

MRC Credit Card

Council Policy CP129



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| Policy Number | CP129 |
| Replaces Policy Number | 1000 |
| Area Responsible | Finance |
| Strategic Plan Reference | 4 A Supportive Organisation |
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| Next Review Date | 30 June 2019 |

1. Purpose

This policy is to provide guidelines for the use of credit cards issued to MacDonnell Regional Council (MRC) elected members or employees.

2. Scope

This Policy applies to elected members and employees.

3. Policy Objectives

The policy objectives are:

- to allow savings to be gained through internet purchases.
- to give flexibility in purchasing options.
- to minimise administrative effort while maintaining appropriate controls over expenditure.
- to ensure those issued with a MRC credit card understand that they are in a position of trust in regard to use of public funds.

4. Policy Statement

4.1 Credit limits

Credit card limits are set out in the MRC Delegations Manual.

4.2 Conditions of use

All card holders must adhere to the following conditions of use and cardholder transactions will be scrutinised to ensure compliance with this policy. Failing to comply with these conditions will result in cancellation of the card, withdrawal of credit card privileges and may lead to legal and/or disciplinary action against the cardholder concerned. In all cases of misuse, MRC reserves the right to recover any monies from the cardholder:

- The relevant cardholders' responsibility statement issued by the Bank;
- MRC's policy numbered CP125 Procurement;
- The MRC Delegations Manual.
- A F129 Acknowledgement of Receipt of MRC Credit Card must be signed before use of any MRC credit card.
- A MRC credit card cannot be used for expenses other than those incurred by the assigned officer named on the card for expenses related to MRC official business.

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- A MRC credit card is not to be used for personal expenses under any circumstance.
- Cardholders may not use their MRC credit card to obtain cash advances from banks, building societies, credit unions or automatic teller machines. This prohibition extends to cash equivalents such as bank cheques, traveller's cheques and electronic cash transfers.
- Where a purchase order can be used for a transaction, this should be used in preference to use of a credit card.

4.3 Monthly Credit Card Statements

- All credit card expenditure must be reconciled and supported by a tax invoice attached to the statement. The expense account code, for each item, is to be recorded on the statement or on the attached tax invoice.
- The statement and invoices must be checked and signed as verified by the cardholder and authorised by a delegated officer with sufficient delegation for the total value of the statement, according to the following list:
 - the cardholder's supervisor; or
 - if the cardholder is the CEO, the President; or
 - if the cardholder is an elected member, the CEOthen returned to MRC's Finance Department.

4.4 Cardholder Responsibilities

- Cardholders must retain transactional evidence, in the form of a tax invoice or receipt, to support all charges.
- Card purchases without a tax invoice or receipt will be considered the responsibility of the cardholder and reimbursement from the cardholder will be sought.
- Reimbursement for return of goods and/or services must be credited directly to the card account.
- Lost or stolen cards must be reported and cancelled immediately. The Manager Finance must also be notified within two (2) business days of the loss being known.

4.5 Supervisor's Responsibilities

The cardholder's supervisor, or the CEO if the cardholder is an elected member, is required to verify all transactions each month. In doing so the supervisor/CEO is to ensure the transactions are MRC business related and the cardholder has supplied transactional evidence. Any unusual transactions must be followed up with the cardholder immediately. Suspected breaches of policy must be referred to the CEO.

If the total credit card statement is above the supervisor's delegated level for purchases the statement must be referred to the next higher delegated position.

4.6 Goods and Services Tax

MRC is liable to pay GST and is also eligible in many instances to claim a GST tax credits. All credits claimed must be supported by a tax invoice or receipt. The Cardholder must supply all original transactional evidence (receipts and tax invoices) outlining any GST in accordance with this policy.

4.7 Records Management

- All documentation associated with the application for a corporate credit card will be maintained by the MRC Finance Department.

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- Tax invoices or receipts for all credit card transactions will be retained. Prior to completing their reconciliation, cardholders must be able to produce tax invoices or receipts for audit purposes.

4.8 Audit

Random audit of cardholder purchases may occur periodically. In addition, external auditors may carry out audits.

4.9 Termination

When a cardholder ceases their membership of Council or their employment is terminated then they must return their credit card prior to their last day of work with any receipts that have not been acquitted.

5. Legislation and References

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| Related Legislation | Local Government Act Local Government (Accounting) Regulations |
| Related Policies | CP125 Procurement |
| Related Procedures | |
| Associated Documents | |

6. Delegation and Implementation

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| Delegate | Director Corporate Services |
| Implementation Officer | Manager Finance |

7. Administration

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| InfoXpert file number | |
| On Internet (Council Policy) | |