

Policy:	Credit Card
Department:	Corporate Services
Approved by:	Policy and Services Committee
Effective date:	5 October 2022
Next review date:	2024/2025
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1. Background

- 1.1 Most Stratford District Council procurement activity will be processed through Accounts Payable on invoice, or written contract. However, credit cards can provide a more efficient, convenient method of making low-value purchases where there is no account with a supplier. Because of this, it is important to establish principles for the use of credit cards that promote transparent, conservative, and appropriate business practices.
- 1.2 The Council considers the use of credit cards to be appropriate in circumstances where it is impractical to use other procurement methods.
- 1.3 There is some risk in having Council credit cards, including unauthorised expenditure, fraudulent use of credit card if card is lost or stolen, and potential non-compliance with Council's procurement policy. Risk mitigation measures are outlined in this policy and must be adhered to by Council officers who have been issued with Council credit cards.

2. Purpose

- 2.1 This policy sets out the guidelines for use of credit cards issued to Council officers. It should be read in conjunction with the *Procurement Policy*.

3. Policy

- 3.1 Credit cards will be issued to Council officers at the discretion of the Chief Executive.
- 3.2 At all times while issued with a card, the cardholder is deemed responsible for the use of the card. The cards must be kept in a safe and secure location at all times and any PIN's activated must not be made known to any other person.
- 3.3 The credit limit on each card may be up to \$10,000 - the limit is to be authorised by the Chief Executive at the time of application.
- 3.4 The maximum limit for each transaction is \$2,500, but may be waived by the Chief Executive prior to incurring the expenditure.
- 3.5 Credit cards are not to be used for personal expenditure.
- 3.6 Credit cards can not be used to withdraw cash.
- 3.7 All credit card expenditure must be supported by original GST acceptable documentation that states the transaction date, amount paid, and description of items purchased. If the transaction is less than \$50, a till receipt is acceptable.
- 3.8 The cardholder is responsible for checking statements and advising the Director – Corporate Services of any mistakes. The bank must be notified in writing within 30 days of the statement close date.
- 3.9 In all cases of unauthorised use or misuse, Council reserves the right to recover any monies from the cardholder by appropriate legal means and/or cancel the card.
- 3.10 Expenditure must be consistent with Council's Procurement Policy.

4. Procedures

- 4.1 The credit card provider's application form will be completed by the applicant and authorised by two delegated signatories.
- 4.2 The Council's *Credit Card Use Declaration* (Appendix One) must be signed by the credit card holder and authorised prior to the card being issued to the Council officer.
- 4.3 Tax invoices/receipts must be submitted for approval within 10 working days of the end of the month in which the expenditure is incurred. The invoices must be physically attached to the monthly credit card statement in order of the transactions. Account codes must be provided for each transaction.
- 4.4 The cardholder must sign the statement, and must get signed authorisation from either the Chief Executive or Director of Corporate Services.
- 4.5 Once the monthly statement is complete it must be given to the Accounts Payable team for processing. This should be done before the statement balance has been direct debited from Council's bank account.
- 4.6 Credit cards must be destroyed and the credit card provider advised to cancel the credit card when the card holder leaves employment, or when authority to use a credit card is withdrawn.
- 4.7 If a credit card is lost or stolen, the Director - Corporate Services must be immediately advised to cancel the credit card with the credit card provider.

APPENDIX ONE

STRATFORD DISTRICT COUNCIL – CREDIT CARD USE DECLARATION

CARDHOLDER:.....

I hereby confirm that on receipt of my Stratford District Council credit card, issued in my name, I will abide by the following conditions:

- The Card will be used only by me and only after I have signed it in the space provided.
- I undertake to comply in all respects with the credit card provider’s Terms and Conditions in relation to the Card and understand as a credit card holder that I am jointly and severally liable along with the Stratford District Council for all transactions on this Card.
- I will not charge personal expenditure to the Card. The Card will only be used for Council business related expenses in accordance with the Stratford District Council Procurement Policy and the Credit Card Policy, and I agree that it is my responsibility to always keep myself informed of such policies and procedures.
- I have read all related procedures and guidelines.
- Should I use the Card for personal expenditure or expenses which are subsequently not approved as valid Council business related expenses, then I authorise the Stratford District Council to deduct from any sum it owes to me at any time the amount of unapproved expenditure and I agree that should amounts still be outstanding, I will pay these immediately in full to the Council. The Council may also recover any such amount as a debt. I also agree that personal transactions on Council credit cards constitute breach of Code of Conduct and will be dealt with accordingly.
- If the card is lost or stolen, then I understand that I must notify the Director – Corporate Services and the Police immediately, and request a replacement Credit Card.
- I undertake to code and submit my expenditure and invoices in accordance with the procedures in the Credit Card Policy.
- I will immediately surrender my Card upon the request of an authorised representative of the Stratford District Council, if for any reason I cease to be employed by the Council.
- I understand and accept that my Credit Card can be withdrawn or cancelled by the Council at any time, entirely at its discretion.
- I understand and agree that any failure to comply with any of the above conditions of use, or any of the Council’s policies and procedures referred to above, will result in the Card being withdrawn or cancelled.

Cardholders
Signature

Director
Signature

Chief Executive
Signature

Date.....