



## Chief Executive Financial Instruction No. 3

### Corporate Credit Cards

#### Document Information

**Audience**

All Staff

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**Document revised by**

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Chief Financial Officer (CFO)  
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John Dietz  
Chief Executive Officer (CEO)  
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#### EXECUTIVE SUMMARY

Pursuant to section 49(2) of the *City Renewal Authority and Suburban Land Agency Act 2017 (CRASLA Act)*, the CEO of the Suburban Land Agency (the Agency) may sub-delegate the functions delegated to them by the Board.

It is a condition of delegation that functions are performed in accordance with the relevant Territory laws, including the *Financial Management Act 1996 (FMA)*, and relevant policies and procedures.

To be eligible for a corporate credit card (CCC), the applicant must be a permanent or temporary officer of the ACT Government and the position the cardholder occupies must have a financial delegation to hold a credit card and make payments using a credit card.

The CFO is responsible for overseeing the administration of CCCs.

Holders of corporate cards are responsible for the appropriate use of the cards.



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## 1. Obligations under this Instruction

### 1.1 Overview

The ACT Government has incorporated the use of the ACT Government CCC into its overall accounts payable procedures. Credit card facilities for the Agency must be consistent with the contracted provider of the ACT Government CCC.

Any new credit cards issued under the current facility must be approved by the CFO and the CEO. Any new facilities or extension of the current facility must also be approved by the CFO. The Agency's financial delegates should only approve the use of a credit card where efficiencies in payment processes can be demonstrated. The issue of new credit cards can only be made to positions outlined in the Financial Delegations Matrix with delegation to hold a credit card and make payments using a credit card. A copy of the Financial Delegations Matrix can be found on the Agency's intranet.

Credit cards are to be used where the Agency's officers have written prior approval from a financial delegate to make purchases urgently or where it is an efficient method of paying for goods/services. Where the credit card holder also has financial delegation to incur expenditure, written prior approval is not required.

### 1.2 Compliance

Non-compliance with this procedure is taken as a serious matter and could constitute a failure to comply with the obligations and standard of conduct expected of a public service employee set out in the *Public Sector Management Act 1994 (PSM Act)* and *Public Sector Management Standards 2016*. Non-compliance may result in disciplinary action.

Non-compliance may also constitute fraud or corruption against the Agency and where there is suspected theft or criminal actions, the matter will be referred to the Australian Federal Police or other relevant authorities.

## 2. Instructions for Corporate Credit Cards

### 2.1 Eligibility

To be eligible for a CCC, the applicant must be a permanent or temporary officer of the ACT Government and the position the cardholder occupies must have a financial delegation to hold a credit card and make payments using a credit card. Written approval from an officer with the delegation to incur expenses must occur before payment is made using a credit card. The applicant will need to seek approval from the CFO and the CEO prior to applying for a credit card. The issue of new credit cards can only be made to positions outlined in the Financial Delegations Matrix with delegation to hold a credit card and make payments using a credit card. A copy of the Financial Delegations Matrix can be found on the Agency's intranet.

Any finance team member who holds a credit card cannot take responsibility for credit card administration set out at 2.4 below.

A staff member relieving in a position where the occupant holds a credit card is not permitted to use the card of the person for whom they are relieving. If the cardholder is



expected to be absent in excess of one month the person acting in the position carrying the delegation may be issued with a card, provided they meet the criteria for eligibility.

## 2.2 Application for Corporate Credit Card

The following provides the steps required in the application and approval process:

Step	Action
1	Prospective cardholder identifies the need for a credit card.
2	Prospective cardholder in consultation with their supervisor identifies the reasons for the credit card, the scope, usage and conditions.
3	Establish transaction and credit limits that are to apply.
4	A written request for approval is produced by the prospective cardholder, based on discussions with their supervisor and submitted to the CFO for approval.
5	Approval is obtained from the CFO and evidence of this is sent to the CEO for approval.
6	Approval is obtained from the CEO and is sent to Shared Services Finance (SSF) Banking Team. An approved credit card application form will then be sent to the applicant.
7	Board approval to update the Financial Delegations Matrix to include the new card holder to hold a credit card and make payments using a credit card will be required if delegation is not currently held by the new credit card holder applicant.
8	The approved bank application form should be provided to finance, who will send this to the Shared Services Banking team to arrange the new card with the bank.
9	Once the new credit card is received, the "Agreement and Acknowledgement by Cardholder of an ACT Government Corporate Credit Card" (see <a href="#">Attachment A</a> ) is initialled, signed and dated by the prospective cardholder
10	The signed "Agreement and Acknowledgement by Cardholder of an ACT Government Corporate Credit Card" form is retained by finance.

## Credit Limit

Transaction limits for each purchase should be set at a level consistent with the anticipated usage as identified in steps 2 and 3 above and will be based on the reason for the card and an estimate of common transaction amounts.

The credit limit is the total amount that may be expended within a period - usually one month. It is often useful to establish the credit limit at an amount twice the estimated monthly usage to allow a lapse of time for settlement of the previous month's transactions. Setting a credit card limit reduces the risk in the event that the card is lost and used before the loss is reported to the credit card provider.

Applications will not be approved for corporate credit cards that exceed the financial delegation of "hold a credit card and make payment using a credit card" set out in the Financial Delegations Matrix, of the proposed or existing credit cardholder.

## 2.3 Chief Financial Officer Responsibility



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The CFO is responsible for overseeing the administration of CCCs including:

- investigating cardholders for misuse of cards;
- cancellation of cards; and
- Providing the CEO or Audit Committee with reports as required on card usage.

## 2.4 Finance (Finance Officer) Responsibility

A nominated Finance Officer in the finance team is responsible for:

- the processing and administration of all corporate cards and maintaining a Corporate Credit Card Register; and
- reviewing annually the allocation of credit cards to determine if cards not being used should be rescinded.

## 2.5 Cardholder Responsibility

Holders of corporate credit cards are responsible for the appropriate use of the cards and must:

- where processing expenditure, ensure the expenditure has been approved in writing by a staff member holding the necessary financial delegations to approve expenditure. If the credit card holder has delegation to incur expenditure, written prior approval is not required up to their delegation limit;
- understand, sign and comply with the Agency's credit card agreement and comply with the ACT Government's whole of government banking provider's Conditions of Use;
- use their card for official purposes only;
- check availability of funds against budgeted and delegated limits;
- keep their card secure, preferably in the safe or on person, when not in use. The pin number and card number is to be kept confidential to minimise opportunities for fraud;
- personally be responsible for all purchasing, documentation, acquittal and payment obligations related to their cards usage;
- not provide their credit card details to any other person to make purchases;
- observe any restrictions or limitations imposed in respect of approved suppliers and/or categories of expenditure;
- comply with normal purchasing requirements (e.g. need for quotations). This includes using whole of government purchasing arrangement and documenting justification of any departure from this arrangement;
- resolve matters of disputed billings with the ACT Government's whole of government banking provider as soon as they become aware of them;
- report any misuse, loss or damage of their cards to the Banking Team, Shared Services Finance and ACT Government's whole of government banking provider as soon as possible;
- complete a monthly credit card reconciliation by 10 business days following the receipt of their monthly credit card statement and provide to finance, once it has been reviewed and approved by the credit card holder's supervisor. The reconciliation includes:



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- confirming that all transactions are business related;
  - providing tax invoice for each transaction. To constitute a tax invoice the documentation must include:
    - that the document is intended to be a tax invoice;
    - the sellers identity;
    - the sellers Australian business number (ABN);
    - the date the invoice was issued;
    - a brief description of the items sold, including the quantity (if applicable ) and the price;
    - the GST amount (if any) payable – this can be shown separately or, if the GST amount is exactly one-eleventh of the total price, as a statement such as ‘total price includes GST’;
    - the extent to which each sale on the invoice is a taxable sale (that is, the extent to which each sale includes GST); and
    - the buyers identity or ABN if the purchase is over \$1,000.
  - approval of each invoice from appropriate delegates to incur the expense. This is not required for credit card holders who also hold delegation to incur expenditure, if the expense is within their delegation limit;
  - chart of accounts coding on each invoice;
  - hospitality forms for expenditure relating to hospitality; and
  - justification if any purchases relate to an item that is available on a whole of government arrangement.
- return their card to the Agency’s finance staff for safe storage if they will be on leave for a period of sixty (60) days or longer; and
  - return credit cards on their withdrawal, resignation or transfer from the Agency.

The cardholder may be held personally liable for additional costs resulting from negligence or carelessness including loss or misuse.

## 2.6 Credit Card Supervisor Responsibility

The credit card supervisor (who is usually the cardholder’s supervisor) is responsible for reviewing and approving the cardholder’s credit card reconciliation on a monthly basis, for the types of items purchased and the adequacy of card documentation.

Additionally, the credit card supervisor is responsible for ensuring that:

- the scope, usage and conditions applying to the cardholder have been discussed and agreed with the prospective cardholder;
- the cardholder uses their CCC in accordance with this instruction;
- purchases are for official business purposes only and are properly documented, recorded and reconciled with the provider statements;
- the cardholder has adhered to credit and transaction limits;



- cards are returned by the cardholder to the CFO for cancellation upon resignation or transfer of the cardholder and that a record of all outstanding transactions and the associated documentation is provided to Finance; and
- any misuse of the CCC is reported to the CFO.

### **2.7 Loss or Theft of Card**

Where a card is lost or stolen, the cardholder must immediately notify the CFO and the ACT Government's whole of government banking provider. The information notified must include the card account number and the cardholder's name. This action ensures that activity on the card can be stopped and the Agency will not be held liable for the cost of any fraudulent transaction.

### **2.8 Replacement of Cards**

A replacement card will be automatically issued by the provider prior to the card's expiry date. Upon receipt of the replacement card, a photocopy of the letter of issue and the card should be given to finance for acknowledgement of receipt and for updating the register.

### **2.9 Resignation or Transfer of Cardholder**

Upon resignation from the Agency or transfer to another Agency a cardholder must, before the last day of work, present the credit card to the CFO for cancellation and provide finance adequate documentation of all purchases made since the most recent account statement received from the card provider.

### **2.10 Misuse and Suspected Misuse of Cards**

In instances where cases of misuse are proven, the cardholder's credit card is to be cancelled immediately and disciplinary actions may be instigated. Where it is suspected that a cardholder has unintentionally misused his or her credit card it would normally be appropriate for the cardholder to repay the amount that they have erroneously incurred. The cardholder would then be required to undertake training regarding the Agency's credit card procedures and be able to demonstrate to the CFO that they fully understand their credit card responsibilities. The Senior Executive Responsible for Business Integrity Risk (SERBIR) will be notified of any actual or suspected misuse and any relevant remedial action. Any suspected misuse and relevant remedial action should also be entered in the Credit Card Register.

### **2.11 Agreement and Acknowledgement by Cardholders of an ACT Government Corporate Credit Card**

The Agreement and Acknowledgement Form (refer [Attachment A](#)) will be provided by finance to new cardholders for signature and the signed copy retained on file. A copy is to be provided to the cardholder. Where reference is made to finance, this is a designated member of the finance team.



**AGREEMENT AND ACKNOWLEDGEMENT BY CARDHOLDERS OF AN ACT GOVERNMENT CORPORATE CREDIT CARD**

I \_\_\_\_\_, hereby state that I am a holder of an ACT Government Corporate Credit Card (ACTGCCC). I understand and agree that an ACTGCCC is issued to me on the express conditions that I will, at all times, comply with the following conditions:

	<b>Initial</b>
1. The ACTGCCC is the property of the Suburban Land Agency and is in my possession under my strict control and is kept in a secure place;	
2. I will only use the ACTGCCC, for official purposes (not being labour costs and fuel costs) and will not exceed the credit card's limit and will ensure that written prior approval provided by an appropriate delegate to incur expenses is obtained and budgeted funds are available to cover the expenditure;	
3. I will not use my ACTGCCC to draw cash or its equivalent, with the exception of Cardholders who are Chief Executives, or Officers who have obtained prior approval from the Chief Executive, to withdraw cash whilst on official ACT Government business whilst travelling overseas;	
4. I will not permit the ACTGCCC to be used in any way by any other person and I will keep my card number and pin confidential;	
5. I may only use the Credit Card to a limit of \$ _____ in any one transaction and up to a monthly credit limit of \$ _____;	
6. I will keep a record of all transactions, in particular tax invoices/receipts and delegate approval to support all methods of purchase, including over-the-counter, internet, and telephone or fax orders; and ensure that no duplication of payment occurs;	
7. I undertake to reconcile my purchases with the monthly provider statement and forward the originals of all tax invoices/receipts and other documentation each month to my Card Supervisor for review and approval and then to finance within 10 business days of receipt of the monthly statement, to enable finance to verify and arrange payment. If I am going on leave when the provider statement is due, I will arrange for another officer to do the above. I will comply with any GST or FBT requirements;	
8. I will follow up and resolve with the provider any disputed transactions and advise the Card Supervisor and finance;	
9. I will observe any restrictions or limitations imposed in respect of approved suppliers and/or categories of expenditure and comply with the Agency's purchasing requirements on quotation, tender and reporting;	
10. ACTGCCC lost or stolen cards will be reported <b>immediately</b> to the <b>ACT Government's whole of government banking provider</b> . I will also inform my supervisor and finance;	
11. If I resign, retire, cease employment or transfer to another Agency, I will before my last day of attendance, hand my ACTGCCC to the Chief Financial Officer for cancellation; and provide finance with adequate documentation for unreconciled transactions; and	
12. I have read and agree to abide by the Agency's Chief Executive Financial Instruction for CCCs (current version given to me today) and also the Card Provider's 'Conditions of Use' for the CCC (provided).	

ACTGOVCCC Holder's Signature: \_\_\_\_\_

Date:        /        /201