



# WALCHA COUNCIL

## ADMINISTRATION POLICY

### Credit Card Policy

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#### Applicability

All Council Staff and Councillors

#### Publication Requirement

External

#### Assigned Responsible Officer

Manager Corporate & Finance

#### Document Status

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## **1. POLICY OBJECTIVE**

Walcha Council is committed to open, transparent and effective procurement processes. This policy covers the use of any card provided by Council for general purchase and payment requirements. It does not refer to specific purpose cards like store and fuel cards.

Corporate credit cards provide an efficient and convenient method of procurement in situations where the creation of a purchase order is neither relevant nor practical. These purchases and payments however still require a system of security, control and timely costing to ensure council resources are used appropriately and budget control is maintained.

This policy provides clear guidelines on how credit cards should be used and how purchases should be reconciled, authorised and costed in a secure and diligent manner.

## **2. POLICY SCOPE**

This policy will apply to users of Council issued Corporate credit cards.

## **3. POLICY STATEMENT**

All procurement undertaken through Walcha Council issued credit cards must be made in compliance with Council's Procurement Policy and Procedures.

Within this framework corporate credit cards provide an efficient method of procurement for:

- online purchases,
- purchases during travel, and
- low value purchases. Low value purchases allow convenience and efficiency where an immediate purchase is required and/or where it is a more cost-effective outcome for Council.

### **3.1 Card Allocation, Credit Limits and Authorisation**

The following table sets the standard card allocation rules. Any variation to this must be approved by the General Manager and the total value of the cards cannot be greater than the limit set by Council's bank.

<b>Position</b>	<b>Credit Limit (Maximum)</b>	<b>Authoriser</b>
<b>Mayor</b>	\$2,000	General Manager
<b>General Manager</b>	\$6,000	Mayor
<b>Executive Assistant</b>	\$6,000	General Manager
<b>Directors</b>	\$3,000	General Manager
<b>Managers</b>	\$3,000	Director
<b>Other staff</b>	\$1,000 - \$2,000	General Manager



The limits for other staff will be set on recommendation by the Manager Corporate and Finance based on normal purchase requirements.

Temporary increases to set limits will be provided where circumstances require and all policy requirements have been complied with.

Cards for other staff and specific purpose groups must be authorised by the General Manager based on a valid need that meets the purpose of this policy. Cards having minimal use will be recommended for cancellation.

### **3.2 Conditions of Usage**

Council officers are provided with a corporate credit card on the following conditions:

- all purchases comply with Council's Procurement Policy and Procedures;
- all purchases comply with other related Council Policies;
- the credit card is only used for approved Council expenditure, including entertainment expenses; and
- the credit card is not used for a cash advance.

### **3.3 Non-Approved Council Expenditure**

If a Council issued credit card is inadvertently used for personal expenditure, this must be clearly marked on the reconciliation.

Any Personal expenditure must be reimbursed, either by invoice or cash provided with the reconciliation. If the personal expense is not paid within 30 days a payroll deduction will be processed for the full amount.

The Manager Corporate and Finance will determine if any expenditure not declared as personal does not qualify as a legitimate Council expense and have it processed as a personal expenditure item.

### **3.4 Cardholder Responsibilities**

- Cardholders are responsible for all transactions on their allocated card and for ensuring:
- the above conditions of usage are met;
- all credit card use instructions are followed;
- the card is kept in a secure manner and guarded against improper use;
- all documentation (receipts, evidence etc.) regarding transactions is obtained and provided with the reconciliation;
- the cardholder's financial delegation limit is not exceeded;
- lost, stolen or damaged cards are reported immediately;
- disputed transactions are reported immediately;
- transactions that attract Fringe Benefits Tax are avoided where possible;
- personal expenditures are reimbursed within 30 days; and
- monthly statement reconciliations are completed and returned to Finance within one working week of being issued.



### **3.5 Requirements for GST**

Staff are required to provide a receipt/proof of purchase for all purchases made on a corporate credit card. GST legislation requires that a Tax Invoice/Receipt is required for purchases over \$82.50 (incl) to claim the GST credit. ([When you can claim](#)) Card holders will be responsible for the GST component of a purchase if a valid tax invoice/receipt is not provided.

### **3.6 Requirements for FBT**

FBT legislation requires that any expenditure on entertainment must include a record of the total number of attendees and how many were staff. This must be provided for each applicable transaction.

### **3.7 Entertainment Expenses**

Recognising the role and function of the Mayor, It is acknowledged that on occasion the Mayor and Senior staff will use their Council Corporate Credit card for reasonable Council entertainment expenses within approved Council expenditure. Such entertainment may or may not consist of the purchase of alcohol and/or the provision of meals in the course of furthering economic development and enhancement of the Walcha region

### **3.8 Disputed Transactions**

In the case where a disputed transaction cannot be resolved with the merchant, the appropriate treatment of the expense will be determined by the Manager Corporate and Finance or the General Manager.

### **3.9 Authoriser Responsibility**

It is the responsibility of the cardholder's authoriser to ensure all reconciliations are checked for compliance with this Policy and approved for processing within one week of being notified.

### **3.10 Acknowledgement of Policy**

New cardholders are provided with a copy of this Policy when they first receive their corporate credit card and following any changes to the policy.

An Acknowledgement Form regarding this Policy and card use instructions must be signed before a card is issued.

### **3.11 Card Suspension or Cancellation**

Cards may be suspended by the Manager Corporate and Finance if the card holder is not meeting their responsibilities under this Policy.

Cards will be cancelled by the Manager Corporate and Finance in the following circumstances:

- termination of employment;
- continued breach of this Policy; or
- insufficient use; or
- where it is deemed that it is no longer required by the staff member.



Prior to departure or termination of duties, the cardholder must acquit all expenditures on their card. It is the responsibility of the departing employees to ensure that their corporate credit card is returned and their account is settled prior to their departure.

#### **4. POLICY COMMITMENT**

Walcha Council is committed to credit cards being utilised in manner that:

- Is appropriate to meet the Councils service requirements,
- is procured in a competitive and transparent manner in line with Councils procurement policy, and
- is reconciled, authorised and costed in a secure and diligent manner.

#### **5. RELATED LEGISLATION, POLICIES AND REVIEW**

##### **5.1 Related Legislation and Policies**

The following are relative to this policy:

- Local Government Act 1993 NSW;
- NSW Local Government (State) Award 2020;
- Fringe Benefit Tax Assessment Act 1986;
- ATO GST Thresholds guidelines (<https://www.ato.gov.au/business/gst/claiming-gst-credits/when-you-can-claim-a-gst-credit/>)
- Walcha Council Procurement Policy

##### **5.2 Review**

Council reserves the right to vary, replace or terminate this policy at any time. This policy will be reviewed every 2 years or earlier if there are relevant statutory or State Government policy changes.



**APPENDIX 1: CORPORATE CREDIT CARD AGREEMENT**

Use of Walcha Council Corporate Credit Card

AGREEMENT FOR USE OF COUNCIL ISSUED CREDIT CARD

I, ....., being an employee of Walcha Council hereby undertake to use a Council Credit Card in accordance with Council's Credit Card policy, procedures and all the terms and conditions detailed above.

Effective from: .....

.....

Employee

.....

General Manager