

**Title:** Corporate Credit Card Usage  
**Policy No:** 347  
**Responsibility:** Director Corporate Services

Version	Decision Number	Decision Date	History
1	19\4545	29/05/07	Adopted
2	19\4604	12/06/07	Reviewed
3			
4			

## 1.0 INTRODUCTION/PURPOSE

- 1.1 The Darwin City Council Corporate Card is a credit card which is to be used for purchases where a normal Council purchase order is not accepted or it is more efficient to use a card. It allows purchases to be made quickly with minimal administration costs and with the introduction of the Card Management System the ability to reflect expenses in Council's financial system promptly after the purchase.
- 1.2 The aim of this policy is to outline the requirements for use of the card.

## 2.0 ROLES AND RESPONSIBILITIES

Action	Authorised Officer
Appointment of Card Holders	CEO
Authorisation of purchases – Lord Mayor	CEO
Authorisation of purchases – Other Staff	Card Holder Relevant Director CEO
Authorisation of purchases – CEO	CEO Director Corporate Services (or other Director if not available)
Reconciliation of purchases	Card Holder Accounts Payable Officer
Maintenance of Card Register	Finance Manager
Provision of Reports	Finance Manager

### **3.0 INTERNAL CONTROLS**

#### **3.1 Appointment of Card Holder**

3.1.1 Cardholders shall only be appointed by the CEO and the card application form shall be signed by the CEO and Finance Manager. Cardholders are required to be familiar with the Bank's terms and conditions for card use as well as this policy. Prior to receiving the card, the cardholder is to sign the Cardholder's Declaration (Attachment A) and forward it to the Finance Manager for retention in the Card Register.

3.1.2 A Card Register shall be maintained and include the following detail:

3.1.2.1 A summary sheet showing: Card Holder Name, Position, Card Number, Expiry Date, Credit Limit, Restrictions on Use, date of issue and date of cancellation;

3.1.2.2 A copy of each Card Application and Cardholder's Declaration;

3.1.2.3 Monthly Card Statements, evidence of purchases, and signed authorisations; and

3.1.2.4 Card usage reports as required.

#### **3.2 Cancellation of Card**

3.2.1 On cessation of employment with Council, the card holder is to return the card to the Finance Manager who will arrange for its cancellation.

3.2.2 Cards may also be cancelled where the need for the card no longer exists or where the Cardholder breaches the terms and conditions of use of this policy. Cardholders will be notified by the Finance Manager that the card has been cancelled and it is to be returned immediately.

#### **3.3 Card Usage**

3.3.1 Purchases made on the card shall only be for goods and services required for the official use of Darwin City Council in conducting its business. The use of the card for personal purposes is not permitted including the use of the card to obtain points under a Frequent Flyer or other reward type program. There may be times when hospitality related purchases include a personal component (e.g. meals whilst on official travel for an accompanying partner) and these costs will be recovered from the employee.

3.3.2 Card Holders will be required to certify that purchases are for legitimate business use. Cardholders found to be in breach of this section may be subject to disciplinary action and may have their card cancelled.

3.3.3 Depending on the requirements for the issue of a card, restrictions on the type of purchases allowed may be placed from time to time as directed by the CEO. These will be made known to the cardholder as part of the Cardholder's Declaration and kept in the Card Register.

- 3.3.4 Card usage shall be monitored using the bank's card management software. Purchases made on the cards are to be acquitted using the software and allocated to the appropriate general ledger accounts for processing. Card statements are to be counter-authorised by the appropriate Director and the CEO. The Finance Manager is to provide a monthly card usage report to the CEO for review.
- 3.3.5 Card holders are to obtain and retain tax invoices for all purchases made on the card. Where a tax invoice has not been obtained, the Card Holder will be required to provide a statutory declaration detailing the nature of the expense and why an invoice was not obtained. Cardholders who repeatedly fail to retain tax invoices for purchases, will be required to show cause why their card should not be revoked or cancelled. The purchase details are to be attached to the relevant card statement and forwarded to Finance within 5 working days of the statement being sent out by Finance. Finance will file the information in the Card Register. Purchases which may be subject to Fringe Benefits Tax will also need to be accompanied by a completed Fringe Benefits Form.
- 3.3.6 Disputed purchases are to be followed up with the Bank as soon as they are identified. Card Holders are to notify the Finance Manager of any transactions in dispute.

### **3.4 Security of Cards**

- 3.4.1 Cardholders are responsible for the security of their cards and details. Cards must be kept in a secure place and whilst cardholders are on leave for longer than two weeks, the card should be placed in the Finance safe with the Card Register.
- 3.4.2 Cardholders who suspect their card to be lost or stolen are to immediately notify the bank to arrange for the card to be suspended. The card holder should also notify the Finance Manager who will record the details in the Card Register.

## **4.0 PROCEDURES**

### **4.1 Purchasing Using the Finance Manager Corporate Card**

- 4.1.1 The Finance Manager has a corporate card which is available for general purchasing use where other methods for purchase are inefficient or not available. When purchasing using this card the following actions are to be taken.

Step	Occurrence	Responsibility of	Remarks
1	Identify need for item, obtain quotes (if necessary), determine if other payment options are available	Purchaser	<p>Items must be for business use and be budgeted for. The normal rules regarding quotations still apply.</p> <p>Purchase options should be reviewed and consider the use of petty cash, setting up of accounts in the creditors system for EFT or cheque payments (if it is to be a regular purchase), or if the item can only be purchased over the internet. Other considerations may be the time taken to pay for and dispatch the goods or where the supplier will not accept a Council Purchase Order.</p>
2	Complete Corporate Card Usage Request Form	Purchaser	<p>The form can be found on the intranet under Finance Forms.</p> <p>The card is not to be used without this form being approved.</p> <p>The form should be brought to Finance for authorisation.</p>
3	Authorise use of Corporate Card	Finance Manager or Accountant	<p>If satisfied that the requirements for use have been satisfied, the Finance Manager or Accountant signs the Corporate Card Usage Request Form as authorisation for use.</p>

Step	Occurrence	Responsibility of	Remarks
4	Make purchase	Purchaser/Finance Officer	The card number will not be provided to individuals within the organisation for their general use. The Finance Officer will enter the card details over the internet or if to be sent by fax, complete the details and obtain the Finance Manager's signature prior to faxing. The Finance Officer will notify the purchaser when this has been done.
5	Obtain invoice and other documentation	Purchaser	The invoice and other documentation is to be attached to the Card Usage Request Form. This should occur immediately following the purchase.
6	Code transactions using Card Management Software	Finance Officer	The Finance Officer will use the account codes provided on the Card Usage Form to allocate the costs as appropriate.
7	Sign Card Statement	Finance Manager	Card Statement to be signed within 5 working days of receipt.
8	Counter-sign Card Statement	Director Corporate Services & CEO	Once all documentation received and signed by the Finance Manager, Director Corporate Services is to counter sign and pass to the CEO for the final review. The CEO will then forward the statement to Finance
9	Process transactions in Authority	Finance Officer	Once all paperwork is complete and the account paid, the transactions are to be entered into Authority.

## 4.2 Purchasing Using the Workshop Corporate Card

4.2.1 The Workshop has been issued a Corporate Card for use at the Motor Vehicle Registry to streamline the registration process. The card is to be used when a vehicle undergoes inspection prior to registration and therefore incurs additional charges. In these circumstances there can be delays in raising a cheque for the correct amount and an increase in administration time. It is appropriate to use a corporate card in these circumstances.

Step	Occurrence	Responsibility of	Remarks
1	Identify need for registration.	Purchaser	Purchases on this card can only be for the registration of Council Vehicles.
2	Make purchase	Card Holder	
3	Obtain invoice and other documentation	Card Holder	The invoice and other documentation is to be retained and attached to the statement.
4	Code transactions using Card Management Software	Card Holder	The card holder is to allocate the costs as appropriate.
5	Sign Card Statement	Card Holder	Card Statement to be signed within 5 working days of receipt.
6	Counter-sign Card Statement	Director Technical Services & CEO	Once all documentation received and signed by the Card Holder, the Director Technical Services is to counter sign and pass to the CEO for the final review. The CEO will then forward the statement to Finance
7	Process transactions in Authority	Finance Officer	Once all paperwork is complete and the account paid, the transactions are to be entered into Authority.

### 4.3 Purchasing Using the Chief Executive Officer's Corporate Card

4.3.1 The CEO has a corporate card which the CEO will use where other methods for purchase are inefficient or not available. When purchasing using this card the following actions are to be taken.

Step	Occurrence	Responsibility of	Remarks
1	Identify need for item, obtain quotes (if necessary), determine if other payment options are available	CEO	Items must be for business use and be budgeted for. The normal rules regarding quotations still apply.  Purchase options should be reviewed and consider the use of petty cash, setting up of accounts in the creditors system for EFT or cheque payments (if it is to be a regular purchase), or if the item can only be purchased over the internet. Other considerations may be the time taken to pay for and dispatch the goods or where the supplier will not accept a Council Purchase Order.
2	Make purchase	CEO	
3	Obtain invoice and other documentation	CEO	The invoice and other documentation is to be retained and attached to the statement.
4	Code transactions using Card Management Software	CEO	The card holder is to allocate the costs as appropriate.
5	Sign Card Statement	CEO	Card Statement to be signed within 5 working days of receipt.
6	Counter-sign Card Statement	Director Corporate Services (or other Director if not available)	Once all documentation received and signed by the Card Holder, the Director Corporate Services is to counter sign and return the statement to Finance.
7	Process transactions in Authority	Finance Officer	Once all paperwork is complete and the account paid, the transactions are to be entered into Authority.

#### 4.4 Purchasing Using Other Corporate Cards

4.4.1 The CEO may decide that other Corporate Cards are issued for use where other methods for purchase are inefficient or not available. When purchasing using these cards the following actions are to be taken.

Step	Occurrence	Responsibility of	Remarks
1	Identify need for item, obtain quotes (if necessary), determine if other payment options are available	Card Holder	<p>Items must be for business use and be budgeted for. The normal rules regarding quotations still apply.</p> <p>Purchase options should be reviewed and consider the use of petty cash, setting up of accounts in the creditors system for EFT or cheque payments (if it is to be a regular purchase), or if the item can only be purchased over the internet. Other considerations may be the time taken to pay for and dispatch the goods or where the supplier will not accept a Council Purchase Order.</p>
2	Make purchase	Card Holder	The card number is not to be provided to other individuals within the organisation for general use. The Card Holder will enter the card details over the internet or if to be sent by fax, complete the details and sign prior to faxing. The Card Holder will notify the purchaser when this has been done.
3	Obtain invoice and other documentation	Card Holder	The invoice and other documentation is to be retained and attached to the statement.
4	Code transactions using Card Management Software	Card Holder	The card holder is to allocate the costs as appropriate.

Step	Occurrence	Responsibility of	Remarks
5	Sign Card Statement	Card Holder	Card Statement to be signed within 5 working days of receipt.
6	Counter-sign Card Statement	Relevant Director & CEO	Once all documentation received and signed by the Card Holder, the relevant Director is to counter sign and pass to the CEO for the final review. The CEO will then forward the statement to Finance
7	Process transactions in Authority	Finance Officer	Once all paperwork is complete and the account paid, the transactions are to be entered into Authority.

#### 4.5 Purchasing Using the Lord Mayor's Corporate Card

4.5.1 The Lord Mayor may receive a corporate card which the Lord Mayor will use where other methods for purchase are inefficient or not available. When purchasing using this card the following actions are to be taken.

Step	Occurrence	Responsibility of	Remarks
1	Identify need for item, obtain quotes (if necessary), determine if other payment options are available	Lord Mayor	Items must be for business use and be budgeted for. The normal rules regarding quotations still apply.  Purchase options should be reviewed and consider the use of petty cash, setting up of accounts in the creditors system for EFT or cheque payments (if it is to be a regular purchase), or if the item can only be purchased over the internet. Other considerations may be the time taken to pay for and dispatch the goods or where the supplier will not accept a Council Purchase Order.
2	Make purchase	Lord Mayor	

Step	Occurrence	Responsibility of	Remarks
3	Obtain invoice and other documentation	Lord Mayor	The invoice and other documentation is to be retained and attached to the statement.
4	Code transactions using Card Management Software	Lord Mayor Secretary	The card holder is to allocate the costs as appropriate.
5	Sign Card Statement	Lord Mayor	Card Statement to be signed within 5 working days of receipt.
6	Counter-sign Card Statement	CEO	Once all documentation received and signed by the Card Holder, the CEO is to counter sign and return the statement to Finance.
7	Process transactions in Authority	Finance Officer	Once all paperwork is complete and the account paid, the transactions are to be entered into Authority.

## ATTACHMENT A

**CARDHOLDER'S DECLARATION**

I, \_\_\_\_\_,  
(insert name)

certify that I have read, understood, and will comply with the Darwin City Council's Corporate Card Usage Policy and that the Corporate Credit Card issued to me must only be used for official, approved purposes and must not be used for:

- personal, non work-related purchases;
- hospitality or entertainment purposes without prior approval;
- cash advances;
- the splitting of purchases in order to negate credit limits or procurement requirements; or
- gaining personal benefits.

I will ensure that the procedure for the use of the corporate card contained in the Darwin City Council Corporate Card Usage Policy is followed when making purchases with the card issued to me.

I acknowledge that departures from the Corporate Card Usage Policy may result in the card being cancelled and legal and/or disciplinary action being taken against me in accordance with Council's Employee Code of Conduct and Enterprise Bargaining Agreement.

Signed,

\_\_\_\_\_

**Cardholder**

\_\_\_\_\_

**Date**