

Council Policy – Corporate Transaction Cards

Responsible Directorate	Corporate Services
Responsible Business Unit/s	Finance
Responsible Officer	Manager Finance
Affected Business Unit/s	All

Objective

To provide a clear framework to guide the use and management of corporate transaction cards.

Scope

This policy applies to all Shire of Ashburton (Shire) employees issued with corporate transaction cards.

Policy Statement

The Chief Executive Officer (CEO) shall ensure the following practices are observed:

- Corporate transaction cards are kept secure.
- Corporate transaction cards are not to be used for personal expenses under any circumstances.
- All corporate transaction cards payments (including disputed transactions) are to be listed in the Schedule of Accounts and Transaction Card Purchases section of the monthly financial report to Council.
- Where applicable, purchases are to be made in accordance with Council Policy – Purchasing and Procurement and associated procedures.
- Inappropriate purchases, even based on them being operationally related, may be recoverable from the cardholder. The cardholder is required to conclude that purchases are fair and reasonable business expenses.
- Where possible, purchases should be processed via a purchase order.
- Corporate transaction cards are not to be used for cash withdrawals at any facility.
- Cardholder's responsibilities, as outlined by the card provider (i.e., the bank), are met at all times.
- Corporate transaction cards limits are not exceeded.

- The cardholder is responsible to pursue and resolve incorrect charges (as due to privacy legislation, only the cardholder can initiate any request for information from the bank).
- All relevant documentation regarding each transaction is retained by the cardholder and transactions are to be acquitted and reconciled monthly as per the reconciliation procedure.
- The use of the corporate transaction cards shall not be tied to any type of reward systems that provides cardholders with any personal benefit or reward.

Principles for usage

Allowable transactions

Transaction card facilities may only be used where:

- the expenditure is directly arising from a Shire operational business activity for which there is an Annual Budget provision,
- the expenditure is in accordance with legislation, Council Policy – Purchasing and Procurement, Code of Conduct for Employees and any conditions or limitations applicable to the individual cardholder,
- the procurement of the required goods or services is impractical or inefficient if undertaken via a purchase order or is not able to be obtained other than by a transaction card,
- supplier surcharges (fees) on transactions are minimised and only allowable where the alternative method of obtaining the supply (i.e., by purchase order) is more onerous, not cost effective or there is no alternative mode of supply,
- hospitality expenditure may only occur when it is undertaken with the express permission of the CEO,
- official travel, accommodation and related expenses may only occur in accordance with Shire policies and procedures,
- a sufficient record of each transaction is obtained and retained in the local government record.

Allowable transaction modes include:

- in-person and over the counter retail purchases,
- telephone or facsimile purchasing,
- mail order purchasing and subscriptions,
- internet purchasing.

Prohibited transactions

The Shire prohibits the use of transaction card facilities for:

- cash advances,
- incurring expenses which are personal or private (i.e., any expenditure which is not an approved local government activity),
- making deposits onto the card, whether to offset misuse or otherwise,
- incurring expenditure for goods or services which are subject to a current supplier contract,
- incurring expenses which are not in accordance with legislation, Council Policy – Purchasing and Procurement, the Annual Budget and/or the conditions or limitations relevant to the individual cardholder,
- splitting expenditure to avoid compliance with Council Policy – Purchasing and Procurement or to negate limits or conditions applicable to the cardholder; and
- incurring expenses for the primary purpose of obtaining personal advantage through the transaction (i.e., membership or loyalty rewards).

Duty of care and responsible use

A cardholder is required to:

- keep the transaction card and access information in a safe manner; protected from improper use or loss;
- only use the transaction card for allowable purposes and not for prohibited purposes;
- obtain, create, and retain local government records that evidence transactions;
- acquit the reconciliation of transaction card usage in the required format and within required timeframes. The onus is on the cardholder to provide sufficient detail for each transaction to avoid any potential perception that a transaction may be of a personal nature;
- return the transaction card to the Shire before termination of employment, inclusive of reconciliation records;
- reimburse the Shire the full value of any unauthorised, prohibited or insufficiently reconciled expenditure; and
- comply with all cardholder responsibilities as outlined by the card provider.

Transaction evidence

A sufficient transaction record must include the following minimum information:

- Tax invoice and/or receipt that includes the date, company name, address, ABN, amount, and any GST amount included, or

- Where a tax invoice and/or receipt cannot be obtained, the cardholder must provide a Statutory Declaration, in accordance with the *Oaths, Affidavits and Statutory Declarations Act 2005*, detailing the nature of the expense and sufficient information to satisfy the requirements above.

Where a transaction card is used to incur an expense for hospitality, the transaction record must include for the purposes of Fringe Benefits Tax calculations and probity:

- the number of persons entertained,
- the names of any employees in that number; and
- the purpose of providing the entertainment or hospitality.

Misuse, misconduct and fraudulent use

Any alleged misuse of transaction cards will be investigated and may be subject to disciplinary procedures.

Where there is reasonable suspicion of misconduct or fraudulent activity arising from transaction card facilities the matter will be reported to the appropriate regulatory agency, subject to the requirements of the *Public Sector Management Act 1994* and the *Corruption, Crime and Misconduct Act 2003*.

Definitions

Cardholder means an employee who has been authorised by the CEO to incur expenditure by means of a transaction card.

Transaction Card means a card facility (which may include credit, debit, store, parking, cab-charge and fuel cards) approved for use in lieu of cash transactions, to incur expenditure for goods and services for the purposes of the Shire of Ashburton business activities only in accordance with relevant Shire policies.

Relevant policies/documents

Purchasing and Procurement Policy

Relevant legislation/local laws

Local Government Act 1995

Section 6.5 Accounts and records

Local Government (Financial Management) Regulations 1996

Regulation 5 CEO's duties as to financial management

Regulation 11 Payments, procedures for making etc.

Office use only				
Relevant delegations	Nil			
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