

# Credit Card Policy

FA02-CP



Hard copies of documents are uncontrolled and may not be current - please refer to the electronic version.

## 1. Purpose

This policy ensures effective controls are in place to regulate the use of MacDonnell Regional Council (MRC) issued credit cards.

## 2. Scope

This policy applies to council members, the Chief Executive Officer (CEO) and all employees who have an MRC issued credit card.

## 3. Objectives

The policy objectives are:

- 3.1. To ensure sound financial management, transparency and accountability.
- 3.2. To allow purchasing flexibility options and subsequently greater savings to be gained.
- 3.3. Provide credit card holders with the framework in which purchases can be made whilst maintaining appropriate controls over expenditure.

## 4. Definitions

Financial Management System	Refers to TechnolgyOne which is MRC's primary financial management system maintained and managed by CouncilBiz.
-----------------------------	---

## 5. Statement

5.1. Credit cards should only be used in situations where it is not reasonably possible or cost effective to go through the MRC's normal procedures for the ordering of and/or payment for goods or services.

### 5.2. Issue of credit card

5.2.1. The issue of a credit card is determined by the CEO and approval will include:

- a. Permission in writing
- b. The agreement will stipulate the monthly credit limit

5.2.2. The issue of the CEO's credit card will be determined by the president and approval will include:

- a. Permission in writing
- b. The agreement will stipulate the monthly credit limit

5.2.3. The recipient of the credit card must agree and sign FA02-F1 Credit Cardholder Agreement prior the issue of the credit card.

5.2.4. The Manager Finance will arrange the credit card on the recipient's behalf whilst ensuring that no further benefits are received other than the advantages of the cards intended purpose.

- a. No cash advance facilities
- b. Not linked to any rewards or award points programs

# Credit Card Policy

FA02-CP

*Hard copies of documents are uncontrolled and may not be current - please refer to the electronic version.*



5.2.5. The Manager Finance will maintain FA02-R1 Credit Card Information Register of all issued credit cards which will include the following details:

- a. Name of card holder
- b. Details of approval
- c. The institution
- d. Credit card limits
- e. Expiry date

## 5.3. Use of credit card

5.3.1. Cardholders will be personally liable for any misuse or for transactions that are not authorised and cannot be shown to be related to the business of MRC.

5.3.2. It is the responsibility of the card holder to ensure:

- a. Credit limits are not exceeded
- b. Card is not used for personal expenditure, gain or benefit
- c. Card is used in accordance with MRC's FA01-CP Procurement Policy
- d. The safe custody and security of the card
- e. Others do not use their card
- f. Personal identification number (PIN) is not disclosed to others
- g. Monthly reconciliations are completed and submitted in a timely manner
- h. Documentation is compiled and compliant with item 5.4 in this policy

## 5.4. Required supporting documentation

5.4.1. A tax invoice that satisfies all the below criteria must be supplied at the time of each credit card purchase.

5.4.2. A tax invoice must include the below details. Refer to appendix A for example document:

- a. Make clear that GST is applicable to the supply – i.e. that it is a tax invoice;
- b. Include the Supplier's name;
- c. the Supplier's ABN;
- d. The date the invoice was issued;
- e. A brief description of the supply purchased, including the quantity (if applicable) and the price;
- f. The GST amount payable either shown separately; or
- g. If GST is included in the price then the tax invoice is to include a statement to make this clear – e.g. 'total price includes GST'.

5.4.3. The standard machine receipt, which does not contain all of these details, is not acceptable, as the tax invoice must contain the criteria above in order for the Council to reclaim GST as shown below.

# Credit Card Policy

FA02-CP

*Hard copies of documents are uncontrolled and may not be current - please refer to the electronic version.*



5.4.4.A notation on the receipt is to be provided by the cardholder and must stipulate all the below:

- a. The reason for the undertaking of the purchase
- b. Function to which it relates

## 5.5. Supporting documentation not available

5.5.1. In the event that supporting documentation cannot be accessed a statutory declaration must be completed which includes:

- a. Cardholder providing full details of the transaction
- b. Explanation of reasons why supporting documentation cannot be provided

5.5.2. Where supporting documentation cannot be provided, the authorising delegate, must not authorise a credit card reconciliation without a statutory declaration.

## 5.6. Credit card reconciliations

5.6.1. Monthly statements will be uploaded into Financial Management System and submitted to each credit cardholder's workflow.

5.6.2. Reconciliation must be completed within seven days of receiving the workflow.

5.6.3. The cardholder must submit to their appropriate delegate for approval.

5.6.4. Internal and external audits of credit cardholder transactions may take place at random intervals.

5.6.5. Original tax invoices will be retained by the cardholder for seven years.

## 5.7. Chain of approval

5.7.1. The president approves the reconciliation of the CEO's credit card.

5.7.2. The CEO approves the reconciliations of:

- a. The president; and
- b. Directors

5.7.3. Directors will approve reconciliations of employees within their respective work units.

## 5.8. Breaches

5.8.1. Repeated breaches of reconciliation timeframe will be brought to the attention of the CEO who will consider whether the cardholder should continue being a cardholder any further action should be taken.

5.8.2. In the event that a credit card has been inadvertently used for personal use, the CEO or directors must not approve the monthly credit card reconciliation unless the amount has been repaid to the council and evidence has been attached.

# Credit Card Policy

FA02-CP

*Hard copies of documents are uncontrolled and may not be current - please refer to the electronic version.*



## 5.9. Credit card disputes

5.9.1. In the event of a disputed card transaction the following reports must be made as soon as practicable:

- a. The CEO and president have a duty to one another to report disputed card transactions on their respective credit cards.
- b. Any other disputed card transactions from directors or employees should be reported to the CEO via their respective work unit director.

## 5.10. Credit card cancellation and replacement

5.10.1. If a credit card is lost or stolen, the credit card holder must as soon as practicable:

- a. Contact the issuing institution to report the loss and cancel the card
- b. Contact the Manager Finance to report the loss

5.10.2. The Manager Finance will:

- a. Ensure the credit card has been cancelled
- b. Arrange a replacement card (if appropriate); and
- c. Update FA02-R1- Credit Card Information Register

## 5.11. Return of credit card

5.11.1. The credit cardholder must return the credit card to the Manager Finance if:

- a. The card is no longer required
- b. Leaving MRC or the Council prior to their last day

5.11.2. The Manager Finance will ensure that:

- a. All returned credit cards are cancelled and destroyed; and
- b. FA02-R1- Credit Card Information Register is updated to reflect cancellation.

# Credit Card Policy

FA02-CP

Hard copies of documents are uncontrolled and may not be current - please refer to the electronic version.



## Appendix A

Example of acceptable tax invoice as per 5.4.2.

- a. Make clear that GST is applicable to the supply – i.e. that it is a tax invoice;
- b. Include the Supplier's name;
- c. The Supplier's ABN;
- d. The date the invoice was issued;
- e. A brief description of the supply purchased, including the quantity (if applicable) and the price;
- f. The GST amount payable either shown separately; or
- g. If GST is included in the price then the tax invoice is to include a statement to make this clear – e.g. 'total price includes GST'.

<b>a</b> Tax invoice	
<b>b</b> Windows to Fit Pty Ltd ABN: 32 123 456 789 <b>c</b>	15 Burshag Road Festler NSW 2755
<b>d</b> <b>Date:</b> 1 August 2018	
<b>To:</b> Building Company 254 Burshag Road Festler NSW 2755	
Description of supply	Total
Window frames <b>e</b>	\$825
<b>TOTAL PRICE INCLUDING GST</b>	<b>\$825</b> <b>f</b> + <b>g</b>

# Credit Card Policy

FA02-CP

Hard copies of documents are uncontrolled and may not be current - please refer to the electronic version.



## 6. Policy Details

<b>Replaces Policy No: (if applicable)</b>	
<b>Responsible Directorate/Department:</b>	Corporate Services - Finance
<b>Approval Date:</b>	26 February 2021
<b>Minutes Reference and Resolution number:</b>	Resolution OC2021-014 – Item # 15.1
<b>Review Cycle:</b>	26 February 2025. Review every four (4) years or after changes to relevant legislation or Council policy

## 7. Legislation and References

<b>Related Legislation:</b>	Norther Territory Government 2009 Act. Northern Territory Government 2009 Local Government Regulations.
<b>Related Policies:</b>	FA01-CP Procurement Policy
<b>Associated Documents:</b>	FA02-R1 Credit Card Information Register FA02-F1 Credit Cardholder Agreement

## 8. Version Control

<b>Version No</b>	<b>Approval Date</b>	<b>Policy No.</b>	<b>Minutes reference and Resolution number (previous version)</b>
1.0	Dec 2011	1000	Minutes ELT meeting Item 1
2.0	30 June 2017	CP129	Minutes of Confidential Ordinary Council meeting Item 14.2
3.0	31 Oct 2019	FA02-CP	Resolution #119 Item 13.8 Ordinary Council Meeting
4.0	26 February 2021	FA02-CP	Resolution #014 Item 15.1 Ordinary Council Meeting