



## Purchase Card Policy

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<b>Department:</b>	<b>Business Excellence</b>	<b>Division:</b>	<b>Strategic Procurement</b>
<b>Function:</b>	<b>7 - Financial Management</b>	<b>Responsible Officer:</b>	<b>Manager, Strategic Procurement</b>

### A - PREAMBLE

1. This Policy outlines the requirements and expectations of staff issued with a City of Salisbury purchase card.
2. Council purchase cards are provided to eligible staff to facilitate efficient purchasing of low value goods and services, including travel and entertainment expenditure.
3. A Council purchase card must only be used for reasonable Council expenditure that best serves the interests of the Community.
4. Council recognise purchase cards as a valuable tool for the efficient and effective operation of Council's daily business and not as a personal benefit to the cardholder.

### B - SCOPE

1. This Policy applies to staff operating on behalf of Council, and the authorising officers (Supervisor).

### C – POLICY PURPOSE/OBJECTIVES

1. The objective of this policy is to:
  - a. Provide Council's direction in the use of purchase cards.
  - b. Provide staff clarity around what is deemed appropriate expenditure.
  - c. Reduce the risk of fraud and misuse of the purchase card.

### D - DEFINITIONS

1. **Cardholder** – Staff member issued with a purchase card.
2. **Eligible Staff** – Continuing or fixed term staff who have a regular need to purchase goods and services in the course of their role with Council.
3. **Low Risk Purchase** – Non-excluded expenditure.

4. **Low Value Purchase** – Expenditure below a threshold amount set by the CEO.
5. **Purchase card** – A corporate Visa/Mastercard card issued by Council’s banking services provider against Council’s credit facility to an individual staff member.

## **E - POLICY STATEMENT**

### **1. Cardholder Eligibility**

- 1.1 Eligible staff may be issued with a Council purchase card where there is a demonstrated business need.
- 1.2 Application for a purchase card must be endorsed by the staff member’s Divisional Manager, departmental General Manager, the General Manager Business Excellence and approved by the Chief Executive Officer.

### **2. Use of Purchase Card**

- 2.1. Purchase cards are to be used for low value and low risk goods.
- 2.2. Excluded Expenditure

The following expenditure must not be undertaken with a Council Purchase Card.

- Cash advances are strictly prohibited on Council’s Purchase Cards and access to this function is to be blocked by the bank.
- Expenses of a personal nature
- Loyalty Reward Schemes and benefits
- Donations
- Club Memberships
- Online – PayPal for internet purchases (except where PayPal is the only payment option offered).
- Fines
- Study Assistance – to be arranged through reimbursements.
- Café or restaurant purchases for meetings between Council staff.

- 2.3. Restricted Expenditure

For the purposes of this policy, restricted expenditure is deemed expenditure that might be considered to give some private benefit to an individual staff member or elected member of the City of Salisbury; that is, expenditure that is additional to the more obvious business benefit to the City of Salisbury.

Such expenditure might include (but is not limited to) costs for:

- staff farewell/ retirement functions,
- staff recognition
- gifts for significant events (birth of a child)
- bereavement (passing of immediate family member)
- gifts for visiting dignitaries,
- meetings with meals with external parties; or

- travel and accommodation.

Where restricted expenditure (as described here) is considered necessary or appropriate, the decision and the reasons for it should be documented and included with transaction reconciliation records for auditing and reporting purposes.

### **3. Roles & Responsibilities**

- 3.1. Cardholders must adhere to the Procurement Policy and associated procedures when conducting all procurement activities on behalf of Council.
- 3.2. The purchase card will have a defined monthly limit set by the CEO based on the reasonable business needs and financial delegations of the cardholder.
- 3.3. Cardholders must abide by the conditions within the Purchase Card Cardholder Acknowledgement & Declaration form.
- 3.4. Purchase cards must only be used by the authorised Cardholder. Cardholders are responsible for the security of their issued card and must not disclose card details for use by another staff member or individual.

### **4. Implications of Inappropriate Use**

- 4.1. Failure to comply with any of the conditions and obligations outlined in this policy (or associated procedures) constitutes inappropriate use of the purchase card.
- 4.2. Continued failure to acquit expenditure in accordance with the Purchase Card Guidelines constitutes inappropriate use of the purchase card.
- 4.3. After consultation with the General Manager Business Excellence, the CEO may suspend or cancel the purchase card in circumstances of inappropriate use.
- 4.4. Inappropriate use of a purchase card may result in
  - the cardholder being personally liable for expenditure;
  - relevant disciplinary action in accordance with the Employee Code of Conduct.

### **5. Monitoring & Reporting**

- 5.1. Authorisers will:
  - Review acquitted cardholder transactions in Council's financial system, ensuring all purchases are business related, appropriate and consistent with Council's Policies and associated procedures.
  - Check that transactions are within financial delegations for purchase card use, and budget constraints.
  - Appropriate receipts or evidence is provided according to relevant procedures as authorised by the CEO.
  - Check supporting Tax Invoices and reconciliation for accuracy.
- 5.2. Management will;
  - Ensure that appropriate training is provided to cardholders.

- Ensure that all statements are reconciled on a monthly basis;
- Review the use of Purchase Cards to ensure that this use is appropriate including;
  - Allocation and card limits
  - Business requirement for purchase cards
  - Whether expenditure would be more efficient via Council’s creditor system

**6. Exemptions**

6.1. There may be circumstances where it is appropriate for purchasing outside of the requirements of this policy. In this case, written authorisation must be sought from Council’s CEO prior to the purchase occurring.

**F - LEGISLATION**

1. *Local Government Act 1999*
2. *Local Government (Financial Management) Regulations 2011*

**G - REFERENCES**

1. Employee Code of Conduct
2. City of Salisbury Financial Delegations Register

**H - ASSOCIATED PROCEDURES**

1. Procurement Policy
2. Procurement Procedures

**Document Control**

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