



Credit Card Policy & Procedure (Councillors)

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Authorisation	Council, 14 October 2019
Review date:	30 September 2021
Responsible officer:	Manager Legal & Governance
Policy owner	Procurement Coordinator

1. Purpose

To provide a, more convenient, efficient recordable means of conducting minor purchasing transactions whilst adhering to acceptable internal control requirements.

The main objectives of the Card program are;

- to streamline the payments process for low value transactions;
- to reduce internal costs by streamlining internal purchasing, receipting and payment systems, and reducing the number of suppliers Council deals with;
- to improve reporting quality of low dollar value transactions.

2. Scope

These procedures apply to all Councillors issued with a Corporate Credit Card (“Card”). A Corporate Credit Card will be issued to a Councillor upon election as Mayor as of right and to a Councillor upon election as Deputy Mayor only upon request.

3. Definitions

Word/Term	Definition
Card	Refers to the Corporate Credit Card issued to a Council officer for the payment of creditors.
Card Administrator	Council Officer responsible for the administration of the Card program and supporting the electronic card management system (ECMS). Currently this is the Procurement Coordinator.
Cardholder	Councillor issued with a Card.
CBA	Refers to the Commonwealth Bank of Australia Limited.
Councillor	An elected representative of Council

Documentation	Refers to document/s, which provide all relevant details to enable a payment to be made. For example, a Tax Invoice where GST applies, a conference registration, or proof of payment in the case of a refund.
Electronic Card Management System (ECMS)	ProMaster web based application used for viewing, transaction reconciliation and reporting on all Council Corporate Purchasing Card transactions.
ExpenseMe	Mobile Application used for reconciling transactions.
PIN	Personal Identification Number used by the Cardholder to authorise card transactions.
ProMaster	Electronic Card Management System (ECMS).

4. Procedure

The Cards have been introduced with the aim of improving Melton City Council's purchasing and payment processes in terms of cost, control, efficiency and effectiveness.

4.1	Card Administration
4.1.1	The Card Program is administered by the Legal & Governance Unit.
4.1.2	The Card billing period runs to the 29th of each month with Card credit balances refreshed the next day.
4.1.3	All queries on transactions in monthly statements must be referred, in the first instance, by the Cardholder to the Supplier/Merchant in a timely manner.
4.2	Card Limits
4.2.1	A monthly Card total transaction value limit is set according to the purchasing requirements of each Cardholder. The default card limit is \$1000 .
4.2.2	A single Card transaction value limit is set according to the purchasing requirements of each Cardholder - the default limit is the card limit
4.2.3	The monthly Card total transaction value limits and single Card transaction value limit on the Card can be reviewed and approved from time to time by the Chief Executive Officer. (Refer Appendix E – Request for Credit Limit Increase Form).

4.3	Card Issuance & Cancellation
4.3.1	The Card will be issued to the Mayor upon election, as of right, and to a Deputy Mayor only upon request. Upon cessation of the Mayor and Deputy Mayor, all credit card transactions must be reconciled and the Card returned to the Card Administrator for cancellation. .
4.3.2	Applications for the issue of a Card are to be submitted to the Chief Executive Officer in a standard format (<i>Refer Appendix A - Corporate Credit Card Request Form</i>).
4.3.3	The Legal & Governance Unit will arrange for Council's Bankers to provide a Card in the name of the Mayor, subject to the provision of documents to satisfy the issuing bank's 100 points identification requirement.
4.3.4	The Mayor and Deputy Mayor must complete the Council Corporate Credit Card Declaration form after undertaking Cardholder training and before the use of the Card (<i>Refer Appendix B - Corporate Credit Card Declaration Form</i>).
4.4	Using the Card
4.4.1	Cardholders are in a position of trust with regards to the use of public funds. Expenditure for each Card will be reviewed on a regular basis for compliance with this policy.
4.4.2	The holder of the Card can purchase goods or services via <ul style="list-style-type: none"> ▪ Mail transactions. ▪ Telephone transactions. ▪ Facsimile transactions. ▪ Internet transactions. ▪ Point of Sale.
4.4.3	The Cardholder is solely responsible for their card, purchase transactions and completion of monthly reconciliation document.
4.4.4	The Card Administrator will report any breach on the use of the Card to the Manager, Legal & Governance, the Finance Manager and the Executive as soon as they become aware of such a breach.
4.5	Personal Expenses
4.5.1	Private expenses are not acceptable under any circumstance.
4.5.2	A Statutory Declaration (<i>Appendix D</i>) will need to be completed and attached together with the receipt(s) where a Cardholder inadvertently uses the Card to pay for personal expenses. This form must be appropriately witnessed.

4.6	Fraud & Security Concerns
	To mitigate escalation of credit card fraud, it is important that steps are taken to minimise the risk.
4.6.1	The Cardholder <u>must not</u> : <ul style="list-style-type: none"> a. give out the PIN to anyone and choose passwords that would be easy for others to work out. b. lose sight of the Card when making a transaction in store. c. lend or give the Card to another Officer to use.
4.6.2	When transacting via the Internet, the Cardholder must ensure that payment is only finalised via a secure web page, one that has a valid digital certificate. Look for the <u>https</u> at the beginning of the address bar and a locked padlock symbol in the browser.
4.6.3	The Cardholder must regularly check transactions online via the ECMS and if there are any purchases which cannot be accounted for report them to the CBA.
4.6.4	If the Card is lost, misplaced or stolen it is the responsibility of the Cardholder to immediately report the loss to the CBA, Lost/Stolen Cards Centre by calling 13 22 21 in the first instance and the Card Administrator.
4.6.5	Damaged Cards should be returned to the Card Administrator for re-ordering and replacement.
4.7	Limitations and Controls
	The following limitations and controls apply to the use of the Card:
4.7.1	The Card is to be used for official Council business <u>only</u> .
4.7.2	The Card <u>cannot</u> be used to withdraw cash from ATM or over the Counter.
4.7.3	The Card shall <u>only</u> be used for fuel purchases for Council vehicles where the fleet card provided is not available or accepted at the service station.
4.7.4	The Card cannot be used to pay for car wash for Council vehicles. The Fleet Card issued to Council vehicles may be used to pay for exterior car wash of the vehicle.
4.7.5	Where the Card is to be used to register for training courses/conferences, appropriate authority from the Chief Executive Officer <u>must</u> be obtained prior to the use of the Card.
4.7.6	The Card shall <u>not</u> be used to pay tips and gratuities.
4.7.7	Under no circumstance shall the Card be used for personal gain. <ul style="list-style-type: none"> ▪ Cardholders are not to use their own reward card (e.g. Flybuys, Everyday Rewards cards) to earn points whilst using Councils Corporate purchasing card. ▪ Cardholders are not allowed to use any “<i>Promotional Offers</i>” like discount fuel vouchers, 2 for the price of 1 liquor offer etc , resulting from the Council’s Corporate credit card use, for their personal advantage.

	If the Card Administrator has concerns that a Card has been abused the Card will be cancelled on the authority of the Chief Executive Officer.
4.7.8	All Cardholder transactions and supporting documentation will be open to regular review by the Card Administrator to ensure accurate reconciliation of expenditure; to enable the preparation of Council's annual accounts and for Fringe Benefits Tax (FBT) reporting; and to ensure compliance with relevant Policies.
4.8	Tax Invoices and Transaction Receipts
4.8.1	Critical to the effective management of the Cards is that ALL claims are accompanied by adequate supporting documentation.
4.8.2	A relevant Tax Invoice relating to each transaction for the particular period must be uploaded as part of the transaction reconciliation process.
4.8.3	The <i>ExpenseMe</i> mobile application can be used to upload tax invoices by taking a photo, or using an existing photo or document on your mobile device. Alternatively, invoices are to be scanned and uploaded to the ECMS.
4.8.4	A Statutory Declaration must be completed and submitted where a tax invoice for amounts greater than \$80.00 has been misplaced (<i>Refer to Appendix C- Missing Tax Invoice Declaration Form</i>) This form must be appropriately witnessed. It should be not witnessed by the approver of the transaction.
4.9	Monthly Transaction Reconciliation & Reporting Requirements
4.9.1	All transactions must be reconciled within 5 working days after the 29th day of each month. Monthly transactions that have not been reconciled after this date will be escalated to the Cardholder's Supervisor for further action in order to ensure that prompt processing and reconciliation of transactions is undertaken.
4.9.2	Late submission of expenses is not acceptable, unless prior notice has been provided. <ul style="list-style-type: none"> ▪ Where transactions remain unreconciled after 45 days, the card account will be suspended. ▪ If the transactions still remain unreconciled after 75 days, the card account will be cancelled.
4.9.3	Card transactions must be reconciled using the appropriate General Ledger number either via the "ProMaster" ECMS or via the "ExpenseMe" Mobile Application.
4.9.4	For audit purposes, all transaction entries must detail the items purchased and include reasons for the purchase.
4.10	Card Transaction Authorisation
4.10.1	All transactions are to be approved online via the "ProMaster" ECMS by the Chief Executive Officer.

4.11	Cardholder Responsibilities
4.11.1	All Cardholders are individually responsible for the security and use of their Card in line with the written instructions (and training) provided upon issue. The card is to be used in accordance with the conditions of use issued by the bank, and this procedure.
4.11.2	The Card must be returned to the Legal & Governance unit where the term of appointment as the Mayor or Deputy Mayor comes to an end.
4.12	Lost, Stolen and Damaged Cards
4.12.1	The loss or theft of a Credit card must be immediately reported by the Cardholder to the Bank regardless of the time or day discovered. The Cardholder must also formally advise the Card Administrator of the loss or theft on the next working day. Advice of a damaged card is to be provided to the Card Administrator who will organise a replacement card.

5. Responsibility /Accountability

5.1	Chief Executive Officer
	<ul style="list-style-type: none"> responsible for approving the transactions of the Mayor and Deputy Mayor in accordance with this policy and procedure.
5.2	Manager, Legal & Governance
	<ul style="list-style-type: none"> responsible for administering this policy and procedure.
5.3	Card Administrator
	<ul style="list-style-type: none"> responsible for administration of the credit card program.
5.4	Cardholders
	<ul style="list-style-type: none"> are responsible for ensuring that this policy and procedure is adhered to.

6. References and links to legislation and other documents

Name	Location
Councillors and Special Committee Members Resource Support and Expense Policy	Council Intranet

APPENDIX A – Corporate Credit Card Nomination Form



REQUEST FOR CORPORATE CREDIT CARD

[Return completed form to Card Administrator]

Nominated Cardholder: _____

Full Name (please print)

Position: _____

Business Unit: _____

Program Area: _____

Contact Number: _____

Email: _____

Predominate Purpose for Requesting the Card:

Signature of Nominated Officer

Signature of Witness

(Manager)

Name:

Name:

Date:

Date:

General Manager Approval/Chief Executive Officer:

Name:

Date:-

Card Limit Requested: \$500 \$1000 \$2000 Other.

APPENDIX B – Corporate Credit Card Declaration Form



**CORPORATE CREDIT CARD DECLARATION
FORM**

[Acknowledgement and Undertaking]

Cardholder: _____

Full Name (please print)

Position: _____

Business Unit: _____

Program Area: _____

I acknowledge receipt of “*Council Corporate Credit Card*” (Card) number _____ in my name and accept all responsibility for the use of the card under the policies, which have been explained to me. I understand that any deliberate abuse will result in my employment with Melton City Council being terminated without any further warning.

I understand and agree that: [Please acknowledge by placing a cross (x) in the appropriate box]

- I will only use the Card for authorised business related expenses
- I acknowledge that I will abide by the total monthly credit limit as authorised by Executive.
- If I misuse the Card (i.e. use it otherwise than in accordance with the instructions given to me) I understand that proceedings may be instituted against me
- If the Card is lost or stolen I am to report it **IMMEDIATELY to the CBA, Lost/Stolen Cards Centre by calling 13 22 21 and advise the Card Administrator**
- The Card shall only be used for transactions within the program area to which the card holder belongs
- I will return the Card to my Manager on being transferred to another Business unit, Program Area or leave the employment of Council
- Under no circumstance shall Council’s corporate credit card be used for personal gain.
 - Council employees are not to use their own reward cards (eg: *Flybuys, Everyday Rewards cards*) to earn points whilst using Councils Corporate purchasing card
 - Council employees are not allowed to use any “*Promotional Offers*” like discount fuel vouchers, 2 for the price of 1 liquor offer etc , resulting from the Council’s Corporate purchasing card use, for their personal advantage.

If the Card Administrator has concerns that a Corporate purchasing card has been abused the Corporate purchasing card will be cancelled and the staff member may face disciplinary action in accordance with Council’s Discipline Policy

- I must retain transactional evidence to support all charges and submit this together with the invoice at the end of the statement period to the Card Administrator
- Cash Advances are not permitted on the Card
- The Card is to be used in accordance with the “*Conditions of use*” issued to the Cardholder by the bank.

I have understood the conditions set out above which governs the issue of the Card in my name and acknowledge that I have read the Corporate Credit Card Procedures and agree to abide by the procedures and guidelines.

Signature of Card Holder

Name:

Date:

Signature of Witness

(Manager/Card Administrator)

Name:

Date:

APPENDIX C – Missing Tax Invoice - Statutory Declaration Form



**CORPORATE CREDIT CARD MISSING TAX
INVOICE**
STATUTORY DECLARATION

(For completion where Cardholder has misplaced or is unable to obtain a tax invoice for purchases greater than \$80.00)

I _____
[Full Name]

Of _____
[Address]

[Occupation]

do solemnly and sincerely declare that the transaction(s) charged to my Corporate Credit Card as detailed below were for legitimate Council business.

Date of transaction(s)	Supplier	Description of Goods & Purpose	Ledger Code	Amount (\$)

I acknowledge that this declaration is true and correct, and I make it with the understanding and belief that a person who makes a false declaration is liable to the penalties of perjury

Declared at _____

this _____ day of _____ 20_____

.....
Signature of Cardholder

Before me,

.....
Name

.....
Signature of Authorised Witness

.....
Date

(Council Executive and Business Unit Managers are authorised to witness the statutory declaration). Please see the link below for a list of Victorian state authorised witnesses.

Attach signed Declaration to relevant Credit Card Statement.

http://assets.justice.vic.gov.au/justice/resources/5096dc0c-bf78-4307-998b-0268a3480965/list_of_victorian_authorised_witnesses.pdf

APPENDIX D – Incorrect Card Use - Statutory Declaration Form



INCORRECT CORPORATE CREDIT CARD USE
STATUTORY DECLARATION

I _____
[Full Name]

Of _____
[Address]

[Occupation]

do solemnly and sincerely declare that the transaction(s) charged to my Corporate Purchase Card as detailed below are accurate and were charged in error.

Date of transaction(s)	Supplier	Description of Goods & Purpose	Ledger Code	Amount (\$)

I acknowledge that this declaration is true and correct, and I make it with the understanding and belief that a person who makes a false declaration is liable to the penalties of perjury

Declared at _____

this _____ day of _____ 20_____

.....
Signature of Cardholder

Before me,

.....
Signature of Authorised Witness

.....
Date

(Council Executive and Business Unit Managers are authorised to witness the statutory declaration). Please see the link below for a list of Victorian state authorised witnesses.

Attach signed Declaration to relevant Credit Card Statement.

http://assets.justice.vic.gov.au/justice/resources/5096dc0c-bf78-4307-998b-0268a3480965/list_of_victorian_authorised_witnesses.pdf

APPENDIX E – Request for Credit Limit Increase Form



CORPORATE CREDIT CARD
REQUEST FOR CREDIT LIMIT INCREASE

[Return completed form to Card Administrator]

Nominated Card Holder: _____

Full Name (please print)

Position: _____

Business Unit: _____

Program Area: _____

Contact Number: _____

Email:- _____

Predominate Purpose for Requesting Credit Limit Increase:

Signature of Nominated Officer

Signature of Witness
(Manager)

Name:

Name:

Date:

Date:

General Manager Signature

Name:

Date:

Card Limit Requested: \$500 \$1000 \$2000 Other.