



WUJAL WUJAL ABORIGINAL SHIRE COUNCIL CORPORATE CARD PROCEDURE

Responsible Manager: Director Finance & Corporate Services

Head of Power: Procurement Policy

Authorised by: Director Finance & Corporate Services

Authorised on: 1 April 2020

Implemented from: 1 April 2020

To be reviewed on: 30 June 2021

Corporate Plan: Governance

1. PROCEDURE STATEMENT

The purpose of this Procedure is to clearly define the responsibilities of all Employees involved in the administration, control and use of Council's Corporate Card (the Card).

The procedure should be read in conjunction with the Procurement Policy.

2. SCOPE

Corporate cards are used to improve Council's purchasing and payment processes in terms of control, efficiency and effectiveness.

All charges incurred on the Card, remain the responsibility of Council for payment to the Provider of the corporate card facility.

This procedure applies to all Employees issued with a Card including those staff who are involved in the administration, issue and control of the Card.

3. POLICY**3.1 USAGE**

The Card is to be used for purchasing goods and/or services for Council business purpose only.

Under no circumstances is a Corporate card to be used for personal use. Refer to paragraph 4, "Misuse of Corporate Card".

3.2 LIMITS

Purchases can be made using the Card up to the monthly card limits, approved for the Cardholder's position responsibilities and financial delegation. Each cardholder must have financial delegation, equal to or above the approved transaction limit on the Corporate card.

4. MISUSE OF CORPORATE CARD**4.1 DELIBERATE MISUSE OF THE CORPORATE CARD BY THE CARDHOLDER MAY LEAD TO:**

- Withdrawal of the card; and/or
- Internal disciplinary action; and/or
- Criminal charges; and/or
- Reimbursement of costs; and/or
- Termination of employment

4.2 DELIBERATE MISUSE INCLUDES, BUT NOT LIMITED TO THE FOLLOWING:

- Failure to provide all appropriate supporting documentation to Administrator;
- Cash advances;
- Private use;
- Items in conflict with Council's Workplace Health & Safety Guidelines;

- Council Officers who split purchases for the purpose of acquiring goods or services above their delegated financial and procurement levels, or to avoid the requirement to obtain quotes and raise purchase orders; and
- Use of reward schemes such as flybuys, everyday rewards, store loyalty etc. for personal gain is prohibited

5. CANCELLATION OF A CORPORATE CARD

5.1 CANCELLATION OF A CORPORATE CARD WILL BE NECESSARY WHERE:

- Cardholder's employment is terminated;
- Cardholder leave the employment;
- Card is no longer required;
- Cardholder has not adhered to Councils Purchasing Policy and Procedures and misused their card;
- Card is damaged, lost or stolen

5.2 ADMINISTRATOR

- Review and determine continued card requirements;
- Inform Director Finance & Corporate Services of outcome;
- Notify the Cardholder of proposed cancellation;
- Notify the Provider of cancellation of card;
- Update the Cardholder records;
- Conduct final reconciliation of the Cardholder's statement;
- Destroy card by cutting in half diagonally and disposing of card

5.3 CARDHOLDER

Cardholder must personally deliver their card to the Director Finance & Corporate Services or Administrator prior to cancellation of the card.

6. CORPORATE CARD SECURITY

The Cardholder will:

- Be the only person to use the card and/or card number allocated to them, and only use it for Council business;
- Ensure the card is retained in a safe place;
- Immediately notify the Provider and the Administrator of the loss of their card;
- Return damaged or cancelled cards personally to the Administrator

7. DOCUMENTATION AND USE

- All documentation supporting a transaction needs to be forwarded to Administrator each month along with a signed and dated Corporate card statement. Documentation can be received by way of email or in person
- In regard to supporting documentation:
 - A Tax invoice is to be supplied as supporting documentation for each transaction. If a tax invoice is not provided at point of sale for purchase, it will be the Cardholder's responsibility to obtain these from the Supplier
 - In the event that the supplier does not give tax invoices, a copy of the quote and the EFTPOS receipt must be supplied
 - In the event of a receipt being lost and the Cardholder is unable to obtain another copy from the Supplier, the Cardholder must complete a Statutory Declaration and forward this with their signed and dated Corporate card statement and all supporting documentation to the Administrator each month. The use of Statutory Declarations is for exceptional cases only. All attempts must be made to obtain a duplicate of the invoice before completing a Statutory Declaration
 - Appropriate documentation is considered to be the provision of sufficient independent documentary evidence to support a transaction. For example:
 - Email approval for payment of one-off supplier of goods (with tax invoice);
 - Event dates and description to support grocery and incidental purchases for community events
- Immediately contact the supplier when transaction data is incorrect and resolve it satisfactorily
- Upon discovery of illegal use of the Card and/or number by unknown parties, note the transaction in dispute immediately, and provide the Administrator with the details
- If the cardholder is going on leave, the cardholder will ensure all outstanding supporting documentation including signed Corporate card statement is provided to the Administrator before departing on leave

8. ENTERTAINMENT AND HOSPITALITY EXPENSES

A Fringe Benefit Tax (FBT) Declaration will need to be completed for any expenditure incurred that meets the requirement of the Entertainment and Hospitality Policy.

"Entertainment" is defined in the Income Tax Assessment Act (ITAA) (1997) section 32-10 as below;

- (a) Entertainment by way of food, drink, or recreation; or
- (b) Accommodation or travel to do with providing entertainment by way of food, drink or recreation

Table 1 gives examples of the types of expenditure that would be considered Entertainment and therefore attract FBT, along with some examples of expenditure that would not be considered entertainment.

Table 1 - Types of Entertainment

Type of food and drink provided	Entertainment
Food and drink consumed at a social function held on or off business premises (i.e. Christmas Party, Melbourne Cup lunch)	Y
Tea / coffee provided for on-going consumption on business premises (i.e. for all employees and visitors)	N
Food and drink except for alcoholic drinks consumed during a work meeting or training session on business premises	N
Birthday cakes consumed on business premises during morning / afternoon tea	N
Food and drink consumed by an employee whilst travelling on business	N
Food and drink provided to employees at eligible seminar; conference, workshop, meeting, training session course lasting at least four (4) hours.	N

Record Keeping and Costing

Entertainment can be provided to employees and their associates, customers, clients or suppliers. However, only entertainment provided to employees and their associates is subjected to fringe benefit tax.

Employees are required to keep the following records when entertainment expenses occur:

- Total cost of food and drinks consumed;
- Duration of the event (i.e. hours);
- Total number of employees and associates, and other parties participating in the event

9. RESPONSIBILITIES**9.1 ADMINISTRATOR**

The Administrator will:

- Manage the Card facility with the Provider;
- Provide the employee with a copy of the Corporate Card Procedure;
- Monitor outstanding dispute transactions to ensure they are resolved in a timely manner;
- Continue resolution of a dispute with the Provider, should a transaction disputed by a Cardholder not be resolved to their satisfaction;
- Receive cards from terminating employees and those employees no longer requiring a Corporate card;
- On a monthly basis analyse purchases to ensure only eligible items are being purchased in accordance with Corporate Card Procedure;

- Verify Cardholder transaction limits are within acceptable guidelines and financial delegations;
- Specify document retention requirements and advise user of the same;
- Ensure all outstanding transactions of a terminating employee's Corporate card have been reconciled prior to the Cardholder departing from Council;
- Coordinate reconciliations of billing statements for Council;
- When misuse of a Corporate card has taken place the Director Finance & Corporate Services shall be notified of the Cardholder responsible and also the type of breach involved;
- Monthly reconciliation of Corporate card is to be completed by the Administrator;
- Completed Corporate card folder including signed statements to be provided to Director Finance & Corporate Services by the Administrator

9.2 DIRECTOR FINANCE & CORPORATE SERVICES

The Director Finance & Corporate Services will:

- Maintain Corporate Card Procedure;
- Where Corporate card misuse has been reported, the Director Finance & Corporate Services will be responsible for ensuring incidents of misuse shall be escalated as appropriate;
- Review cardholder's transactions and approve cardholder's signed Corporate card statements on a monthly basis;
- Pursue any irregular or unusual transactions with the cardholder, including exceeding limits, misuse, and others as may arise

AUTHORISATION

This page and the previous bearing my initials were duly authorised by me as the **Wujal Wujal Aboriginal Shire Council Corporate Card Procedure** on the 1 April 2020 and shall hereby supersede any previous Procedure of the same intent.



Harish Nair
Director Finance & Corporate Services

Date: 1 April 2020