

POLICY



Date adopted: 30/05/2017
File no: 911486-1
Minute number: 148/2017

Policy title: **USE OF CORPORATE CREDIT CARDS AND OTHER CREDIT DEVICES**

Directorate: ORGANISATIONAL SERVICES

Branch: ADMINISTRATION

Policy objective: To ensure correct procedures are followed for the use of credit facilities by those authorised credit device holders in the course of the Council's official business.
To meet the annual reporting requirements as per the Local Government Regulation 2012.

Policy scope:

1. Credit facilities may be issued on the basis that the facility is a necessary means of meeting commitments which may be incurred, in the course of official business of the Council. This includes devices such as fuel cards, corporate credit cards, e-toll transponders and the like.
2. The use of credit facilities for entertainment or hospitality services must be consistent with Council's policy titled "Entertainment and Hospitality Expenditure".
3. This policy will be implemented through the authorisation of certain employees to hold and use the following credit facilities:
 - (a) a credit card facility for payment of minor business-related expenses and purchases (eg: conferences and seminars, professional memberships and subscriptions)
 - (b) a fuel card facility
 - (c) a parking card facility
 - (d) a cab charge facility
 - (e) a motorway charge facility.
4. The incurring of expenditure by means of the approved credit facilities will be strictly in accordance with the administrative procedures prescribed and in accordance with the delegation of authority titled "Authorisation of Expenditure".
5. When the expenditure incurred by means of approved credit facilities relates to conference, seminar, course attendance or business travel expenses, Council employees and elected members must adhere to the procedures as detailed in the policies titled 'Conference and Seminar Attendance' and 'Corporate Travel and Accommodation'.
6. Only one account shall be maintained by the Council with the respective credit organisation and the account shall be in the name of the Logan City Council.

7. The Administration Manager will put in place audit arrangements to ensure that credit facilities are used for official purposes only and that any misuse is promptly detected through the operation of internal control programs and is reported to the Chief Executive Officer immediately.
8. Device holders shall not be permitted to withdraw cash advances on corporate credit accounts under any circumstances.
9. Purchases using fuel cards shall be restricted to vehicle operating expenses and shall exclude any other goods that might be available from service stations or fuel depots.
10. Credit facilities shall not be used for:
 - (a) the purchase of capital items (including plant and equipment of all descriptions), as the Council's official purchase orders must be utilised for this purpose
 - (b) any other purchases that should more properly be affected through the Council's Administration branch
 - (c) internet purchases other than from secured merchant sites utilising Secure Socket Layer (SSL) security or with a Security Certificate
 - (d) payment of any private expenditure with the exception of fuel cards used in accordance with the existing policy of the Council and conditions of employment
 - (e) purchase of any personal gifts
 - (f) Purchase of beverages or food (unless it is for official Council business and meets Council's policy titled 'Entertainment and Hospitality Expenditure').

Definitions:

Not applicable.

Policy statement:

The following procedure is to be undertaken for this policy:

1. Corporate credit cards

The following procedure is to be undertaken for purchasing items of an operational nature using Council's corporate credit card facility (eg, Visa etc.):

- (a) The person using a corporate credit card shall use the card only in accordance with the procedures as detailed in Council's 'Procurement Policies Manual' and 'Corporate Credit Card User Guide'. Copies of the procedure and guide are also to be issued to each device holder on issuance of the device.
- (b) Where the card holder does not hold the appropriate delegation for the purchase, the card holder should complete a Request to Purchase (RTP) form, authorised by the relevant delegated authority, which shall include a notation indicating the purpose of the transaction, the account number to which the expense is to be costed.
- (c) Entertainment and Hospitality
 - (i) Expenditure must be appropriate and reasonable in relation to the entertainment or hospitality activity undertaken. Non-work related or personal use is inappropriate. Expenditure which is deemed to be inappropriate will need to be refunded and disciplinary action will occur.

- (ii) The types of entertainment or hospitality services Council considers to be appropriate for conferences, seminars, travel etc. and associated expenses are contained in the policies titled 'Conference and Seminar Attendance' and 'Corporate Travel and Accommodation'.
 - (iii) Guidelines for entertainment expenditure relating to elected members' use of Mayor/councillor civic allowance are contained in the policy titled 'Mayor's and Councillors' Civic Allowances'.
 - (iv) Approval must be obtained in accordance with the expenditure limits in the delegation of authority titled 'Authorisation of Expenditure'.
 - (v) Where the credit cardholder hosts an official function, expenditure must be properly documented and attached to the credit card reconciliation with the purpose and recipients clearly identified so as to satisfy an audit.
- (d) Credit cards may be utilised by authorised employees attending conferences etc as approved delegates of the Council, for the payment of accommodation and associated expenses, including meals and beverages taken with meals, together with miscellaneous expenses, including laundry and work-related telephone expenses, but may not be used for the payment of entertaining expenses other than in accordance with the Council's adopted policy on the incurring of such expenses.
- (e) All documentation supporting the use of credit facilities is to be submitted to the cardholder's manager on a monthly basis for authorisation and then scanned and saved to the relevant directorate or branch file number prior to the due date specified. (Information regarding the appropriate directorate/branch file can be found in doc id #9641734). Hard copy reconciliations must then be retained and stored by the cardholder's branch for a minimum of 12 months for auditing purposes. Supporting documentation must be appropriate to support each transaction and be valid for goods and services taxation purposes.
- (f) It is the director, in the case of an office of the director, or branch manager's responsibility to ensure all relevant documentation and approval forms are completed and attached to the credit card reconciliation.
- (g) Each office of the director or branch will keep their own credit card documentation and reconciliations and have this available when required for audit purposes.
- (h) The Council's internal auditor will conduct periodic checks to ascertain that this policy is being strictly complied with by all authorised employees.
- (i) The loss or theft of a credit device shall be reported immediately to the Administration branch, who shall notify the credit organisation. If the loss or theft is outside of business hours the credit organisation should be contacted immediately, with the Administration branch being notified the next business day.
- (j) A register of all authorised cardholders shall be maintained by the Administration branch.

2. Fuel cards

The following procedure is to be undertaken for the use of fuel cards (eg. Shell Card and Star Card) within this policy:

- (a) The person using a fuel card shall use the card only in accordance with these procedures and as amended from time to time. A copy of the procedure is to be made available to all fuel card holders and will also be issued to each new card holder on issuance of the card.

- (b) Fuel cards are to be utilised as the principal method of refuelling Council vehicles being used for business purposes. The use of the fuel card is restricted to the purchase of fuel and oil only and may not be used for any other products or services available from the providing companies.
 - (c) The officer using the fuel card to refuel a vehicle is to ensure that the correct odometer reading is provided to the operator each and every time the vehicle is refuelled.
 - (d) The Plant Fleet Services Manager shall put in place audit arrangements to ensure that fuel cards are used for official purposes only and that any misuse is promptly detected through the operation of internal control programs and is reported to the Chief Executive Officer immediately.
 - (e) The Council's internal auditor will conduct periodic checks to ascertain that this policy is being strictly complied with by all authorised employees.
 - (f) The loss or theft of a fuel card shall be reported immediately to the Administration Manager, who shall notify the appropriate organisation to arrange cancellation.
 - (g) A register of all authorised fuel cards shall be maintained by the Plant Fleet Services branch.
 - (h) The use of fuel for private purposes may only be undertaken in accordance with the Council's vehicle lease agreement and is restricted to the approved level of usage contained therein.
3. General credit devices (excluding corporate credit cards and fuel cards)
- (a) Employees wishing to be issued with a new credit device (other than corporate credit cards and fuel cards) will make a formal request in writing to their manager outlining the business need for the credit device in accordance with clause 1 of the 'Policy Criteria' section of this policy.
 - (b) If the employee's manager supports the need as outlined, the application is then forwarded to the Administration Manager for action to provide the device and access to the credit facility.
4. Reporting
- (a) The Corporate Governance Manager will keep a register of overseas travel for Council with enough detail to allow for reporting purposes in accordance with the requirements of section 188 of the Local Government Regulation 2012.
 - (b) A summarised expenditure figure is to be obtained by the Corporate Governance Manager from this register for the relevant financial year and provided to the CEO Office Manager by 1 September of each year, for inclusion in Council's annual report.

Related policies/legislation/other documents:

DOC ID	DOCUMENT TYPE	DOCUMENT NAME
5884626	Policy	Entertainment and Hospitality Expenditure
6577300	Policy	Conference and Seminar Attendance
6290313	Policy	Corporate Travel and Accommodation
8745519	Delegation of Authority	Authorisation of Expenditure
8462701	Delegation of Authority	Conference and Seminar Attendance and Business Related Travel
9274419	Management Directive	Buying Flowers on Council Credit Card
7172216	Procedure	Procurement Policies Manual
4404228	Procedure	Corporate Credit Card User Guide

