

## 2.1.8 Corporate Credit Card

<b>Type:</b>	Corporate Services – Financial Management
<b>Legislation:</b>	Local Government Act 1995 Local Government (Administration) Regulations 1996 Local Government (Functions and General) Regulations 1996
<b>Delegation:</b>	
<b>Other Related Document:</b>	Purchasing Policy 2.1.3 Supplier Payments Policy 2.1.6 Corporate Credit Card Procedures Request to use Town Credit Card Credit Card Acquittal

### Policy Statement

This Policy, which is **mandatory**, allows the CEO to pay for expenditure, incurred in conducting the ordinary course of business for the Town of East Fremantle, via the use of a Corporate Credit Card.

### Policy Scope

This Corporate Credit Card Policy outlines the way the corporate credit card can be used and provides clear guidance and responsibilities of the card users and ensures protection of the Town of East Fremantle's funds. This policy should be read in conjunction with section 6.5 of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*, specifically:

- regulation 5, which specifies the CEO's duties as to financial management.
- regulation 11, which specifies that procedures are to be made for the correct authorisation and payment of accounts, and
- regulation 13, which specifies that a list of payments made is required to be presented at ordinary council meetings.

*Local Government (Functions and General) Regulations 1996* are also complied with in relation to adhering to the Town of East Fremantle's Purchasing Policy (*Regulation 11A*).

A purchase order is not required when a corporate credit card is used. However, to adhere to the *Local Government Act and Regulations*, a *Request to Use Town Credit Card* form must be completed by staff members who are not cardholders.

As the cardholders' individual credit card limits are below their delegated purchasing authority limits, expenditure incurred via credit card is therefore in accordance with appropriate delegated authority.

Each month a listing of payments made via Corporate Credit Cards is required to be presented to Council for approval.

### Policy

#### Eligibility

The provision of a Corporate Credit Card is a facility offered by Council to Management occupying certain positions which must be authorised by the CEO. In the instance of a corporate card for the CEO authorisation is either by the Mayor or Executive Manager Corporate Services.

### **Guidelines for credit card usage**

- The card must be used for Council business expenditure only. The monthly limit assigned to each cardholder varies from \$500 to \$15,000, the cardholder must ensure there are sufficient funds in the budget prior to usage.
- The card must not be used for personal use.
- The card must not be used for the withdrawal of cash through any facility, whether it is a Bank, ATM or EFTPOS facility.
- The card must not be used by officers' other than the cardholder unless the cardholder has given prior approval on the Credit Card Request form.
- The card must not be used for fuel purchases in instances where the cardholder has a Fuel Card facility available.
- The cardholder must practice due diligence and strict care to maintain the security of their card, ensuring that it is kept in their possession at all times.
- The card must be returned to the Finance Manager, prior to leave periods more than four weeks. The card must also be returned if the cardholder is reassigned to a new position where the use is not required or where their employment is terminated.
- Cards must not be used to obtain personal rewards such as frequent flyer points or any other rewards, including flight point awards.
- The card shall not be used for payment of fines, for example a parking or a speeding offence which was incurred whilst on Council business.
- If direct debits are to be utilised the direct debit will be recorded in the Direct Debit Register Maintained by the Finance Manager and approved by the Executive Manager Corporate Services.
- The card should only be used in limited circumstances when a Supplier will not accept payment via EFT or cheque, otherwise a purchase order must be raised and the Supplier paid in accordance with the Towns Supplier Payments Policy.
- The card is permitted to be used when payment is expected COD.
- No "tips" shall be paid using a Corporate Credit Card.
- Purchases through the internet should be restricted to trusted, secure sites.

### **Where an inappropriate expense occurs**

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

### **Formal acknowledgement of procedure conditions**

Staff issued with Corporate Credit Cards are in a position of trust regarding the use of public funds. Improper use of that trust may render the cardholder liable to disciplinary action, legal action, or criminal prosecution.

All Corporate Credit Cardholders are to acknowledge receipt of their corporate credit card by signing a *Corporate Credit Card Acknowledgment and Conditions of Use* form (attachment A).

All Corporate Credit Cards issued will be recorded on the Credit Cardholders Personnel file. (Human Resources)

### **Cardholder responsibilities**

Cardholders are required to abide by the Town's internal procedures.

Where cardholders fail to fulfil the Town’s internal procedures or requirements, the CEO may cancel the card and revoke purchasing delegations.

#### **Procedure for lost, stolen or damaged cards**

Cardholders are personally responsible and accountable for the safe custody of the issued card. Cardholders must:

- Always keep the Corporate Credit Card with them. This will ensure the card is always secure to safeguard against theft or loss.
- report the loss or theft of a card to the supplying bank immediately in accordance with the bank’s terms and conditions, and notify the Finance Manager;
- not disclose or carry with the card any PIN that has been issued with the card.

#### **Procedures for cessation of employment**

Upon cessation of employment with the Town, the cardholder must ensure that:

- all outstanding transactions are cleared and properly accounted for.
- the card is returned to the Finance Manager for cancellation and destruction; and
- sign off the return of the Credit Card from Human Resources.

#### **Consequences of Breaching this Policy**

The policy constitutes a lawful instruction to staff members involved in administering corporate credit card transactions. Any breaches of the policy may lead to disciplinary action.

#### **Variation to this Policy**

This policy may be varied from time to time. All the organisation’s employees will be notified of any variation to this policy by the normal correspondence method.

<b>Responsible Directorate:</b>	Finance and Administration
<b>Reviewing Officer:</b>	Executive Manager Corporate Services
<b>Decision making Authority:</b>	Council
<b>Policy Adopted:</b>	19/03/19
<b>Policy Amended/Reviewed:</b>	17/09/19, 16/11/21, 19/03/24
<b>Next Review Date:</b>	March 2024