

Credit Card Policy (Mayor and CEO)

Council Policy



Policy Name	Credit Card Policy		
Type	Council Policy		
Owner	Chief Executive Officer		
Responsible Officer	Director Corporate Services		
Decision Number	22300	Approval Date	26/07/2022
Records Number	D2023/000139	Next Review Date	26/07/2024

1 Purpose

To ensure effective controls, policies and procedures are in place with respect to the use of corporate credit cards by Mayor and the Chief Executive Officer (CEO) of the Alice Springs Town Council (ASTC).

2 Definitions

For the purposes of this policy, the following definitions apply:

Term	Definition
Financial Management System	Refers to software and processes Council uses to manage assets, income and expenses
Credit Card	Refers to the Corporate Credit Cards issued in the name of Alice Springs Town Council
Card Holder	Refers to Chief Executive Officer (CEO) or Mayor of Alice Springs Town Council that is a holder of the Corporate Credit Card

3 Policy Statement

3.1 Principles

Council is committed to sound financial management, public accountability and transparency.

Credit cards are a valuable tool for the efficient and effective operation of Council's daily business and not a benefit assigned to specific individuals.

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

Council will apply best practice in relation to the management, authorisation and use of credit cards.

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4.1 Application of Policy

4.1.1 Issue of credit card

Before a credit card is issued, the recipient must agree to, and sign, the conditions of use at **Appendix 1**.

Council will maintain a register of credit cards issued to the Mayor and CEO, including details of the approval, the cardholder, the institution, expenditure limits and expiry date.

4.1.2 Mayor credit card

Council may resolve to issue a credit card to the Mayor if the card is necessary for the Mayor to perform their functions and it is not reasonably possible to use the Council's normal procedures for ordering or payment for goods and services.

Council will authorise the issue of a credit card from an authorised financial institution to the Mayor with a monthly credit limit as per the Delegations Register.

The credit card is to have no cash advance facilities. The credit card is not to be linked to any form of award programs.

4.1.3 CEO credit card

Council will authorise the issue of a credit card from an authorised financial institution to the CEO with a monthly credit limit as per the Delegations Register.

The credit card is to have no cash advance facilities. The credit card is not to be linked to any form of award programs.

4.2 Use of credit card

It is the responsibility of the cardholder to ensure that limits are not exceeded.

Personal expenditure is not to be charged to a credit card under any circumstance. The cardholder is not to gain any personal benefit from being the holder of a card.

Any expenditure using the credit card must comply with legislative requirement, Council's procurement policy, delegations and directions.

Cardholders are responsible for the safe custody and security of the card and are liable for any misuse and associated costs.

The cardholder is not to allow others to use the credit card and must not disclose the personal identification number (PIN) or access codes to any person.

Each credit card issued is to be reconciled monthly and that reconciliation is to be reviewed and subsequently authorised by the Manager Finance.

The cardholder must ensure that all required documentation specified below is kept in relation to every use of the credit card.

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The cardholder must keep up to date with monthly reconciliations.

The cardholder will be personally liable for purchases that are not authorised and / or cannot be shown to be related to the business of the Council.

4.3 Required supporting documentation

Supporting documentation must be obtained by the cardholder for every expenditure when using the credit card. However, for all transactions above \$82.50 (including GST), there must be a tax invoice that includes:

- The Suppliers name;
- The Suppliers Australian Business Number (ABN);
- The date of the expenditure;
- The Council's name as the purchaser/cardholder name; and
- A brief description of the supplies purchased.

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 (see example 2 at **Appendix 2**).

4.4 Supporting documentation not available or lost

If the supporting documentation is for some reason lost or destroyed, a statutory declaration must be completed by the cardholder giving full details of the transaction and explaining why the documentation is not available.

A statutory declaration form can be found at <https://nt.gov.au/law/processes/statutory-declarations>.

Credit card reconciliations must not be approved without appropriate supporting documentation or an appropriate statutory declaration.

Where supporting documentation for the credit card purchase cannot be provided, the Manager Finance must not authorise the monthly credit card reconciliation without a statutory declaration being attached.

If a cardholder regularly makes use of a statutory declaration, the matter of repeated failure to keep tax invoices must be brought to the attention of the CEO or Council who will consider whether it is appropriate for the person to continue being a cardholder and whether any other action should be taken.

4.5 Credit card reconciliation

Each cardholder will be issued with a monthly credit card statement listing all their purchase transactions for that particular month.

It is the responsibility of the cardholder to match their supporting documentation to the monthly statement and return all documentation (inclusive of approvals) within five working days of receiving the statement.

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The reconciliation must include information for each transaction.

The CEO approves reconciliations of credit cards held by the Mayor.

The Mayor approves the reconciliation of the CEO's credit card.

Repeated failure to meet the required timeframe must be brought to the attention of the CEO/Council, who will consider whether it is appropriate for the person to continue being a cardholder and whether any other action should be taken

The CEO is to notify the Mayor and Council's Manager Finance as soon as possible if there is a disputed card transaction in relation to the credit card held by the CEO. The Mayor is to notify the CEO and Council's Manager Finance as soon as possible if there is a disputed card transaction in relation to a credit card held by the Mayor.

Where the Mayor's credit card has been inadvertently used for personal use, the CEO must not approve the monthly credit card reconciliation unless the amount has been repaid to the Council and a receipt is attached.

Where the CEO's credit card has been inadvertently used for personal use, the Mayor must not approve the monthly credit card reconciliation unless the amount has been repaid to the Council and a receipt is attached.

4.6 Credit card cancellation and replacement

If a credit card is lost or stolen, the cardholder must immediately contact the issuing institution to report the loss and cancel the card.

The cardholder must report the matter to the Director Corporate Service and Manager Finance as soon as possible.

In the above circumstances, the Director Corporate Services and Manager Finance will ensure that the credit card has been cancelled, arrange a replacement card (if appropriate) and update the credit card register.

4.7 Return of credit card

The cardholder is to return the credit card to the Council as soon as the card is no longer required, taking extended leave or, if leaving the Council, on or before the last day with Council.

The Director Corporate Service and Manager Finance is to ensure that all returned credit cards are cancelled, destroyed and that the register is updated.

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4 Related Documents

- *Northern Territory Local Government Act 2019*
- *Northern Territory Local Government (General) Regulations 2021*
- *Corporations Act 2001*
- *Australian Accounting Standards*
- *Code of Conduct – Members (Council, Council committee & audit committee)*
- *Delegations Register*
- *Procurement Policy*

5 Version History

Version	Date	Action/Description of changes made	By
CC001	2015	Procedural Statement and Directives No: CC001	Manager Finance
1.0	2022	Update version CC001 to Policy	Manager Finance

6 Communication and Training

Will this policy be communicated through internal communications?	Yes
Where will this policy be available?	Council Website
Will training needs arise from this policy? If yes, who will be responsible.	No

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Appendix 1 – Corporate Credit Cardholder Agreement

Cardholder's name:	
Credit limit (monthly):	
Transaction amount limit:	
ACKNOWLEDGEMENT <i>I have read the attached policy; acknowledge receipt of the Council Corporate Credit Card (credit card) and I agree that I will strictly comply with the policy. In particular I note that:</i> <ul style="list-style-type: none">• As the cardholder I am responsible for all purchases on the credit card. I will not sue the credit card, nor permit it to be used, other than for official Council purposes. I will ensure security of the credit card at all times and will not permit the credit to be used by any other person.• The credit card may only be used in situations where it is not reasonably possible to use council's normal procedures to pay for transactions.• I will ensure that personal expenditure is not charged to the credit card.• I will be personally liable for expenditure that is not authorised and / or cannot be shown to be related to the business of the council.• I will retain all original supporting documentation and ensure that the documentation meets the requirements specified at clause 4.3, 4.4 and 4.5 in the attached policy.• Monthly statements will be reconciled and returned with the required documentation within five days of purchase.• If the credit card is lost or stolen, I will immediately take the steps set out in clause 4.6 in the attached policy.	
Credit Card Number:	Credit Card expiry date:
Signature of Cardholder:	Signature Date:

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Appendix 2 – Example tax invoice

Example 1: Tax invoice for a sale under \$1,000

1

Tax invoice

2

Windows to Fit Pty Ltd
ABN: 32 123 456 789

3

15 Burshag Road
Festler NSW 2755

4

Date: 1 August 2018

To: Building Company
254 Burshag Road
Festler NSW 2755

Description of supply	Total
Window frames 5	\$825
TOTAL PRICE INCLUDING GST	\$825 6 + 7

1. The invoice is to make clear that GST is applicable to the supply – i.e that it is a tax invoice;
2. Includes the suppliers name;
3. The suppliers ABN;
4. The date the invoice was issued;
5. A brief description of the supply purchased, including the quantity (if applicable) and the price;
6. The GST amount payable either shown separately; or
7. 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’.