

PURCHASING CARDS

APPROVALS

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CATEGORY	Strategic		
POLICY OWNER	Financial Services		
APPROVAL DATE	25 August 2021	RESOLUTION NUMBER	7457

OBJECTIVE

To ensure the probity, accountability and transparency of the use and issue of IRC Purchasing Cards in accordance with legislative, contractual and policy requirements

SCOPE

This policy refers to all employees issued with an Isaac Regional Council (IRC) Purchasing Card. This policy is subordinate to the Isaac Regional Council Procurement Policy which covers all procurement activities of IRC.

DEFINITIONS

TERM / ACRONYM

MEANING

Asset /Capital purchases	Shall mean items as defined in the Asset Management Policy, including; reportable and portable and attractive items (including digital cameras, cooking appliances, white goods, audio visual devices etc.).
Catering	Shall mean any purchase of foodstuffs, drinks and meals which are provided by a commercial provider or retail store which may attract fringe benefits tax.
CEO	Chief Executive Officer.
Chemicals	Shall mean any substance that is required under law to provide a Safety Data sheet (SDS) (note this includes household cleaning products).
Emergency Event	Shall mean any event which requires the activation of the Local Disaster Management Group.
Fuel	Shall mean all liquid fuels, lubricants and additives.
Information and Communications Technology (ICT) Software and hardware	Shall mean all hardware, software, mobile telecommunications, accessories and landline telecommunications.
IRC	Isaac Regional Council.
MFS	Manager Financial Services.
On call/service incident	Shall mean any incident whereby the requirement to replace or restore service and/or facilities may cause public and environmental nuisance or harm.
Personal Protective Equipment (PPE)	Shall mean hearing protective devices, respirators, eye and face protection, safety helmets and sun hats, gloves and safety boots and clothing.

Temporary Employee	Shall mean a person whose employment term does not exceed twelve months.
Vehicle Accessories	Shall mean any item which will be fitted to or located internal or external to a vehicle.

POLICY STATEMENT

Purchasing Cards have been established with the sole intent of reducing administrative costs and improving service level delivery to external and internal customers.

Purchasing cards are only issued to officers to enable improved service levels and should in no way circumvent the Procurement Policy, contracted supplier arrangements or system generated purchase orders.

An IRC purchasing card shall only be issued to those positions whose duties provide scope for the effective use as a business toll and should not be perceived as a status symbol.

IRC purchasing cards are issued to employees in their existing position only and shall not be issued to contractors or temporary employees. If an employee with an approved purchasing card moves to another position without a purchase card approval or terminates employment with Council, then the card must be surrendered to Financial Services and cancelled.

APPROVAL

Purchasing cards will only be issued to employees whose positions have a credit card financial delegation on the approved financial delegation register.

Purchasing Cards will only be issued with the approval of the Chief Executive Officer in addition to the Manager Financial Services and respective Director. All requests must be via the correct Forms available on IRIS - New Purchasing Card Request Form.

GOODS AND SERVICES TAX / FBT

Council is liable to pay GST on eligible purchases and is also eligible in most circumstances to claim the GST input-tax credit. All credits claimed must be supported by documentation. The Cardholder must retain all original documentation (Tax invoice) supporting any GST component of a bill.

EFTPOS printed receipts do **not** qualify as Tax Invoices and will not be accepted.

The documentation for any transaction that may attract FBT, Entertainment & Hospitality, must be submitted through a completed FBT Catering / Entertainment form at the time of submitting appropriate receipts.

CARDHOLDER RESPONSIBILITIES

Cardholders are responsible for the following security measures for the use of their Card:

- i. Cardholders must retain their transactional evidence (receipts, invoices, dockets) to support all charges. An acceptable receipt for reimbursement of claimable business expenses on the purchasing card is an original tax invoice/receipt (for GST claiming purposes).
- ii. Card purchases without receipts are ultimately the responsibility of the card holder. A failure to provide receipts or credible explanation for the unsupported expenditure will result in an automatic charge to the programs budget number and possible claim/deduction from the cardholder's salary (Excludes disputed transactions)
- iii. In the event of a disputed transaction, the cardholder must:
 - contact the merchant to resolve the dispute.
 - if this is not successful, contact the credit card provider to seek resolution.
 - advise the Accounts Payable of the details of the dispute.
- iv. Reimbursement for return of goods and / or services must be credited directly to the individual Purchasing card.
- v. Officers issued with a Purchasing card are in a position of trust in regards to use of public funds. Improper or unauthorised use of the Card may result in the Cardholder being held liable for expenditures, legal/disciplinary action under Council's Code of Conduct, and termination of the Card-use and/or termination of employment.
- vi. Lost or stolen cards are to be reported immediately to ANZ Banking Group emergency 24 hour hotline 13 10 06 and must also be reported to Financial Services as soon as practicable.

MANAGEMENT AND SUPERVISOR RESPONSIBILITIES

In supporting the initial issuing of the purchase card to an employee the respective Supervisor / Manager / Executive Leadership Team member accepts responsibility for the following:

- i. The Cardholders manager or supervisor is required to verify all transactions each month. In doing so the manager or supervisor is to ensure the transactions are business related and the cardholder has supplied supporting documentation. Any unusual transactions must be followed up with the cardholder immediately. Suspected breaches of the conditions of use **must** be referred to the Manager Financial Services as soon as possible and without exception. The Manager Financial Services will also advise the Chief Executive Officer of any suspected unauthorised use of the purchase card immediately.
- ii. In the event of any suspected or actual breaches of the conditions of use of the purchase card being declared or discovered, the purchase card will be suspended and returned to Financial Services while an investigation is undertaken.
- iii. The purchase card will only be returned after the CEO has received and approved a written report outlining the investigation, outcomes and any proposed remedial action (including disciplinary measures).

- iv. Cardholders cannot authorise their own statements nor have a subordinate counter sign for them. In the event that a more senior officer is not available, the Cardholder must seek the counter signature of the Manager Financial Services. The Mayor must approve the CEO's expenditure, and the Chief Executive Officer must approve the expenditure of Directors and the Mayor.

PERMITTED USE OF PURCHASING CARDS

Purchasing cards are issued to Council employees for their requested use only and not for all reactive purchases.

Purchase cards should not be used to circumvent the Procurement Policy, meaning that wherever possible purchase orders should be used in the first instance.

ON CALL/SERVICE INCIDENT

Employees issued with Cards on the basis for emergency repairs, are permitted to purchase goods and services within the scope of the work when no other standing order or contractual arrangement is available.

In all instances, Isaac Regional Council inventory shall be accessed first if available for after hours or emergency repairs.

Emergency event

During the declaration of an emergency event, employees with purchasing cards are able to utilise the credit facility to acquire the necessary Council related goods and services as required.

Once the event has been resolved and normal operations resume this usage shall cease.

Internet Purchases

- i. Purchasing Cards within the scope of their individual approved use, may be used for internet purchases provided the cardholder is satisfied that the vendor is known and reputable and the website is secure (sites must use Secure Socket Layer (SSC) or with a Security Certificate).
- ii. Cardholders must not store credit card information within a user profile on a website. The card number must be re-entered every time an order is placed.
- iii. Cardholders must not link their Purchasing Card to personal and/or private accounts that the cardholder has established with third party providers such as eBay or PayPal.
- iv. If a purchase can only be made through such third-party providers, cardholders must contact the Manager Contracts and Procurement who will attempt to facilitate the purchase.

Payment of Legislative Charges

Employees who are required to pay frequent legislative charges which are paid via the internet may do so if approved in the issue of their Purchasing Card.

Examples of these charges are:

- i. Q Leave payments for Portable Long Service Leave Act 1991

- ii. Queensland Transport registrations and Certificate of Inspections
- iii. Commission for Children
- iv. Personal Property Securities Register for the Personal Property Securities Act 2009.

Travel and Travel Coordinators

Employees holding the positions nominated to perform the role of Travel Coordinator within their directorate may be issued with purchasing cards. The scope and use of the Purchasing Card in this role is stipulated in the Travel and Accommodation Policy.

The Mayor, CEO and Directors have approval for use of their Council issued Purchasing Cards for business incidentals.

Information and Communications Technology (ICT) Products

Employees within the Information Services Program are permitted to purchase software and hardware online. Staff outside of this program, are not permitted to purchase ICT products.

Prohibited use of a Purchasing Card

Purchasing cards are an effective business tool for Council but also represent a significant risk of non-approved items being purchased, legislative and policy non-compliance, contractual breach and also potential fraud and theft.

To minimise Council's risk exposure, the following items are not permitted to be purchased on Council Purchasing Cards:

Goods and Services not approved for purchase using Council Purchasing Cards, unless specifically approved in this Policy

- Alcohol Purchases (unless prior approval in writing from CEO)
- Grocery items (unless prior approval in writing from Director or CEO)
- Vehicle accessories
- PPE – safety boots and clothing
- Consumables covered by Preferred Standing Arrangement
- ICT Software and Hardware
- Mobile phones and accessories
- Fuel (except in an Emergency event as defined within this policy)
- Cash advances/withdrawals (Purchasing Cards have this option removed)
- Chemicals – herbicides, insecticides, cleaning chemicals etc.
- Asset purchases

- Direct debit authorisations for regular/repeat payments
- Catering – non-alcoholic drinks, meals and incidentals (other than provided for under Council's 'Entertainment & Hospitality' and/or 'Travel & Accommodation' Policies).
- Personal purchases / gifts.

Catering

The purchase of non-alcoholic drinks, meals and incidentals (other than provided for under Council's 'Entertainment & Hospitality' and/or 'Travel & Accommodation' Policies).

Where any such catering is undertaken, an FBT Catering / Entertainment form must be completed and attached for each occasion.

Non-Cardholder Usage

At no times are persons other than the authorised cardholder to use the card to incur expenditure on Council's behalf. This includes the use of the card online via the internet on behalf of a cardholder.

Splitting of Purchases

Cardholders must not request providers to split charges to allow a number of cardholders to perform the purchase. If the cardholders purchase card limit does not allow for the quantum of the purchase required, this should be conducted via an official Council purchase order or refer to the Manager Contracts & Procurement for determination of correct procurement mechanism.

Action for Breach of this Policy

A review of monthly purchase card transactions will be conducted to ensure compliance with this policy and ensure credit limits and transaction types are not breached. Any breach of this policy may result in the cancellation of the card and disciplinary action taken.

LEGISLATIONS AND RELATED GUIDELINES

- Local Government Act 2009
- Local Government Regulation 2012

REFERENCES

TYPE	DOCUMENT ID/NAME
CORP-POL-112	Procurement Policy
CGFS-062	Travel and Accommodation Policy
CGFS-029	Entertainment and Hospitality Expenditure Policy
CORP-POL-119	Frequent Flyer & Loyalty Rewards Scheme Policy
CORP-POL-079	Code of Conduct

PURCHASING CARD POLICY

FS-059	Purchasing Card Request Form
FS-010	Purchasing Card Terms & Conditions Form
