



Shire of *Tammin*

Credit Card Policy

RESPONSIBLE OFFICER

Manager of Finance & Corporate Services

OBJECTIVE

The objectives of this policy are to:

- ensure best practice policies and procedures are followed in relation to purchases for the Shire of Tammin (the Shire);
- ensure compliance with the Local Government (Financial Management) Regulation 11(1)(a) (the Regulations);
- ensure compliance with the State Records Act 2000 and associated records management practices and procedures of the Shire;
- undertake procurement processes that ensure value for money for the Shire by delivering the most advantageous outcome possible;
- ensure openness, transparency, fairness and equity through the procurement process to all potential suppliers; and
- ensure efficient and consistent procurement processes are implemented and maintained across the Shire.
- To establish clear guidelines and procedures for the use, control, and management of corporate credit cards by the local government to enhance administrative efficiency and cash management, while minimising associated risks.

SCOPE

This policy applies to all employees of the local government who are issued corporate credit cards as part of their duties. It outlines the responsibilities of cardholders, restrictions on usage, and the processes for authorising, monitoring, and reconciling credit card transactions.

POLICY



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1. General Provisions

- Each cardholder must sign an agreement with the local government outlining their responsibilities and legal obligations.
- A register of all current cardholders shall be maintained, which includes card number, expiry date, credit limit, and the scope of goods and services authorized for purchase.
- All new and existing cardholders will be provided with a copy of this policy and any associated guidelines.
- Cardholders must return their credit card upon termination of employment, commencement of an extended leave period, or transfer to a position not requiring a credit card.
- In the event a credit card is lost or misplaced, the cardholder must report it immediately to the relevant authority.
- Corporate credit cards must not be transferred or shared with other users.
- Reward schemes associated with purchases (e.g., Fly Buys) are prohibited unless explicitly approved for business use.
- Surrendered credit cards must be promptly destroyed to prevent unauthorized use.
- Non-compliance with this policy will result in disciplinary action, which may include revocation of credit card privileges or further administrative measures.

2. Purchasing Guidelines

- Corporate credit cards are to be used exclusively for authorised business-related expenses.
- Personal use of the corporate credit card is strictly prohibited.
- Cash withdrawals using corporate credit cards are not permitted.
- Credit limits shall be determined based on the cardholder's business needs and approved by the CEO or delegated authority.
- Purchases made via telephone, or the Internet must comply with security and procedural guidelines to ensure data protection and accountability.



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3. Payment and Reconciliation

- All payments must be made within the specified timeframe to avoid interest charges.
- Clear guidelines will be established regarding permissible expenditure on entertainment and related business expenses.
- Cardholders are not allowed to approve expenses incurred on their own corporate credit card.

4. Issuance and Approval of Credit Cards

- The CEO is responsible for approving applications for corporate credit cards for employees.
- Applications for a corporate credit card for the CEO must be approved by the council.
- Elected members are not permitted to be issued corporate credit cards, as the Local Government Act 1995 does not provide for elected members to incur debt.

5. Taxation and Compliance Considerations

- Cardholders must ensure that adequate descriptions of goods or services are provided on tax invoices to facilitate proper record-keeping and compliance with GST and input tax credit requirements.
- In cases where the corporate credit card statement is used in lieu of a tax invoice, it must meet the conditions set by the Australian Taxation Office (GSTR 2000/26). Cardholders should seek guidance from the finance department if unsure of compliance requirements.
- Suppliers must be requested to include an Australian Business Number (ABN) on all invoices. If an ABN is not provided, and withholding tax has not been applied, the local government is still responsible for paying the full purchase price and the ATO's 48.5% Pay As You Go (PAYG) tax.

6. Cardholder Responsibilities

- Ensure each card is maintained in a secure manner and guarded against improper use.
- Cards are to be used only for Shire official activities; there is no approval for any private use.
- All documentation regarding a card transaction is to be retained by the cardholder and produced as part of the reconciliation procedure.



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- Card limits are not to be exceeded.
- Purchases on any card are to be made in accordance with Shire of Tammin – Purchasing Policy.
- Reconciliation is to be completed within 7 days of the date of the card statement being issued.
- All cards are to be returned to the CEO on or before the employee's termination date with a full acquittal of expenses.
- All cardholder responsibilities as outlined by the card provider.
- Cash advances or withdrawals are not permitted.

Cardholder Agreement

Failure to comply with any of these requirements could result in the card being withdrawn from the employee.

In the event of loss or theft through negligence or failure to comply with the Shire's Policy any liability arising may be passed on to the cardholder.

Consequences of Non-Compliance

Failure to comply with the Delegations, Policy or Procedures may result in disciplinary action up to and including termination of employment.

Card Reconciliation Procedures

- a) Card statement accounts will be issued to the relevant cardholder who will, within 7 days, acquit the transactions on the account. A template is attached to this policy identifying the reconciliation requirements.
- b) Transactions will be supported by a GST invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied.
- c) Transactions shall be accompanied by a job number for costing purposes.
- d) If no supporting documentation is available the cardholder will provide a declaration detailing the nature of the expense and must state on that declaration all expenditure is of a business nature'. Approval of this expense is referred to the CEO for a decision.



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- e) Should approval of expenses be denied by the CEO recovery of the expense shall be met by the cardholder.
- f) The cardholder shall sign and date the card statement with supporting documentation attached stating all expenditure is of a business nature.
- g) A monthly report and reconciliation of all card transactions will be included in the accounts for payment report presented to Council.

CORPORATE CONTEXT

Delegation Manual

3.1 – Municipal Fund – Incurring expenditure

Policy Manual

3.1 – Purchasing Framework

DEFINITIONS

Nil

RELEVANT LEGISLATION/ LOCAL LAW

Local Government (Financial Management) Regulations 1996 - s.11A

Office Use Only				
Relevant Delegations				
Council Adoption	Date	28 June 2018	Resolution #	TSC XXXX
Reviewed/Modified	Date	20 November 2024	Resolution #	Council Motion Pending
Reviewed/Modified	Date		Resolution #	
Reviewed/Modified	Date		Resolution #	