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3.5 C-3CCC05 – Corporate Credit Card

Previous Policy Number – 1.4

PART A - Policy

Objective

The objective of this policy is to ensure effective controls, policies and procedures are in place with respect to the issue and use of corporate credit cards

Policy Statement

To enable the Shire to transact its business in an efficient manner, from time to time it is more cost effective and convenient to utilise a corporate credit card facility rather than a pre-purchase or purchase and reimbursement process.

Therefore, the use of corporate credit cards has been implemented

Corporate credit cards should be recognised as a valuable tool for enhancing the day-to-day operations of the Shire and not as a benefit assigned to specific individuals.

Corporate credit cards are not to be used for private expenditure under any circumstances.

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PART B - Management Procedures

Part 1

Definitions

For the purposes of this Policy and Management Procedure, the following definitions apply:

Credit Card	A plastic card having a unique identification for each cardholder (including a magnetic stripe for storing certain information (which enables goods to be obtained on credit from merchants (i.e. Businesses or traders) which accept the card.
Corporate Business Account	Each card is allocated an “account” by the card company in which is recorded all transactions by the cardholder. With the Corporate/Business Card each of these accounts is a subset of the Municipal Account.
Corporate Business Card	A Card on which liability for charges attached to the corporation for which the cardholder works rather than to the individual cardholder.
Card Company (or card issuer)	The company (in this case Bankwest Bank) issuing the Corporate/Business card which pays the merchant and provides credit on the transactions.
Cardholder	The person in the organisation to whom the Corporate/Business Card, is issued. The card is embossed with the person’s name and bears his/her signature.
Merchant (or trader)	any person, business or organisation accepting the corporate card in payment for goods or services.
Credit Limit	The limit, determined by Policy, on the total value of transactions (payments, purchases) on each Corporate Card in each billing period.
Billing Period	The cycle agreed with the card company for payment for charges on all the department cards; the arrangement with Bankwest Bank provides for immediate settlement from the Statement date.

Part 2

Authorised Card Holders and Credit Limits:

Chief Executive Officer	\$6,000
Executive Manger Development Services	\$5,000
Executive Manager Corporate & Community Services	\$5,000
Executive Manager Infrastructure	\$5,000

Part 3

Conditions Applicable to all Card

- No cash advances to be made on the card.
- All credit card voucher slips to be retained by the card user and to be submitted to the Executive Manager Corporate & Community Services once a month in order for verification to be carried out on the account.
- Payments to be made within specified time limit so that interest penalties are not incurred.
- Each credit card voucher slip is to have details attached as to what the purchase

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- was for in order for the purchase to be allocated to the correct cost centre.
- General Instructions that must be complied with are provided in Appendix 1.
 - Cardholder Procedures that must be complied with are provided in Appendix 2.
 - Cardholders must sign an acknowledgement of Terms and Conditions of use (as provided in Appendix 3) prior to receiving the credit card.

Part 4

Detail

1. GENERAL INSTRUCTIONS

1.1 Introduction

The Shire has entered into an agreement with the Bankwest Bank for the supply of a Corporate Business Card which will operate on the Bankwest Bank Master card.

The objectives for introducing the Corporate Card are:

- to allow the Shire's suppliers to receive speedier payments.
- to reduce paperwork for both the Shire and its suppliers.
- to reduce the number of enquiries concerning unpaid accounts.
- to facilitate productivity gains to the various departments of Council.
- to reduce requirements to obtain petty cash and to reduce the possibility of cash theft from staff.
- to take advantage of discounts being offered for early payment.
- to make use of Internet based purchased for overseas/inter-state payments.

It is not intended that Cards be used to bypass the current system of ordering goods and services by requisition through Procurement Services.

1.2 Goods and services for which the credit card can be used

The Corporate/Business Card can be used to procure goods and services up to the value of financial limits approved by Policy and to which expenditure is authorised and provided for the Council's Budget.

However, the card cannot be used to draw cash for any purposes.

Situations in which the Card may be used:

- (a) Costs in relation to attendance at approved conferences, seminars and training where such attendance is directly related to the person's performance of duties under their contract of employment;
- (b) Subscriptions/publications;
- (c) Entertainment (see appendix for definition) on occasions deemed appropriate by the cardholder;
- (d) Entertainment (see appendix for definition) on occasions that the cardholder considers it is in the furtherance of the cardholder performing duties under his/her contract of employment;
- (e) Other purchases directly related to the person's performance of duties under their contract of employment

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1.3 Establishment Arrangements

Executive Manager Corporate & Community Services is responsible for arranging the issue of the Corporate/Business Card.

1.4 Responsibilities

(1) Accounting Services

The following will be the responsibility of Executive Manager Corporate & Community Services:

- Arrange the issue of the Corporate/Business Card.
- Act as liaison point with Bankwest Bank.
- Arrange for each Corporate/Business Cardholder to be advised of their responsibilities and that guidelines are issued before issue of the card.
- Ensure the original "Cardholder Agreement" is retained in a secure place and that a copy is provided to the cardholder.
- Provide written notice of any changes made to a cardholder's billing limits and transaction limits. The original of the notice will be kept with the original "Cardholder Agreement".
- Maintain a master register of cardholders.
- Arbitrate, if necessary, on any disputes occurring with the Bankwest Bank billing statement.
- Regular reconciling of the cardholders' sale dockets against the billing statement.

(2) Cardholder

The following are the responsibilities of cardholders:

- Ensure invoices are processed as a matter of urgency and ensure payment of the relevant account by the due date by forwarding dockets, invoices to Accounting Services.
- Monitor adherence to the policies and procedures in relation to the card and ensure financial limits are adhered to.
- Cardholder must ensure that the tax invoices and payment authorisation forms include:
 - *A full and proper description of the goods purchased on the tax invoice (ie. Descriptions like "goods" are not acceptable). Similarly, where purchases of goods are not made over the counter (e.g. by telephone) cardholders need to record purchase details on a substitute tax invoice.*
 - *Allocate account numbers and appropriate costing details, relative to the expenditure and sign accordingly and return to the Accounts Payable Clerk for processing of account.*
- Process the account for payment to ensure the payment deadline is met to avoid credit charges being incurred.
- Cardholders must return the Card to the Executive Manager Corporate & Community Services immediately, if the officer:
 - *resigns or is terminated for whatever reason;*
 - *is absent from work for 4 or more consecutive weeks on authorised leave (unless a special written exemption is provided by the CEO); or*
 - *is instructed to relinquish the card.*
- If the cardholder disagrees with any transaction on the billing statement, the cardholder

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must advise Accounting Services in writing, as soon as possible once aware of the issue. The Executive Manager Corporate & Community Services is to be informed on any disputes.

- Cardholders will collect the card from Accounting Services and will be required to sign for receiving the Card and acknowledge the Conditions of Use of the Card. If the cardholder loses a tax invoice, a substitute tax invoice which is acceptable to Accounting Services and the officer's Director (or similar) should be completed with a signed notation that it is a duplicate and that the original was lost.

Before proceeding on any extended leave (being 4 or more consecutive weeks duration), cardholders must ensure all tax invoices are forwarded to Accounting Services for processing. (The Corporate/Business Card is issued to the authorised officer and cannot be used by another officer or any other person).

The Cardholder must **immediately** report loss or theft of the Corporate/Business Card to the Executive Manager Corporate & Community Services.

The Shire, if it deems necessary, will hold the Cardholder personally liable for unauthorised use of or excessive amounts debited to the card by the Cardholder.

The Shire will seek reimbursement of such monies from the cardholder.

2. CORPORATE/BUSINESS CARDHOLDER PROCEDURES

1. You have been approved to be a holder of a Shire of Dandaragan Corporate/Business Card, the following information and guidelines are provided for your information.
 - 1.1 While the card will be issued in your name, the card is a "corporate" card and all transactions made with it are the responsibility of the Shire of Dandaragan.

The use of the Card will in no way effect your personal credit rating.
 - 1.2 The card is issued to you on condition that it will be used only for authorised purposes directly related to the Cardholders performance of duties under their contract of employment.
 - 1.3 Under no circumstances is the Cardholder entitled to use the card for personal or private purposes.
 - 1.4 The Cardholder is at all times responsible for and accountable to the Shire for use of the corporate credit card.
 - 1.5 Any unauthorised use or excessive amounts on the card may result in disciplinary action to the cardholder, including possible termination following investigation.
 - 1.6 You will be required to sign a statement acknowledging the limitations imposed on the use of the card and your responsibilities for its care and proper use.
 - 1.7 The card is:
 - a) Not to be used to draw cash or to purchase goods and services where the Cardholder may/will gain private advantage through the transaction, e.g. Special offers that benefit individuals rather than agencies such as Fly Buys and Frequent Flyers.

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- b) To be used only as authorised.
 - c) To be used only for the purchases to which funds have been provided for in the Budget.
- 1.8 It will be necessary for you, as the Cardholder, to ensure that a **full** and proper description of the goods/service is recorded on the sales docket when issued.
- 1.9 In the event of the card being lost or stolen, you must **immediately** advise Bankwest Bank by phone during normal banking hours and afterhours) **and** the Executive Manager Corporate & Community Services, such notification to be in writing.
- 1.10 The cardholder must complete the Accounting process for all expenditure within 5 working days of advice from Accounting Services to do so.

2. Purchasing of Goods in Person

- 2.1 The Cardholder is to present the card at the time of purchase and ensure that the following information is placed on a tax invoice:
- a brief description of the goods e.g. Nails, PVC fittings, not “various” or “goods”.
 - name of supplier/merchant is legible quoted on the docket.
 - the exact value of the transaction.
 - date of purchase of goods and/or service.
 - the Cardholder signs the docket at the time of purchase.
 - The Cardholder enters the appropriate account code on the docket.

3. GST

GST will be payable on all items purchased where applicable.

4. Entertainment Expenses - Fringe Benefits Tax Definitions

Entertainment expenses are expenses incurred in respect of food, drink or recreation.

For nominated cardholders, this relates to the purchase of food and beverages only, on occasions which have the potential to provide a benefit to the Shire and when accompanied by stakeholders of the Shire, including industry colleagues, business associates, Government representatives, Elected Members and/or Staff.

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Attachment 1

CARDHOLDER ACKNOWLEDGEMENT

Acknowledgement of Terms & Conditions of use - Council Credit Card

I, the undersigned hereby acknowledge receipt of Shire Policy "S-FIN 01 - CORPORATE CREDIT CARD" and associated General Instructions and Procedures.

As an authorised requisitioning officer I am aware of the Shire's general purchasing policies. As a card holder of a Shire of Dandaragan Master card, I hereby acknowledge that I have read the terms and conditions which must be adhered to, as listed in the general Instructions and procedures for use of the Corporate Credit Card, a copy of which I have been provided with for my own use and information.

Signed: _____

Date: _____

Name: _____

Position in Organisation: _____

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Attachment 2

AUTHORITY PURCHASE FORM



CREDIT CARD PURCHASE DECLARATION

Name of person who made the purchase: _____

Company / business purchased from: _____

Description of purchase: _____

Amount: \$ _____

Date of purchase: _____

Signature authority of purchase: _____

ATTACH THE TAX INVOICE

CODE TO THE FOLLOWING ACCOUNT	
G/L	
DEPT	
ACTIVITY	
LOC	

Name of credit cardholder: _____

Signature of credit cardholder: _____

Date signed: _____