

2/020 Credit and Purchase Card Policy

Objective

Corporate credit and purchase cards (Corporate Cards) deliver benefits to the Town of Port Hedland through improved administrative practices. Efficiency of operational activities is increased by reducing the cost, paperwork and time associated with purchasing goods and services. Corporate Cards also provide a useful resource in remote and emergency situations, reduce the need for cash on premises and provide an effective audit trail of expenditures.

This policy sets out the principles that need to be followed by all Corporate Card holders at the Town of Port Hedland. The objective of this policy is to:

- Provide a framework to enable the use of Corporate Cards;
- Provide Corporate Card holders guidelines towards the appropriate issue and usage of the cards; and
- Minimize or eliminate the risk of fraud and misuse of the Corporate Card.

Application of Policy

This policy applies to all employees of the Town of Port Hedland who are assigned a Corporate Card.

Legislation

The following provisions of the *Local Government Act 1995* (the Act) and associated regulations impact on the use and control of corporate credit cards:

- Section 2.7(2) (a) and (b) of the Act requires the council to oversee the allocation of the local government's finances and resources and to determine the policies of the local government.
- Section 6.5(a) of the Act requires the Chief Executive Officer (CEO) to ensure that proper accounts and records of the transactions and affairs of the local government are kept in accordance with regulations.
- Local Government (Financial Management) Regulation 11(1)(a) requires local governments to develop procedures for the authorisation and payment of accounts to ensure that there is effective security and appropriate authorisations in place for the use of credit cards.
- Local Government (Financial Management) Regulation 13A requires local governments to disclose information about each transaction made on a credit card, debit card or other purchasing cards.

Issue of Corporate Cards

- All requests for Corporate Cards are approved by the CEO in line with "The Town of Port Hedland Delegation Register".
- While the maximum credit limit is determined in the delegation register, the cardholders limit should be set to the lowest amount required by the cardholder to conveniently execute their role.
- A person in a role that is allocated a credit card is not obliged to hold one.



- Each cardholder must sign an acknowledgement that they have received, understood and agreed to their responsibilities and legal obligations before a card will be issued.
- A credit card will not be issued to an elected member.

Use of Corporate Cards

- Corporate cards are only to be used for Town related expenditure, within the limit assigned for the use of that card and within the approved budget;
- Personal use and personal transactions are prohibited;
- All purchases are to be made in accordance with 2/007 Procurement Policy.
- Travel expenditure is to be made in accordance to GOV 008 “Town of Port Hedland Representative Travel and Accommodation” IOP as well as 2/007 Procurement Policy.
- Cash withdrawals through any facility, whether it is a Bank, ATM or EFTPOS facility are prohibited;
- Purchases related to buying foreign currency, lottery tickets, gambling, travellers cheques and money transfers are prohibited.
- The card must not be used by officers other than the cardholder.
- Under no circumstances is the PIN to be disclosed to another person.
- The card must only be used for fuel purchases in instances where a fuel card facility is unavailable;
- Cardholders must not obtain personal benefit through any rewards program.
- Cardholders must not split transactions to circumvent delegation limits.
- The card shall not be used for payment of fines.
- No “tips” or gratuities are to be added to purchase transactions.
- The cardholder must maintain the security of their card, ensuring that it is kept in their possession at all times and not left in any place from which it may be taken.
- The cardholder must retain all tax invoices and/or receipts and maintain any other records of their transactions to facilitate monthly reconciliation and costing of transactions for that card;
- The card must be returned prior to periods of extended leave (any periods in excess of four weeks).
- In all cases of misuse, the Town of Port Hedland reserves the right to recover any monies from the cardholder and all repayments by the cardholder are to be due within five days of notice.

Cancellation of Corporate Cards

- Cards must be returned and cancelled if the cardholder is reassigned to a new position where the use is not required or where their employment is terminated with the Town of Port Hedland;
- The Town of Port Hedland reserves the right to cancel a card at any time.
- Cancelled cards must be destroyed in a secure manner.



Definitions

“Cardholder” - Is any officer of the Town of Port Hedland receiving authorisation to have a Corporate Credit Card issued in their name.

“Corporate Card” – Includes business or corporate credit cards, debit cards, store cards, fuel cards and taxi cards. *Excludes* non-reloadable gift cards, pre-loaded purchase or credit card advances, SmartRider cards that are centrally controlled for general use.

“Credit limit” – Is the maximum amount of money authorised for purchases made on the corporate card.

“Personal Use / Personal transaction” - Any purchase intended for individual benefit of the cardholder. Purchase of any items not normally provided to a staff member in the course of their employment with the Town of Port Hedland.

“Town” – Refers to the Town of Port Hedland

“Town Related Expenditure” - Bona fide business transactions that are required by a cardholder undertaking normal duties in the course of their employment with the Town of Port Hedland and would otherwise be undertaken by purchase order or petty cash.

“Transaction limit” – Means the maximum value for any single transaction.



<i>Governance to complete this section</i>			
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Relevant legislation	
Delegated authority	
Business unit	Financial Services
Directorate	Corporate Services