

<b>POLICY NUMBER</b>	-	<b>3.22</b>
<b>POLICY SUBJECT</b>	-	<b>3.22 Credit Card Policy</b>
ADOPTED	-	19 February 2013
REVIEWED	-	19 March 2013 (CMRef 31086)
REVIEWED	-	21 January 2014 (CMRef 81290)
REVIEWED	-	17 June 2014 (CMRef 81388)
REVIEWED	-	20 November 2018 (CMRef 82278)
<b>REVIEWED</b>	-	<b>22 November 2022</b>

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#### Rationale

To provide clear direction on the use of the Shire's corporate credit cards to approved cardholders thereby mitigating the risk of fraud and inappropriate use.

#### Policy

1. The issue and use of corporate credit cards shall be strictly in accordance with this policy and management practice.
2. The procurement of goods or services using corporate credit cards shall only occur in instances when the standard methods of raising purchase orders/invoices and/or manual EFT/cheque practices are not available from the preferred supplier.
3. The procurement of goods and services on corporate credit cards shall be in accordance with Policy 3.12 (Purchasing Policy).
4. The overall limit of the Shire's corporate credit card facility shall not exceed \$30,000. This overall limit can only be increased by Council resolution on the recommendation of the Shire Audit Committee.
5. The scope of the Shire's independent external auditor's interim audit which reviews the Shire's accounting and internal control procedures shall include a review of corporate credit card use.

#### Credit Cards Management Practice

#### Relevant Delegation

N/A

#### 1) General Practices

- a. Corporate credit cards will only be issued to the CEO and Executive Managers of the Shire of Merredin.

- b. The CEO shall approve the issue of all corporate credit cards. In the case of the CEO, Council may (in accordance with this Policy and Management Practice) approve the issuing of a corporate credit card as part of the CEO's contract of employment.
- c. The Shire's corporate credit cards shall only be used for Shire business related purchases and within approved budget allocations. ***Under no circumstances*** are corporate credit cards to be used for personal or private purposes.
- d. The cash withdrawal feature on all cards, shall be disabled by arrangement with the Shire's financial institution.
- e. The maximum credit limit on any card shall not exceed \$5,000, unless specifically approved by the Chief Executive Officer (CEO) for sound demonstrable purposes.
- f. It is the cardholder's responsibility to ensure, prior to any purchase, that there are sufficient funds/credit limit available on their corporate credit card so as not to exceed the card's limit.

The cardholder can verify their corporate credit card balance with the Finance Department.

## **2) Terms of Corporate Credit Card Use by Cardholders**

- a. An Agreement between the cardholder and the Shire of Merredin shall be signed which sets out the cardholder's responsibilities, legal obligations, details of goods and services the cardholder has authority to purchase and actions that will be taken in the event that the cardholder fails to comply with the terms of the Agreement.
- b. A Register of all corporate credit cards issued/returned/cancelled, will be maintained by the Finance Department. The Register will record the following details:
  - The cardholder's name and position;
  - The card number;
  - The card expiry date;
  - The card credit limit, and
  - The signature of the cardholder to signify they have received the card.
  - The signature of the cardholder to signify they have returned the card.
- c. On the cessation of a cardholder's employment, the corporate credit card is to be returned to the EMCS who will cancel and destroy the card. The Register will be updated with the cardholder's signature to signify they have returned the card.
- d. If a cardholder's corporate credit card is misplaced, damaged or stolen, the cardholder is required to report it immediately to the Shire's financial institution and the EMCS.
- e. Cardholders are responsible for the purchases made on their corporate credit card and must sign the statement received at the end of each month certifying they have checked that all transactions listed match their purchases for that month. Cardholders are to obtain in all instances a compliant tax invoice or receipt which records an adequate description of the goods or services obtained and shall write on the statement or the

supporting documents for each transaction, the applicable expense account budget number for cost allocation purposes.

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f. All corporate credit cards statements from the Shire's financial institution shall be mailed directly to the Finance Department who will distribute to cardholders.

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g. Corporate credit card statements (including supporting documentation of the goods or services acquired) ~~when must be~~ signed by the cardholder as being true and correct. Statements must then be co-signed by the CEO before being are to be returned to the Finance Department. The CEO credit card must be co-signed by another member of the executive team prior to being returned to the Finance Department.

h. The Finance Department will:

i. Reconcile the corporate credit card statements to the total monthly payment made to the Shire's financial institution.

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ii. Review the transactions and supporting documents on each corporate credit card statement, and report any irregularities or discrepancies to the EMCS.

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iii. File all corporate credit card statements and supporting documentation.

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