



**muswellbrook
shire council**

DRAFT Corporate Card Policy

MSC28E

Authorisation Details

Authorised by:		Internal/External:	External
Date:		Minute No:	
Review timeframe:	4 years	Review due date:	
Department:	Corporate Services		
Document Owner:	Finance Manager		

Details History

Version No.	Date changed	Modified by	Amendments made

Table of Contents

1. Policy Objective	3
2. Risks being addressed	3
3. Scope	3
4. Definitions	3
5. Policy Statement	4
5.1 Eligibility to hold or use a Corporate Card	4
5.2 Appropriate uses of a Corporate Card	4
5.3 Transaction Review	5
5.4 Misuse of Corporate Card	5
6. Roles, responsibilities and delegations	6
7. Dispute Resolution	7
8. Associated Documentation	7
8.1 Legislation and guidelines	7
8.2 Policies, procedures and forms	7

1. Policy Objective

The aim of this Policy is to ensure that effective controls are in place with respect to the use of Corporate Cards and to align with the Office of Local Government's Guideline on the Use and Management of Credit Cards. *The Local Government Act 1993* (section 8B) and the *Local Government (General) Regulation 2021* (clause 209) require all councils to establish effective internal control mechanisms for financial management, expenditure and accounting records.

2. Risks being addressed

This policy aims to reduce the risk of fraud and misuse of corporate cards.

3. Scope

Muswellbrook Shire Council's corporate cards come in various forms such as corporate credit cards, the virtual credit card, debit cards and company procurement cards; they are all referred to as 'corporate cards' in this Policy and this policy is applicable to anyone that uses a corporate card.

The application of this policy is to be in conjunction with the Muswellbrook Shire Council Code of Conduct and any legislative requirements of the *Local Government Act 1993* that may be enforced.

4. Definitions

Corporate Credit Card	Credit cards issued to Council Officers which are used by Cardholders to engage in transactions relating to the purchase of goods and services on behalf of Council. Referred to as 'Corporate Card' throughout this policy.
Council Officer	An employee of Council, including the General Manager for this policy.
Purchasing Cards	Refers to a debit card issued by the Card Issuer which is used by Cardholders to engage in transactions relating to the purchase of goods and services on behalf of Council. Purchasing cards are also known as Debit Cards and Company Procurement Cards. Referred to as 'Corporate Card' throughout this policy.
The Cardholder	the Council Officer or Councillor using the Corporate Card, including the General Manager and Mayor.
Virtual Credit Card	A credit card that is not issued as a physical card, rather a 16-digit number provided to Council for use in card-not-present transactions. The Virtual Credit Card card is not linked to a Cardholder but is established in Council's name. Referred to as 'Corporate Card' throughout this policy.

Note: **Fuel Cards** are covered under Council's Motor Vehicle Fleet Policy

5. Policy Statement

Corporate cards provide an alternate procurement channel to approved Council Officers and Councillors to allow them to efficiently procure low value items.

Corporate cards provide access to Council funds. For this reason, the safety and security of the card and its details are paramount to ensuring that Council's resources are not misused or misappropriated.

Responsibility of usage, safekeeping and record keeping of any corporate card lies with the cardholder. This Policy and the associated procedures of Council are designed to ensure the use of corporate cards achieves the stated objectives while allowing the Council to remain diligent in ensuring all related expenditure is legitimate.

Corporate Cards do not have a cash advance facility.

5.1 Eligibility to hold or use a Corporate Card

Corporate Cards are only available on approval to a Council Officer who:

- Has the appropriate financial and operational delegations to incur expenditure on behalf of Council
- Has approval from their Manager and their Director
- Is an ongoing or fixed term employee of the Council
- Occupies a position that has a regular and demonstrated need to purchase goods/services that would benefit from being a corporate card process rather than the traditional purchasing process
- Is willing to abide by this policy, the associated Council documentation and procedures and the conditions of use as stated in the Council application forms, the corporate card providers terms and conditions and Council's Procurement Policy and Procedures

Corporate cards are not issued to staff contracted through an employment agency.

Credit cards are not issued to Councillors, however a purchasing card may be issued based on application of the Councillor and approval of the General Manager.

The General Manager is eligible to hold a Corporate Card.

The use of Corporate Cards is restricted to circumstances where the application of Council's standard accounts payable process is unsuitable.

Company Procurement Card allocated to Admin Building is used with approval of Manager or Director.

5.2 Appropriate uses of a Corporate Card

Corporate cards are solely for business purposes and are only used in a manner compliant with this policy and the associated procedures.

Appropriate uses of a corporate card include:

- ✓ Payment for goods/services in full;
- ✓ Deposits;
- ✓ Corporate subscriptions for Council;
- ✓ Approved training/conference fees;

- ✓ Approved travel, accommodation, parking expenses, food and beverage while away on work related activities;
- ✓ Food and beverage for work related events approved by Director or General Manager;
- ✓ General consumables other than stationery and office supplies; and

Equipment or services, other than information technology hardware or services, with a value less than \$1,000. (Please refer to the Procurement Policy and adhere to any required procedures prior to the purchase transaction). Inappropriate uses of a Corporate Card include:

- ✗ Any private or personal expenditure;
- ✗ The purchase of gifts, food and related items in relation to non-business activities such as birthday celebrations, gifts, staff farewell's, staff social events, celebratory lunches/dinners
- ✗ Cash advances;
- ✗ Fuel, except in an emergency (fuel card is the first point of use);
- ✗ For the purchase of any item that is available from Council's Store unless urgently required and outside of Store opening hours;
- ✗ Unofficial entertainment;
- ✗ Information technology hardware or services (other than if purchased by the IT Team) unless approved by the ICT Manager prior to purchase;
- ✗ Donations of any form;
- ✗ Purchase of Alcohol (unless approved by the General Manager through the Purchase of Alcohol Exemption Form appropriate form);
- ✗ Any link to any form of reward programs or award points or any personal cards or memberships; and
- ✗ Split purchases to avoid credit card limits and procurement policy requirements.

5.3 Transaction Review

An up-to-date record of all authorised Cardholders is recorded and stored by Finance in a Corporate Card Register.

All Corporate Credit Card, Purchasing Card, Company Procurement Card and Virtual Credit Card transactions are reviewed, reconciled and approved on a monthly basis, in accordance with the associated procedures.

5.4 Misuse of Corporate Card

Corporate credit and purchasing cards are issued to Council Officers and Councillors that are in a position of trust in regard to the use of public funds. Periodic analysis of credit card expenditure is undertaken by Finance to identify any potential misuse of a corporate card and/or non-compliance with this policy and associated procedures. Any alleged misuse is reported to the cardholder's Director, who is responsible for investigating the alleged misuse through the course of a formal investigation, in accordance with existing council procedures and the Code of Conduct. Where a breach of Council policy or procedures is identified, the employee may be subject to disciplinary action in accordance with the *Local Government (State) Award 2020* and/or referral to an external agency where appropriate.

6. Roles, responsibilities and delegations

The General Manager is ultimately responsible for the proper management and administration of credit cards within Council. This policy will be monitored by the Finance Manager to ensure compliance.

Role	Responsibilities
Cardholders	<ul style="list-style-type: none"> Responsible for all charges placed against a corporate card. Attach a copy of invoice to transaction and allocate GL Number or PO number at time of purchase. Keep track of expenses made on the corporate card. Not exceed the corporate card limit. Report any misuse or any loss of a corporate card immediately 24/7. Report any fraudulent transactions immediately Ensure all purchases are made in accordance with Council's Procurement Policy and related procedures. Always keep the corporate card secure. Not allow the corporate cards to be used by other Council Officer or Councillor or anyone else. Reconcile monthly statements and submit to Finance for review.
Directors	<ul style="list-style-type: none"> Approve and/or reject Corporate Card applications Investigate breaches of this policy
Finance	<ul style="list-style-type: none"> Reconcile monthly Virtual Credit Card statements. Review Corporate Card reconciliations from individual Corporate Card holders Maintain records once received. Maintain the Corporate Card Register. Apply to the financial institution for new corporate credit cards and for any updates, changes, replacement or cancellation of cards. Provide the General Manager with an accessible record of the council's credit card program borrowing limit and aggregate credit limit of individual credit cards currently issued.
General Manager	<ul style="list-style-type: none"> Act as Approval Officer for the Mayor, Councillors and Directors Ensure Council is not exceeding its total borrowing limit or budget limits
Human Resources	<ul style="list-style-type: none"> Notify Finance immediately of staff departures
Program Administrator	<ul style="list-style-type: none"> Council's Senior Financial Accountant will act as the Program Administrator for the Corporate Credit Card facility. Council's Finance Manager will act as the backup Program Administrator for the Corporate Credit Card facility. To allow appropriate segregation of duties, neither of these roles is to hold a Corporate Credit Card.
Managers	<ul style="list-style-type: none"> Determine and approve Council Officers within their department who require a corporate card. Ensure credit limit is within the card holder's financial delegation Review and approve all corporate card transactions within their Department
Records	<ul style="list-style-type: none"> Action monthly corporate credit card statements to cardholders.

7. Dispute Resolution

Any breaches of this Policy will be referred to the General Manager for appropriate action. Or in the case of a breach by the General Manager, this will be referred to the Mayor.

8. Associated Documentation

8.1 Legislation and guidelines

The following Legislation impacts the use and control of corporate credit cards:

- *Local Government Act 1993*;
- *Local Government (General) Regulations 2021*;
- *Independent Commission against Corruption Act 1988*;
- *Public Interest Disclosures Act 1994*;
- *Crimes Act 1900*;
- *A New Tax System (Goods and Services Tax) Act 1999*;
- *NSW State Records Act 1998*;
- *Government Information (Public Access) Act 2009*; and
- *Privacy and Personal Information Protection Act 1998*.
- Office of Local Government Guideline on the Use and Management of Credit Cards (Doc ID: 1472450)

8.2 Policies, procedures and forms

- [Model Code of Conduct](#) (Doc ID:1436817)
- [Fraud and Corruption Control Policy](#) (Doc ID: 1240663)
- [Councillor Expenses and Facilities Policy](#) (Doc ID: 919536)
- Motor Vehicle Fleet Policy (Doc ID: 919542)
- Purchase of Alcohol Exemption Form (Doc ID: 1464980)
- Corporate Credit Card Cardholder Procedure and Application Form (Pending)
- Company Procurement Card Cardholder Procedure and Application Form (Pending)
- Debit Card Cardholder Procedure and Application Form (Pending)
- Virtual Credit Card Cardholder Procedure and Application Form (Pending)
- Corporate Credit Card Administration Procedure (Pending)
- Company Procurement Card Administration Procedure (Pending)
- Debit Card Administration Procedure (Pending)
- Virtual Credit Card Administration Procedure (Pending)
- Disciplinary Procedure (Doc ID: 1285893)