



COUNCIL PURCHASING CARDS POLICY

Policy Number	C12	Directorate	Corporate & Community Services
Council Item No.	E.13	Department	Finance
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POLICY OBJECTIVE

To provide to the use of purchasing cards by Council employees.

LEGISLATIVE PROVISIONS

Consumer Credit (Victoria) Act 1995.
Consumer Credit (Victoria) (Administration) Regulations 2006.
Local Government Act 1989

DEFINITIONS

Cardholder: - the person to which the purchasing card has been allocated and whose name appears on the said card.

Personal expenses: - are those that have no benefit to Council and are for the use of the purchaser and are not related to the Council business.

Purchasing cards: - enable immediate purchase of goods and services on credit, the costs of which are automatically reimbursed to the bank on a monthly basis.

POLICY STATEMENT

The Council has a contract with the Commonwealth Bank for the provision of corporate purchasing cards. This policy outlines the requirements regarding the use of these purchasing cards.

Authorisation of purchasing card limits

The Chief Executive Officer will authorise and approve credit limits and transaction limits for purchasing cards appropriate to the needs of individual cardholders.

Appropriate use

Cardholders can use the purchasing card to purchase goods and services in person or by mail, telephone, fax order, internet or email from suppliers who participate in the purchasing card scheme, provided that:-

- The purchase is for Council Business within the cardholder's delegation and is in accordance with Council's purchase of goods and services policy.
- The value is within the credit limit and transaction limit set for the individual cardholder.



Excluded uses

Purchasing cards must be used for official purposes only. Misuse of the card, whether or not restitution is made, may result in further action. It must not be used for:-

- Cash advances.
- Automatic teller machine (ATM) transactions.
- Purchase of fuel for Council fleet vehicles where a Mobil station is available.
- Bank cheques.
- Over the counter withdrawals.
- Travellers' cheques.
- Wire of money transfers.
- Personal expenses.

Requirements

- Written approval of the relevant Directors must be provided before a purchasing card is issued.
- Purchases made with the purchase card must be in accordance with Council policy for obtaining goods and services.
- Ensure that funds are available within the budgets prior to purchasing goods and services.

Making purchases in person

For purchases made at the point of sale:-

- Produce the card to the supplier of the goods or service to be purchased.
- Ensure that the correct particulars of the goods or service being provided are included on the sales voucher or docket prior to signing the voucher or docket. The description 'goods' or 'service' is not acceptable.
- Retain the sale voucher and receipt given by the supplier.

Making purchases by mail, telephone, fax, internet or email

For transactions made by mail, telephone, fax, internet or email:-

- Give card particulars using the Fax Purchase Order Form provided by the supplier or over the telephone for telephone order transactions.
- Provide your delivery address details.
- Request a copy of the sales voucher or similar receipt be sent to you and ensure that the particulars on the sales voucher are correct.

Reconciling transactions

- Purchasing card statements are to be referred by the Finance Team to each cardholder within two working days of receipt from the bank each month.
- Cardholders must complete a 'Business Card Holder Statement', attach tax invoices for all expenditure over \$55 GST Inclusive (and should attach tax invoices and / or dockets for expenditure less than \$55 including GST) and have the form approved by the cardholder's line manager, before returning to the Finance Unit within five working days of receiving it.
- No individual is to approve his or her own monthly return. The Mayor (or in his / her absence the Chairperson of the Audit Committee) is to approve



the Chief Executive Officer's monthly accounts, the Chief Executive Officer is to approve Director's monthly accounts and Directors to approve the monthly accounts of Managers, and the Managers of all staff in their departments who have purchasing cards.

- FBT forms if applicable should also be completed at this point and returned to the Finance Team.

Managing your purchasing card

In managing the purchasing card, the cardholder has a responsibility to:-

- Adequately secure the card.
- Immediately advise the card provider if the card is lost or stolen.
- Advise the Financial accountant, of any lost or stolen card.
- Ensure that the credit or transaction limits placed on the card are not exceeded.
- Ensure that the card is not used by anyone other than the authorised cardholder.
- Ensure that appropriate documentation (invoices, receipts etc) are kept and forwarded to finance in a timely manner.

Misuse of card

Cardholders will be considered to have misused the card if they fail to meet their responsibilities above. Misuse of the card may result in:

- The withdrawal of the card
- Disciplinary action being taken.

The cardholder is also required to bear the cost of any charges incurred by Council arising from any card misuse by the cardholder.

Splitting of invoice or sales dockets to avoid exceeding card limits is not permitted and is treated as misuse of the card.

If procedures are not adhered with, the Chief Executive Officer and / or the Finance Manager has the authority to immediately withdraw the use of the card from any officer.

Card return

Cardholder must return their purchasing card to the Financial Accountant if they:-

- Resign.
- Retire.
- Are transferred to another position that does no longer require the use of the card.
- Is instructed to do so by either the Chief Executive Officer or the Finance Manager.

Disputed transactions

If a transaction is disputed, the card holder must notify the Commonwealth Bank immediately and inform the financial accountant, including completing a 'Customer investigation request for disputed paper based credit card transaction' form (forms available from finance department).



Important information

The loss or theft of a purchasing card must be reported immediately as follows:

- Report to the Commonwealth Bank which is open between 8am and 8pm, Monday through Friday on 132 221;
- Any other time on 1800 011 217 (free call); and
- To the Financial Accountant by phone on 5662 9389.

Internal Audit review

The Internal Auditor will be required annually to review the processes associated with Council Purchasing Cards and report to the Audit Committee.

RISK ASSESSMENT

Low risk.

IMPLEMENTATION STATEMENT

The policy will be implemented through:-

- Education of relevant staff of their responsibilities for the use of Council purchasing cards.
- The Finance Team will provide the cardholder with the card, a set of instructions, a list of suppliers with accounts and a copy of the policy.
- The cardholder will also be requested to sign a form indicating that they have received this policy and have read and understood the responsibilities and requirements of holding a purchasing card.