

1. Objectives

- 1.1 The District Council of Mount Remarkable is accountable to the community for expenditure decisions it makes and through this Policy, Council aims to provide guidance on appropriate credit card expenditure, ensuring that this expenditure is reasonable for the circumstances.
- 1.2 The objectives of this Policy is therefore to enable the Council and credit card Account Holders an efficient way to conduct business and provide a more convenient method to meet costs incurred on Council's behalf.

2. Scope

- 2.1 This Policy applies to all District Council of Mount Remarkable employees and relates to situations in which staff use a credit card to expend Council funds.

3. Interpretations

- 3.1 The following definitions apply for this Policy.
 - 3.1.1 **Account Holder** means an employee or staff member of Council responsible for and authorised to use a credit card for incurring Council business expenditure.
 - 3.1.2 **Approver** means the staff member authorised to approve expenditure incurred on a designated Account Holder's credit card being either the Mayor (for expenditure incurred by the Chief Executive Officer) and the Chief Executive Officer (for all other credit card Account Holders).
 - 3.1.3 **Australian Business Number (ABN)** means a registered number that identifies a supplier to the government and community. An ABN is not a Tax File Number (TFN) or an Australian Company Number (ACN).
 - 3.1.4 **BPAY** means a recognised form of remitting funds electronically to suppliers within Australia.
 - 3.1.5 **Card Issuer or Card Provider** means the bank or financial institution issuing the card to the Account Holder.
 - 3.1.6 **Council** means the District Council of Mount Remarkable.
 - 3.1.7 **Credit Cards** mean any type of or organisational purchasing card, including credit, debit, EFTPOS and similar bank cards used for purchasing on behalf of the Council.
 - 3.1.8 **Delegated Credit Limit** means the credit limits determined for an Account Holder by the Chief Executive Officer with reference to the Financial Delegation limits.

- 3.1.9 **Individual Transaction Limit** means the maximum amount that can be purchased on a credit card in any one (1) transaction.
- 3.1.10 **Merchant or Vendor** means a supplier of a good or service.
- 3.1.11 **Monthly Limit** means the maximum credit amount allowed to be accumulated on a credit card before requiring repayment over any given period.
- 3.1.12 **PIN** means the Personal Identification Number assigned to a card for electronic purchase authorisation.
- 3.1.13 **Personal Expenses** means any expense undertaken to receive a personal benefit and not related to work or business activities.
- 3.1.14 **Taxation Receipt or Taxation Invoice** means a record of the purchase provided by the Merchant or Vendor that states a supplier's Australian Business Number.

4. Principles

- 4.1 Credit card Account Holders must have regard to the following principles when using the credit card:
 - 4.1.1 The benefit (real or perceived) gained by the public from the expenditure;
 - 4.1.2 The business purpose of the expenditure is clearly necessary for the carrying out of the Council's functions and to realise the vision, mission and goals of the Community Plan;
 - 4.1.3 The transaction is publicly defensible, meeting the public's expectations of councils when using ratepayers funds;
 - 4.1.4 The appropriateness of the amount of the expenditure, that the transaction is compliant with relevant policies and is within financial delegations;
 - 4.1.5 The merits of an alternative method of payment; and
 - 4.1.6 The transaction is clearly documented, explaining the nature of the expense

5. Credit Card Approvals and Limits

- 5.1 The Chief Executive Officer has delegated authority to approve / issue / change / rescind credit cards to staff members, procedures for which are contained in the Credit Card Procedure.
- 5.2 Through this Policy, the Council approves the Chief Executive Officer being issued a credit card under the parameters outlined herein.

- 5.3 Credit Cards will not be provided to Elected Members.
- 5.4 In addition to the Chief Executive Officer, as a guide Credit Cards will generally be issued to the persons occupying the following positions:
 - 5.4.1 Director Community & Corporate
 - 5.4.2 Corporate Services Manager
 - 5.4.3 Director Infrastructure and Regulatory
- 5.5 On receipt of the card from the Card Provider, a new Account Holder will formally acknowledge receipt of the card by reading and signing the "Credit Card Account Holder Agreement Form", Appendix 1 on the Credit Card Procedure.
- 5.6 Each credit card (including the Chief Executive Officer's credit card) shall have an individual limit capping the maximum amount that can be purchased on that credit card in any one (1) billing period, being the limit of the individual credit card.
- 5.7 Each credit card (including the Chief Executive Officer's credit card) shall have an individual transaction limit capping the maximum amount that can be purchased on a credit card in any one (1) transaction of \$2,000.00.
- 5.8 The approving / review authority for credit card expenditure is as follows:
 - 5.8.1 Chief Executive Officer credit card expenditure – the Mayor;
 - 5.8.2 All other credit card expenditure – the Chief Executive Officer.
- 5.9 An annual review of credit cards including number of cards, positions with allocated cards and credit card limits shall be undertaken by the Corporate Services Manager and provided to Council and the Chief Executive Officer as relevant for endorsement.

6. Responsibilities of Account Holders and Approvers

- 6.1 Prior to using the credit card for a transaction, the Account Holder should turn their mind to the appropriateness of the expenditure, and ensure it is justified as a genuine business expense.
- 6.2 An Account Holder has a responsibility to ensure that their usage of the credit card complies with all relevant policies (e.g. Procurement Policy, Entertainment and Hospitality Policy), the conditions for use of the card and the financial delegations that have been made.
- 6.3 When using the credit card, Account Holders must ensure that the transaction substantiation and narration clearly identifies the purpose of the transaction having regard to the credit card principles.

- 6.4 Approvers must ensure the transaction substantiation and narration has sufficient information for them to have confidence the transaction is appropriate and meets the principles of transparency and accountability before they approve the transaction, having regard to the credit card principles.
- 6.5 In particular, where the transaction is considered “sensitive type expenditure”, the Account Holder and Approver must be aware of the perception of the community and higher levels of scrutiny regarding an acceptable business purpose.
- 6.6 Sensitive type expenditure includes expenditure involving alcohol, gifts and benefits, hospitality and reward and recognition and must be in accordance with Council’s Entertainment and Hospitality Policy.

7. Transactions, Terms and Conditions of Use

- 7.1 Credit cards are to be used for adhoc purchases. If possible, it is recommended that any purchases above \$2,000 should use an alternative form of payment
- 7.2 Credit card purchases for functions such as meetings with an entertainment element must comply with the Entertainment and Hospitality Policy.
- 7.3 Cash advances are strictly prohibited and BPAY facilities are not available.
- 7.4 Personal expenses of any kind are not to be incurred by a staff member on a credit card.
- 7.5 If by unintentional causes, personal expenses are incurred, the Account Holder:
 - 7.5.1 is liable and will need to reimburse Council for those transactions;
 - 7.5.2 The Account Holder must report this personal expense to the Mayor or Chief Executive Officer (as relevant) as soon as identified.
- 7.6 Credit cards are not to be linked to any form of loyalty points or rewards program.
- 7.7 All transactions are to be verified with a taxation receipt/invoice on completion except for parking where the credit card statement will be considered appropriate evidence.
- 7.8 The documents are required for statement verification, transaction audits and to confirm input tax credits accumulated by Council for Goods and Services Tax reporting.
- 7.9 Declaration is required to be made which states that the Account Holder / Approver has complied with their responsibilities in line with this Policy and the Credit Card Procedure.
- 7.10 Confirmation is also required that public funds have been appropriately incurred and/or approved.

- 7.11 If a taxation receipt/invoice is lost, or the expense cannot be verified with a taxation receipt/invoice, the Account Holder will request a copy of the taxation receipt/invoice from the merchant or vendor.
- 7.12 If this is not possible, the Account Holder must complete a statutory declaration and use this in place of the taxation receipt/invoice.
- 7.13 An EFTPOS receipt is not an acceptable form of verification and will not be accepted (refer to the Statutory Declaration template, Credit Card Procedure Appendix).
- 7.14 Under no circumstances are credit cards to be used to purchase software, without first consulting the Chief Executive Officer.
- 7.15 The Chief Executive Officer, and in the case of the Chief Executive Officer, the Council, reserves the right to request an Account Holder to forfeit their credit card at any time.
- 7.16 An Account Holder found to have used a credit card in contravention of the terms and conditions of use as prescribed by the Card Provider, or those stated in this policy, may be subject to disciplinary action.
- 7.17 The Account Holder is required to reconcile their transaction expenses by coding to the relevant general ledger with the matched taxation receipts/invoices.
- 7.18 The Approver must verify each coded transaction expense and turn their mind to the appropriateness of each transaction, to ensure it is in line with Council's relevant policies and justified as a genuine business expense before approving.
- 7.19 An expense not adequately justified will need to be repaid by the Account Holder.
- 7.20 Reporting and reconciliation of credit card transactions will be undertaken by the Corporate Services Manager.
- 7.21 In the interests of transparency, all credit card transactions will be posted monthly on Council's website.

8. Disputed or Unverified Transactions

- 8.1 Should the Account Holder identify an unverified transaction, such as, a duplicate transaction, amount discrepancies by merchants/vendors, unknown or fraudulent charges, the Account Holder will:
 - 8.1.1 Report this to the Chief Executive Officer (or Mayor if the Chief Executive Officer is the Account Holder) as soon as practical;
 - 8.1.2 Initially follow up or dispute the transactions with the Merchant/Vendor, where possible;
 - 8.1.3 Report this to the Corporate Services Manager and if after checking with the Merchant/Vendor the matter is still in dispute, raise the matter with the credit card Provider.

9. Lost, Stolen or Replacement Cards

- 9.1 It is the responsibility of the Account Holder to resolve issues relating to Lost, Stolen or Replacement Cards and immediately report this to the Card Provider. The detailed process is included in the Credit Card Procedure.

10. Document administration and control

Policy title:	Credit Card Policy
Policy number:	04.26
Policy type:	Council / Governance
Responsible officer:	Director Community & Corporate
Committee Review:	Audit & Risk Committee 3 March 2023 [026-2023]
First issued / adopted:	8 October 2013 reference 213-2013
Review period:	Reviewed within 12 months after the conclusion of a periodic election, inline with legislative changes or by resolution of Council Annual review of Credit Card limits and Account Holders
Last reviewed:	21 March 2023 [046-2023]
Next review date:	By November 2027
Version:	Version 6
Date revoked:	n/a
Applicable legislation:	Local Government Act 1999
Related documents:	Credit Card Procedure Entertainment and Hospitality Policy Internal Financial Control Policy Employee Integrity and Behaviour Standards (only applicable if standard is endorsed by Council)
Public consultation required / undertaken:	No
Availability	This Policy is available for inspection at the Council office and any person may obtain a copy of this Policy upon payment of the fee fixed by Council in accordance with Council's Fees and Charges adopted each financial year. It is also available on Council's website mtr.sa.gov.au . Any grievance in relation to this policy or its application should be forwarded in writing to the Chief Executive Officer of the Council.
File reference:	W:\4. Policy Manuals\Current Policy Manual