

FM 7 – Corporate Credit Cards

1 Objectives

The objective of the Corporate Credit Cards Policy are:

- To provide direction for the use of corporate credit cards (credit cards).
- To ensure ease of purchase for specific and clearly defined products, services and/or circumstances. • To ensure the Shire is able to buy products and services that are only available via a credit card purchase.
- To ensure appropriate use of credit cards that is lawful, accountable and responsible.
- To ensure that all expenditure is accurately acquitted and that there is no misappropriation of funds.

2 Policy

2.1 Use of Credit Cards

The use of Corporate Credit Cards will only be approved if there is a demonstrated need and advantage to the Shire. This includes:

- Use in an emergency situation;
- Online purchasing, where there is no other payment option;
- Elimination or reducing time spent on paper-based ordering and payments;
- Reducing administrative costs;
- Reducing the number of payments made per month;
- Reducing the need to carry cash on the premises; and
- External business meetings where the purchase of meals or beverages in a ‘one off’ venue does not warrant the generation of a purchase order, or the vendor is not prepared to engage in the process.

2.2 Credit Card Applications and Approvals

All applications for a Corporate Credit Card will be approved by the Chief Executive Officer. In the case of the Chief Executive Officer, the Council will approve the application, the conditions for use and the maximum expenditure.

2.3 Register

A register of all credit cards issued will be maintained by the Executive Manager Corporate Services. The register shall include (but is not limited to):

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

2.4 Issuing 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.

2.5 Procedures

The following procedures must be adhered to when using a credit card:

- An agreement shall be signed by the cardholder which sets out the cardholder's responsibilities and legal obligations when using the credit card.
- The Executive Manager, Corporate Services will keep a register of all current cardholders, which includes the card number, expiry date of the credit card and credit limit.
- All new and existing cardholders shall be provided with a copy of the policies relating to the use of credit cards.
- When an employee misplaces their credit card, they will promptly report the matter to Executive Manager, Corporate Services who will immediately cancel the card.
- Credit Cards will not be transferred to other users.
- Use of the reward schemes, such as Fly Buys, will not be permitted for personal gain.
- All surrendered credit cards shall be destroyed by the Executive Manager, Corporate Services in the presence of another employee.
- In the event that a cardholder fails to comply with the requirements of this policy, the Chief Executive Officer will withdraw the use of the credit card and take appropriate disciplinary action. All alleged criminal acts of misuse will be reported to the WA Police and other relevant authorities.
- The use of credit cards for personal entertainment is prohibited.

2.6 Purchasing

- Credit cards will only be used for purchasing goods and services on behalf of the Shire.
- Personal expenditure is strictly prohibited.
- A credit card will not be used for cash withdrawals;
- A maximum credit card limit of \$10,000 is to be applied to the Chief Executive Officer's credit card.
- The maximum credit limit for any other employee is to be determined by the Chief Executive Officer (no greater than \$5,000).
- Cardholders must retain all receipts associated with any credit card transaction, regardless of mode of communications (e.g. Internet, telephone etc.).

2.7 Payments

- The cardholder will provide appropriate and sufficient documentary evidence of all charges, within 10 working days of month end.
- Time frames for all payment of accounts shall be monitored by Executive Manager, Corporate Services to ensure that credit charges are minimized, and accounts are paid so as not incur a penalty or interest;
- The Chief Executive Officer must approve expenditure occurred on each credit card.

- The Shire President must approve expenditure occurred on the Chief Executive Officer's expenditure.
- Cardholders cannot approve expenditure incurred on their own cards.

2.8 Non-compliance

2.8.1 Non-compliance with the provisions of this Policy may result in disciplinary action and, dependent on the level of breach, potential termination of employment.

3 Applicable Legislation and Documents

Act	s.2.7(2)(b) <i>Local Government Act 1995</i> – The council is to determine the local government's policies
Regulation	r.11 <i>Local Government (Financial Management) Regulations 1996</i> – payments, procedures for making etc.
Local Law	N/A
Shire Policies	FM 4 – Purchasing Policy
Related Documents	N/A
Related Procedure	N/A

4 Administration

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