cards issued under the name of Litchfield Council to Elected Council Members and Chief Executive Officer (CEO). Procedures outlined in this policy ensure sound governance of expenditure incurred on behalf of Council

2. Scope

This policy applies to all Council Members and the CEO who are issued with a purchasing card.

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 Elected member or CEO that is holder of a corporate purchasing card.

4. Policy Statement

4.1. Issuing of Purchasing Cards

- 4.1.1. Council will authorise the issue of a credit card to the CEO with credit limits as stated in the delegation manual.
- 4.1.2. Council may resolve to issue a credit card to a council member only if the card is necessary for the council member to perform their functions and it is not reasonably possible to use the Council’s purchasing system for ordering of goods or services.
- 4.1.3. To be issued a Purchasing Card, eligible cardholders will be provided with a Purchasing Card request form from Finance. The form is provided by Litchfield Council’s banking service provider. Eligible cardholders will be required to prove their identity with the bank issuing the Purchasing Card.

4.1.4. Council members and the CEO issued with Purchasing 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 Purchasing Card Policy in form of a signed agreement.

4.2. Credit Limit

4.2.1. The monthly maximum credit limit for Purchasing Cards is set in the financial delegation policy.

4.2.2. The purchasing card is to have no cash advance facilities.

4.2.3. The purchasing card is not to be linked to any form of award points.

4.3. Cancellation of Purchasing Cards

4.3.1. Each issued Purchasing Card remains the sole property of Litchfield Council. Council may revoke the use of the purchasing card issued to the CEO or elected members at any time.

4.3.2. Cancellation of a Purchasing Card is necessary where the:

- Cardholder changes job function which results in changes to delegated authority.
- Employment with Council ceases.
- Cardholder has not adhered to set procedures and policies.
- Misuse of Purchasing Card.
- Cardholder breaching any terms of this policy.

4.4. Use of Purchasing Card

4.4.1. Purchasing 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.

4.4.3. All purchases on the Purchasing Card require appropriate authorisation in line with relevant Procurement and Financial Delegations policy.

4.4.4. Where inappropriate expenditure occurs, the value of the expenditure shall be recovered from the cardholder. Should there be an accidental purchase, the CEO is to be notified and the Council reimbursed immediately.

4.4.5. Penalties for misuse will apply as per FIN10 Fraud Protection Plan.

4.5. Cardholder Responsibilities

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

4.5.2. All supporting documentation regarding a Purchasing 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 Purchasing Card statement being issued to the cardholder.
- 4.5.4. The cardholder must follow responsibilities outlined by the card provider.
- 4.5.5. The cardholder is to return the credit card to the Council as soon as the card is no longer required or if the cardholder is leaving the Council, on or before the last day with Council.
- 4.5.6. The cardholder must not share the credit card details including the personal identification number (PIN) with anyone.

4.6. Purchasing Card Reconciliation Procedures

- 4.6.1. Purchasing Card statement accounts will be issued to the relevant cardholder monthly by the Finance Officer. The cardholder must provide the Finance Officer 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 Supplier's name, the Supplier's Australian Business Number (ABN), the date of the expenditure, brief description of the expenditure, price paid for the expenditure and the Council's name as the purchaser. 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. The statutory declaration can be found at <https://nt.gov.au/law/processes/statutory-declarations>.
- 4.6.4. The cardholder shall sign and date the Purchasing Card reconciliation statement with supporting documentation attached. The Mayor approves the reconciliation statement of the CEO's credit card and the CEO approves the elected members credit card reconciliation.
- 4.6.5. If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep tax invoices must be brought to the attention of the Chief Executive Officer who will consider for any appropriate action. This could include, to issue a first and final warning to the cardholder or revoking the use of the purchasing card from the cardholder. In the case of the Chief Executive Officer the matter should be brought to the attention of the Mayor.

4.7. Disputed Transactions

- 4.7.1. Litchfield Council is responsible for paying all accounts on the monthly Purchasing 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 Purchasing 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 Purchasing 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 CEO immediately. If the cardholder is the CEO, they must advise the Mayor.
- 4.8.2. Advice of a damaged Purchasing Card is to be provided to the CEO who will arrange a replacement.

4.9. Finance Services Responsibilities

- 4.9.1. The Manager Corporate Services will ensure that the following responsibilities will be met by Finance Services:
 - Arrange issues and cancellations of Purchasing 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 Purchasing Cards. This includes ensuring all required documentation is attached and relevant officers have signed the statements.
 - Arrange for all cardholders to sign the Corporate Purchasing Cardholder Agreement with application for the Purchasing Card.
 - Annual review of Purchasing Card compliance with authorised delegations
 - Assist with formal dispute process

5. Associated Documents

Litchfield Council Policies

6. References and Legislation

Local Government Act 2019, Regulations, and Ministerial Guidelines

7. Review History

Date Reviewed	Description of changes (Inc Decision No. if applicable)
17/03/2021	Adoption of Policy for implementation on 1 July 2021