



***Draft Issue and Use of Corporate Credit Card Policy***

<b>Policy, General Manager’s Directive, Procedure, Procedural Guideline, Work Instruction</b>	Policy
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<b>Author</b> (position details – i.e. manager or above)	Chief Financial Officer
<b>Section / Department</b>	Financial Services
<b>Linkage to Our Community Vision</b>	5 Civic Leadership
<b>Objective</b>	5.1 Council is an organisation that embraces business excellence
<b>Strategy</b>	5.1.1 Financial sustainability is maintained through effective short and long term financial management



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## **1. Purpose**

This policy provides clear and detailed information about document requirements, authorisation, conditions and constraints in the use of Council corporate credit cards. Council corporate credit cards are issued to staff to facilitate efficient and effective procurement of goods and services in a controlled manner.

## **2. Background/Legislative requirements**

This Policy adheres to the September 2021 OLG Guidelines on the Use and Management of Credit Cards under Section 23A of the Local Government Act 1993.

Corporate credit cards are a valuable tool for the efficient and effective operations of Council business and not as a benefit assigned to specific individuals. The use of corporate credit cards create savings in staff administration time in matters such as arranging transport, accommodation, and conference registration.

## **3. Policy, Protocol Statement**

Credit cards must be subject to appropriate controls in order to protect council funds, maintain the integrity of governance processes and maintain public confidence in Council operations. All local government Councils are obliged to maintain an effective system of internal control, in accordance with the Local Government (General) Regulation 2005 to address the significant risks of fraud and misuse of corporate credit cards.

## **4. Procedures**

### **4.1 Eligibility**

Council credit cards are issued to employees subject to approval by the General Manager. The criterion used for the assessment of eligibility for the issue of a corporate credit card to an employee includes:

- a) Use of the card is consistent with the operational needs and requirements of the job function.
- b) The employee's position has delegation to procure goods and services for Council.
- c) Frequency of use of the card provides efficiency in the procurement of goods and services.
- d) The credit limit is limited to:
  - a. General Manager, Mayor, Deputy General Managers and Chief Financial Officer \$10,000
  - b. All Other Staff \$5,000

### **4.2 Issue of a Corporate Council Credit Card**

The following procedures are to be followed for the issuance of a corporate credit card:

- a) Application for issue of Council Credit Card form to be completed and approved by CFO prior to issue of card (refer to Appendix A)
- b) Once approved, the Finance department arranges for the completion of the 100-point check and arranges a card from the issuing bank including the facilitation of application requirements such as signatures and proof of identification.
- c) All signed applications, bank documents and any associated legal documents are placed in Council's records management system.
- d) At time of issue, the cardholder signs a declaration acknowledging they understand how, when and for what the card may be used (Appendix B).



#### **4.3 Acceptable Use**

Council corporate credit cards may be used for the following:

- a) Expenditure according to delegated authority.
- b) Low value goods and services up to \$2,000.
- c) Items which require pre-payment.
- d) Business related travel expenses including airfares, taxis, accommodation and meals.
- e) Training courses, seminars and workshops.
- f) Online or phone ordering of goods or services from Australian businesses which have an ABN (Australian Business Number).

#### **4.4 Exclusions of Use**

Council corporate credit cards must not be used for the following:

- a) Personal expenditure. Such items must not be intentionally charged to the credit card.
- b) Items already under a contract supply arrangement including Council and prescribed organisation contracts.
- c) Plant of any size including small plant with combustion engines (refer Plant Procurement Procedure).
- d) Purchase from any business which does not have an ABN (Australian Business Number) including on-line businesses.
- e) Fuel, except where access to a Council fuel/fuel card provider is not available.
- f) To avoid the requirements and obligations of Council's Procurement Policy. For example, purchases must not be split into smaller transactions (or over multiple credit cards) to circumvent expenditure or transaction limits.
- g) Cash advances. All Council issued credit cards will have cash advance facilities disabled.
- h) When a purchase is already a stock item in Council's Stores (check with Stores before purchase).
- i) Tipping is not permitted.

#### **4.5 Card Holder Responsibilities**

Council Officers issued with a corporate credit card must adhere to the following responsibilities:

- a) The purchase of any goods or services complies with the conditions of use outlined in Council's Procurement Policy and Procedure.
- b) All document, invoice and paperwork associated with the purchase is retained by the cardholder at time of purchase even if they have delegated the specific purchase of a goods or service to another staff member.
- c) Tax receipt to be retained at point of purchase.
- d) Where a tax receipt or invoice cannot be provided, the cardholder must provide a Statutory Declaration Form declaring the expenses were for legitimate business purposes to their manager. The declaration must also be countersigned by the manager.
- e) Any refunds for goods and services purchased must be credited to the card and not refunded as cash.
- f) Cardholders are required to be conscientious about protecting Council against unnecessary risks associated with credit card use.
- g) Report stolen or lost cards immediately to the relevant bank and to the Chief Financial Officer or his delegate.
- h) Acquit all card expenditure for the month by no later than the 7th day of the following month.



#### **4.6 Approving Manager/Officer Responsibilities**

The approving manager must ensure that:

- a) The credit card holder complies with Council's Policy and Procedure through review and approval of the credit card holder's transactions.
- b) Card usage is monitored to ensure compliance with budget and relevant policies and procedures including Council's quote matrix.
- c) Identify and investigate any questionable activities including but not limited to the use of personal credit cards for the payment of goods and services for which re-imburement will be sought.
- d) Approve all acquitted card expenditure by no later than the 14th day of the following month.

#### **4.7 General Manager Transaction approvals**

For all Corporate Credit Card transactions, the following approvals process will take place;

- a) All Corporate Credit card transactions once the acquittal is performed will be approved by the relevant line manager.
- b) At the end of the Corporate Credit Card month a transactional statement showing the General Manager's transactions for the month is printed, copies of the invoices are attached. The statement is signed by the General Manager and Mayor, it is then filed with the Finance department.
- c) For the Mayors Credit Card, review and approval is required by the Deputy General Manager Corporate Community Services.

#### **4.8 Personal Benefits and Liabilities**

The following rules regarding personal benefits are to be strictly adhered to:

- a) Council issued credit cards will not entitle the cardholder to any personal benefits derived from card benefit schemes (e.g. frequent flyer or other similar schemes).
- b) Liability for charges incurred on the card rests with Council and not the cardholder, provided all credit card procedures are followed.
- c) Use of the card by the cardholder does not affect the cardholder's personal credit rating as it is only used for Council business.

#### **4.9 Return of Credit Cards**

The cardholder must return their corporate credit card to the Chief Financial Officer (or their delegate) in any of the following circumstances:

- a) The credit card has expired.
- b) Resignation or retirement.
- c) Termination of employment for any reason.
- d) Transfer within the organisation to a new role where a credit card is not required.
- e) If instructed to do so by cardholder's manager or the Finance Department.

### **5. Misuse of Credit Cards or breach of procedure**

Any misuse of credit cards or breach of the Credit Card Policy may result in:

- a) The immediate and permanent withdrawal of a credit card facility from the allocated cardholder.
- b) Discipline in accordance with Council's relevant policies and Code of Conduct.



Credit cards are issued to Council senior staff members that are in a position of trust in regard to the use of public funds. Improper use of the credit card facility may render the cardholder liable to disciplinary / legal action, and / or criminal prosecution if deemed appropriate.

## **6. Corporate Credit Card Administrator**

The program administrator for the Corporate Credit Card is the Assistant Accountant.

The responsibilities of the corporate card administrator include:

- a) To order the credit cards once approval has been granted;
- b) Ensure all necessary forms are completed prior to the issue of the Corporate Credit Card and all necessary forms are saved within Council's Records Management System and Legal Documents;
- c) To ensure all new Corporate Credit Card holders complete required training prior to use of card;
- d) Ensure all monthly reconciliations have been balanced and journals processed;
- e) To conduct "spot checks" of transactions each month and escalate any transactions considered inconsistent with the policy to the CFO and General Manager;
- f) Replace lost or stolen cards;
- g) Periodically reviewing all cardholders and credit card limits to determine the extent of usage and continued need for individual credit cards;
- h) Maintain a Credit Card register as an accessible record of Bellingham Shire Council's credit card program borrowing limit and aggregate credit limit of individual credit cards currently issued.



7. Appendix A

**APPLICATION FOR ISSUE OF COUNCIL CREDIT CARD**

(In accordance with Credit Card Policy)

Applicants Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Primary purpose for credit card use: \_\_\_\_\_  
\_\_\_\_\_

Credit Limit: \$\_\_\_\_\_

Transaction Limit: (generally not to exceed \$2,000) \$\_\_\_\_\_

**Successful applicants will be required to provide the Finance department with the relevant documentation to complete the 100 point check and sign Bellingham Shire Council’s credit card declaration which outlines you have read and understood the responsibilities with respect to the use and management of credit cards in accordance with the Credit Card Policy.**

Driver’s License No: \_\_\_\_\_ (copy attached)

Applicant (signature): \_\_\_\_\_ Date: \_\_\_\_\_

**Approval required:**

	Chief Financial Officer
Name	
Signature	
Date	

**Finance Use Only:**

Type of card to be issued: Corporate

Application form verified: \_\_\_\_\_ Date \_\_\_\_\_

Card issued to applicant: \_\_\_\_\_ Date: \_\_\_\_\_

Signed Cardholder Statement of Responsibility received: \_\_\_\_\_ Date: \_\_\_\_\_

Credit Card Register Updated: \_\_\_\_\_ Date: \_\_\_\_\_



**8. Appendix B**

**BELLINGEN SHIRE COUNCIL CREDIT CARD HOLDER DECLARATION**

I, ..... acknowledge receipt of Council Credit

Card number .....

I have read and understand the conditions of acceptable use of the card and all exclusions of use as outlined in Council's Corporate Credit Card Policy.

SIGNED:

DATE: