

# FM 7 – Use of Corporate Credit Cards

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## 1 Objectives

The objective of the Policy is to provide guidance for the use of corporate credit cards.

## 2 Policy

### 2.1 Use of Credit Cards

The use of Corporate Credit Cards shall only be approved if there is a demonstrated need and advantage to the Shire. These include:

- Elimination or reducing time spent on paper based ordering and payments;
- Reduction of administrative costs;
- Reducing the number of payments per month;
- Provision of a useful resource in an emergency situation; and
- Reducing the need to carry cash on the premises.

### 2.2 Applications for Corporate Credit Cards and Approval

All applications for a Corporate Credit Card shall be approved by the Chief Executive Officer. In the case of the Chief Executive Officer, the Council shall approve the application and determine the conditions for use and maximum credit limit and credit limit for each individual transaction.

### 2.3 Register

A register shall be maintained by the Executive Manager Corporate Services of all Credit Cards issued.

The register shall include:

- Date of approval by Chief Executive Officer;
- Name of card holder; and
- Conditions of use of the card.

### 2.4 Issuing of Corporate Credit Cards to Elected Members

2.4.1 The Local Government Act does not make provision for the issuing of credit cards to Elected Members. (A Local Government can only pay allowances or reimburse expenses to an Elected Member).

2.4.2 Elected Members shall not be issued with a Corporate Credit Card as there are no provisions within the Act, which allow an Elected Member to incur a debt.

### 2.5 Policies and Procedures Governing the use of Corporate Credit Cards

The following shall be complied with for controlling the use of Corporate Credit Cards:

2.5.1 An agreement shall be signed by the cardholder which sets out the cardholder's responsibilities and legal obligations when using Credit Card;

2.5.2 A register by the Executive Manage Corporate Services of all current cardholders should be Kept which includes card number, expiry date of the Credit Card, credit limit and details of goods and services the cardholder has authority to purchase;

2.5.3 All new and existing cardholders shall be provided with a copy of the policies relating to the use of Credit Cards;

- 2.5.4 When an employee misplaces their Credit Card, they shall promptly report the matter to Executive Manager Corporate Services who shall immediately cancel the card;
- 2.5.5 Credit Cards shall not be transferred to other users;
- 2.5.6 Use of the reward schemes, such as Fly Buys, will not be permitted for personal gain;
- 2.5.7 All surrendered Credit Cards shall be destroyed by the Executive Manager Corporate Services in the presence of another employee;
- 2.5.8 In the event that a cardholder fails to comply with the requirements of this policy, the Chief Executive Officer shall withdraw the use of the Corporate credit Card and take appropriate disciplinary action. All criminal/illegal acts of alleged misuse shall be reported to the Police and other relevant authorities; and
  - 2.5.9 The use of Corporate Credit Cards for personal entertainment uses is prohibited.

## 2.6 Purchasing

- 2.6.1 Credit Cards shall only be used for purchasing goods and services on behalf of the Shire;
- 2.6.2 Personal expenditure is strictly prohibited;
- 2.6.3 A Credit Card shall not be used for cash withdrawals;
- 2.6.4 A maximum credit card limit of \$10,000 is to be applied to the Chief Executive Officer's corporate credit card. The maximum credit limit (not to be greater than \$5000) for any other employees approved by the Chief Executive Officer for holding of a corporate credit card is to be determined by the Chief Executive Officer based on an assessment of the type of transactions likely to be made by the employee.
- 2.6.5 Purchases by facsimile, telephone or over the internet shall be authorised by the personal and all paperwork shall be kept and verified.

## 2.7 Payments

- 2.7.1 The cardholder shall provide appropriate and sufficient documentary evidence of all charges, within 10 working days of month end;
- 2.7.2 Time frames for all payment of accounts shall be monitored by Executive Manager Corporate Services to ensure that credit charges are minimised and accounts are paid so as not incur a penalty or interest;
- 2.7.3 Cardholders cannot approve expenditure incurred on their own cards – these will be referred to the Chief Executive Officer for approval – the Chief Executive Officer shall refer any such instances to the Executive Manager Corporate Services.

## 3 Applicable Legislation and Documents

Statutory Power	Local Government Act s.2.7(2)(b) – The council is to determine the local government's policies
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<i>(Acts, Regulations, Local Laws, TPS)</i>	<i>Local Government (Financial Management) Regulations 1996</i> r.11 – Payments, procedures for making etc.
<b>Shire Policies</b>	FM 4 – Purchasing Policy
<b>Related Documents</b>	N/A
<b>Related Procedure</b>	N/A

#### 4 Administration

<b>Original Adoption Date</b>	27 September 2012 (C.19/0912a)
<b>Last Variation Date</b>	28 November 2019 (C.06/1119)
<b>Last Reviewed</b>	30 June 2022 (C.09/0622)
<b>Scheduled Reviewed Date</b>	30 November 2023