



Light
Regional
Council

Corporate Purchase Card Policy

Reference Number:	Section 1 No. 23
Responsible Department:	Finance
Related Policy/Procedure:	1.13 Procurement Policy 1.16 Corporate Purchasing Card Procedure 2.19 Behavioural Standards and Fair Treatment Policy
Date of Adoption:	20 November 2020
Current Review Date:	27 June 2023
Minute Reference:	OCM-2023/119
Version Number:	2
Applicable Legislation:	Local Government Act 1999
Next Review Date:	July 2024
Review Frequency:	Biennially

1. Introduction

Light Regional Council has adopted the use of Corporate Purchase Cards for specific Council requirements as an additional method of paying for goods/service (e.g. official travel, etc.). They can be efficient and cost-effective, in particular for low-value/low risk type items. The use of corporate purchase cards is also a useful resource in remote and emergency situations and can provide an effective audit trail of expenditure. Increasingly there are suppliers that will only provide goods/services if paid for by credit card to avoid the cost of invoicing and delays in receipts of funds.

2. Purpose and Objectives

The purpose of this policy is to ensure that:

- There is transparency in Council's operations concerning the use of Corporate Purchase Cards;
- Council's resources are managed with integrity and due diligence;
- Corporate Purchase Cards are issued to designated staff and are used appropriately in accordance with this policy;
- Practices and internal controls are clearly prescribed which seek to ensure that all purchases are accounted for and allocated in accordance with Council's annual budget and procurement policy.

3. Application and Eligibility

- 3.1 This policy applies to all Light Regional Council employees who are assigned or have authorised use of a Corporate Purchase Card and govern the use of the facility.
- 3.2 The Corporate Purchase Card facility is identified within Council's Procurement Policy as a valid method of procurement.
- 3.3 The delegated authority for the overall management of the Corporate Purchase Card facility is vested with the Chief Executive Officer in accordance with authority delegated to that position under Section 137 "Expenditure of Funds" of the Local

Policy No:	Section 1 No. 23	Date of this Policy:	27 June 2023	Page 1 of 6
Version:	2			

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Government Act 1999. The authority may be sub-delegated to other officers of Council in accordance with Section 44 of the Act.

3.3 The Corporate Purchase Card approved facility limit will be up to **\$50,000**.

4. Allocation and Card Limits

4.1 A Corporate Purchase Card will be provided to the Council's Chief Executive Officer.

4.2 The Chief Executive Officer, in consultation with the Manager Finance, may approve the distribution of a Corporate Purchase Card to other officers including officers acting in positions for an extended period that require a credit card for that role.

4.3 A Corporate Purchase Card may be withdrawn by the Chief Executive Officer.

4.4 The maximum monthly limit for Purchase Cards shall be \$5,000 for all officers other than the Chief Executive Officer who shall have a limit of up to \$10,000. The Chief Executive Officer may also approve a higher limit up to \$10,000 for other officers where it is shown that monthly expenditure regularly exceeds the current limit.

4.5 A Register will be maintained by the Manager Finance of current cardholders, which includes:

- Cardholder name and position;
- Last four (4) digits of the Card number;
- Monthly Purchase limit;
- Expiry date of card;
- A signed Corporate Purchase Cardholder Agreement by the card holder accepting and agreeing to the terms and conditions contained within this policy.

5. Prohibited Activities

5.1 The following transactions are prohibited:

- Personal expenditure; such as flight bookings and hotel accommodation for family accompanying officers on a business trip;
- Cash withdrawals;
- The provision of a 'tip' which adds value to an account being paid for approved entertaining, hospitality and or meal expenses.

5.2 In the event where a personal expense has been transacted, the cardholder must immediately:

- Notify the Manager Finance to ensure it is accurately accounted for;
- Reimburse the personal expense;
- Deposit the reimbursable amount into Council's operating account.

6. Payment and Card Transaction Reconciliation Process

6.1 Payment of the Corporate Purchase Card accounts will be on the due date established by Council's banking systems provider.

6.2 Purchase cardholders are unable to approve expenditure transacted on the allocated purchase card for their position. All cardholder expenditure shall be independently verified by:

- In the case of the CEO being the card holder, the Council Mayor;
- In the case of the General Managers, the CEO or any other General Manager;
- In the case of all other card holders, their respective General Manager.

6.3 The CEO will designate a General Manager to be responsible for managing the Corporate Purchase Card Procedures.

7. Cardholder Responsibilities

An officer who is authorised to use a Corporate Purchase Card must sign the 'Corporate Purchase Cardholder Agreement' (Attachment 1) prior to using the card and abide by all conditions.

History

Original policy adopted by Council on 24 November 2020, Minute Reference AUD9.2.4/2020, Page Reference 2020/207.

Amendment 1 adopted at Council Meeting 27 June 2023 Minute Reference OCM-2023/119

Attachment 1 Corporate Purchase Cardholder Agreement

I _____ (insert Cardholder's name) acknowledge, agree to and accept the conditions stated in the 'Corporate Purchase Card Procedure' and as listed below, and I undertake to comply with them as long as I have access/use of Council's allocated Corporate Purchase Card or electronic device containing the card details:

1. I am responsible, at all times, to maintain the card, and an electronic device provided by the Light Regional Council to which the credit card details have been uploaded, in a secure manner and guard against improper use;
2. I will sign the card immediately upon receipt and ensure that I am the only person to use the card;
3. I am the only person to use an electronic device that holds the credit card details
4. All purchases I make will be for business use of Light Regional Council only and within my authorised budget line (Council approved in the Annual Budget) and under no circumstances will I incur any private expenses (save and accept as defined under Clause 3.9 of the Procedure).
5. I will endeavour to only make purchases on my purchase card where more appropriate other methods of payment by Light Regional Council are unavailable (purchase order, EFT, cheque etc).
6. I will not exceed purchase card limits.
7. I will use "payWave", either using the credit card or the electronic device to pay for transactions less than \$100.00 and a "PIN" for transactions greater than \$100.00.
8. I will obtain a valid tax invoice and corresponding receipt from the supplier which provides a clear description of the goods and/or services provided ("Goods" is not adequate). I realise the Corporate Purchase Card (EFTPOS) docket is not sufficient to act as a tax invoice.
9. I will forward signed, correctly filled in 'Purchase card expenditure' form for my monthly transactions and attach tax invoices and corresponding receipts, to the Finance Department within 3 working days upon receipt of the monthly transaction account and certify the correctness of any charge against the card, identifying which account number the cost is to be charged, the reason for the purchase and any other relevant information.
10. I will make purchases in accordance with Light Regional Council's Procurement Policy.
11. I will not use the Corporate Purchase Card or the electronic device containing the credit card details for withdrawing cash.
12. If my card is lost or stolen, I will immediately notify the General Manager Business and Finance or Finance Manager by providing a written account of the circumstances on the first working day after the loss. The General Manager Business and Finance or Finance Manager will follow-up with the card provider.
13. I will use the Corporate Purchase Card or the electronic device containing the credit card details only up to the authorised transaction limit and monthly limit set by the CEO for me.
14. I will immediately return the card and remove the card details from the electronic device with a full acquittal of expenses to Council's General Manager, Business and Finance or the Finance Manager if I cease to be an employee of Light Regional Council, or if called upon to do so.
15. Prior to commencement of any long service leave, annual leave or other extended leave, I will ensure all purchase card expenditure forms/tax invoices and corresponding receipts etc are forwarded to the Finance Department for reconciliation purposes.
16. I understand the Corporate Purchase Card does not cover purchase of fuel, (save and accept as defined under Clause 6.1 of the Procedure).
17. I will reimburse Council for any expense incurred which is not approved by Council.
18. I will abide by all Corporate Purchase Card responsibilities as outlined by the card provider.
19. I am aware that if I abuse the use of the Corporate Purchase Card or do not abide by the conditions identified in the Corporate Purchase Card Procedure or by the Purchase Card Provider, the Corporate Purchase Card will be withdrawn and disciplinary action may be taken.

Signed: _____ Date: _____
(Cardholder)

Position: _____

Approved: _____ Card Limit: \$_____

Policy No:	Section 1 No. 23	Date of this Policy:	27 June 2023	Page 4 of 5
Version:	2			

Attachment 2

Purchasing Card Expenditure Form												
* Please attach all tax invoices and EFTPOS Dockets												
Name of Cardholder:												
Transaction Date	Line No from Stmt	Taxi/Parking	Transaction Fee	Coffees/ Meals (Sustenance)	Non LRC Meals Entertainment	No. of Non Employees	LRC Staff only Meals/Ent	No. of Employee/s who attended	Advertising	Training	Other Expenses	Purpose/ Benefit of Expenditure to Council
OPENING BALANCE		*.250.800		*.250.415	*.250.414		*.250.413		*.250.801	*.250.802	*.250.348	
	1											
	2											
	3											
	4											
	5											
	6											
	7											
	8											
	9											
	10											
	11											
	12											
TOTALS:		0.00	0.00	0.00	0.00		0.00		0.00	0.00	0.00	0.00