



# POLICY P4.1.5

## CORPORATE CREDIT CARDS

ITEM	DESCRIPTION
Version Number	2.0
SOPs	<ul style="list-style-type: none"><li>➤ SOP P4.1.5-1 Responsibilities of Cardholders</li><li>➤ SOP P4.1.5-2 Management of Corporate Credit Cards</li><li>➤ SOP P4.1.5-3 'Card-Not-Present' Transactions</li></ul>
Owner	Executive Director, Finance and Executive Services
Contact	Director, Finance and Program Management
Approved Date	15/05/2019
Effective Date	1/07/2019
Next Review Date	1/07/2022
Document Control	Electronic - Printed Copies are Uncontrolled

## 1 Purpose

- 1.1 This policy and associated standard operating procedures (SOPs):
- a. Outline the principles and standards for the issue of corporate credit cards;
  - b. Provides the policy and procedure framework that governs the use of corporate credit cards and acquittal of credit card expenses; and
  - c. Support compliance with the NSW Government Treasurer's Directions, Treasury Circulars, Treasury Policy and Guidelines Papers and Department of Finance, Services and Innovation policy in respect of credit cards and electronic payment.

## 2 Definitions

- 2.1 For the purpose of this policy:
- a. **Corporate credit card:** a credit card, purchasing card or procurement card for which expenses incurred are met by the NSW Rural Fire Service.
  - b. **Official business purposes:** expenditure that has been incurred for a purpose that is in direct connection with, or as a direct consequence of, the staff member's role responsibilities within the NSW RFS.
  - c. **Official travel:** is travel, both air and surface, undertaken by public officials or other persons, paid for by a public sector organisation using public monies.
  - d. **Overseas travel:** is travel outside of Australia.
  - e. **Public official:** is a staff member of the NSW RFS, or any other person remunerated by and performing duties under the direction or auspices of the NSW RFS.

- f. **Receipt:** is a tax invoice that provides a detailed description of the goods or services purchased. For small value purchases, the cash register receipt is often the tax invoice. Credit card stubs are not sufficient documentation and are not receipts.
- g. **Senior Executive:** a staff member employed as a Public Service senior executive under the *Government Sector Employment Act 2013*.
- h. **Staff member:** means the Commissioner and all other members of staff of the NSW RFS. This includes temporary staff and persons on secondment to the NSW RFS from other agencies or departments.
- i. **Tax invoice:** has the meaning defined in section 29.70 of the *A New Tax System (Goods and Services Tax) Act 1999*. Broadly, to be a tax invoice a document must:
  - Be intended to be a tax invoice (this is usually denoted by inclusion of the words 'Tax Invoice');
  - Include the seller's identity (eg company name);
  - Include the seller's Australian Business Number (ABN);
  - Include the date of issue;
  - Include a brief description of the items sold, and their quantity and price;
  - Include the GST payable (if any), either by separately disclosing the amount, or if the GST is exactly one eleventh of the total price, include the words 'Total price includes GST';
  - Include the extent to which each item on the invoice includes GST; and
  - If the invoice value exceeds \$1,000, the buyer's identity or ABN (ie NSW Rural Fire Service).
- j. **Travel approval:** means approval of official travel in advance by an appropriately delegated officer, utilising the appropriate form or system.

### 3 Policy

- 3.1 Corporate credit cards are provided to staff members who may be required to:
  - a. Undertake official travel in Australia or overseas;
  - b. Procure goods or services not on contract or in emergency situations; or
  - c. Recoup petty cash floats.
- 3.2 Staff members have an obligation to be efficient, economical and ethical in their use and management of public resources, and be mindful that they are expending public monies.
- 3.3 Use of corporate credit cards shall be for official business purposes only.

#### Travel

- 3.4 Specific provisions in respect of the use of corporate credit cards for official travel are contained in NSW RFS Policy 4.1.8 *Travel*.
- 3.5 The general provisions of this policy apply to the use of corporate credit cards for travel.

#### Procurement of goods and services (business-as-usual and non-declared fires)

- 3.6 Corporate credit cards may be used for the purchase of goods or services up to \$1,500 (including GST) subject to the restrictions in clauses 3.7 – 3.9.
- 3.7 Corporate credit cards shall not be used to purchase items for which the NSW RFS has a contract or prequalification scheme (i.e. the item is in the SAP catalogue), such as computers, mobile phones, tablets, airline bookings and fuel for vehicles where fuel cards are provided. Staff members must check the SAP catalogue prior to making a purchase with their corporate credit card.
- 3.8 All corporate credit card transactions must be appropriately authorised by a delegated officer under NSW RFS Policy P4.1.1 *Financial Delegations* prior to incurring an expense on the corporate credit card. This can occur in two ways:
  - a. The staff member has a financial delegation, in which case the purchase can be made immediately, provided the item being purchased is not primarily for the benefit of that individual (eg a staff member cannot purchase a new chair which is for their own use); or

- b. Where the staff member does not hold a financial delegation, or the purchase is primarily for their own benefit, a pre-approval must be sought through the expense management system in advance of the transaction from a delegated officer.
- 3.9 The process above is not intended to replace the Major Incident Logistics (emergency procurement) arrangements or SAP catalogue procurement, but rather provide flexibility in limited circumstances.
- 3.10 Staff members within the Procurement section may utilise their corporate credit card to purchase goods and services of any value on behalf of the NSW RFS, subject to the internal procurement procedures of that function, relevant authorisation for the expenditure having been received and documented in accordance with NSW RFS Policy 4.1.1 *Financial Delegations* and any relevant corporate credit card limits.

#### **Procurement of goods and services (section 44 declared fires)**

- 3.11 Credit cards will not be routinely available to be used for emergency procurement by staff members engaged in emergency operations where a section 44 declaration has been made under the *Rural Fires Act 1997*.
- 3.12 Where a staff member needs to make a purchase in an emergency where a section 44 declaration has been made, approval must be sought through the Major Incident Logistics (emergency procurement) arrangements, with approval provided in advance by the State Operations Controller for use of the credit card.
- 3.13 Staff members within the Procurement and Major Incidents Logistics sections may utilise their corporate credit cards to purchase goods and services of any value on behalf of the NSW RFS, subject to the internal procurement procedures of those functions, relevant authorisation for the expenditure having been received and documented in accordance with NSW RFS Policy 4.1.1 *Financial Delegations* and any relevant corporate credit card limits.

#### **Acquittal of Expenses**

- 3.14 All expenses incurred on corporate credit cards must be reconciled and supported by appropriate documentation, including tax invoices and pre-approvals where necessary. Receipts often double as tax invoices for minor expenses. Credit card stubs are not sufficient documentation to support purchases.
- 3.15 The expense management system will facilitate credit card reconciliation and submission for review and approval by line managers of expenses.
- 3.16 Credit card reconciliations are required monthly where any expenses have been incurred during the month, and are to be completed within ten working days from the end of month and submitted for approval in the expense management system. Documentation can be electronically attached to transactions throughout the month in the expense management system.

#### **Cash Withdrawals**

- 3.17 The default position for all credit cards is that cash withdrawals are not allowed.
- 3.18 Petty cash holders will have their corporate credit card enabled for cash withdrawals, however this facility should only be used to refresh petty cash floats.
- 3.19 Staff members travelling overseas will have their corporate credit card opened for cash withdrawals for the period of their travel once a travel approval is received.
- 3.20 The Executive Director, Finance and Executive Services (or delegate) may authorise cash withdrawals for other reasons, and requests for establishment of a cash withdrawal facility should be submitted in writing outlining the operational necessity for such a facility, including endorsement by the relevant Director.

#### **Management of Credit Cards**

- 3.21 Corporate credit cards are issued to an individual, and cannot be shared, loaned, used or accessed by anyone other than the cardholder. The cardholder must ensure security of the card and PIN at all times.
- 3.22 Corporate credit cards cannot be issued to volunteers (in their volunteer capacity) or contractors.

#### **Reporting Fraud, Misuse or Loss of a Card**

- 3.23 Staff members who believe a transaction appearing on their credit card is fraudulent, or otherwise disputed, should make a report to the Supervisor Transaction Processing in the Finance Branch who will facilitate the process to query the transaction with the bank.

- 3.24 If a corporate credit card has been lost or misplaced, the staff member should immediately notify the Westpac bank on 1300 650 107 (or +61 2 9374 7082 if outside Australia) and advise the Supervisor Transaction Processing via email.
- 3.25 Misuse of corporate credit cards such as incurring private expenses, purchasing inappropriate items or using the card to avoid proper procurement processes may result in suspension or cancellation of the card, repayment of expenses and disciplinary action.

### Suspension or Cancellation

- 3.26 The Executive Director, Finance and Executive Services (or delegate) is authorised to suspend or cancel a corporate credit card at their absolute discretion, including while an investigation into misuse of a card is undertaken.
- 3.27 The Executive Director, Finance and Executive Services (or delegate) will advise the staff member and their supervisor in writing that the card has been suspended or cancelled.

## 4 Related documents

- NSW Treasury Policy and Guidelines Paper TPP 17-09 *Use and Management of NSW Government Purchasing Cards*
- NSW Treasury Policy and Guidelines Paper TPP 15-03 *Internal Audit and Risk Management Policy for the NSW Public Sector*
- Department of Finance, Services and Innovation DFSI-2015-02 *Efficient Electronic Payment Methods*
- Service Standard SS1.1.7 Code of Conduct and Ethics
- Policy P4.1.8 Travel
- Policy P4.1.1 Financial Delegations
- Policy P2.1.1 Administrative Delegations
- Policy 7.1.10 Organisational Risk Management

## 5 Amendments

AMENDMENT DATE	VERSION NO	DESCRIPTION
18 August 1999	1.0	➤ Initial release as policy 1.1.1
5 February 2002	2.0	➤ Repealed and remade policy 1.1.1 v1.0 ➤ Comprehensive review
16 February 2005	3.0	➤ Repealed and remade policy 1.1.1 v2.0 ➤ Comprehensive review
14 December 2009	1.0	➤ Repealed and remade policy 1.1.1 v3.0 ➤ Renumbered as P4.1.5 v1.0 to align with updated policy index ➤ Comprehensive review
15 May 2019	2.0	➤ Repeals and remakes P4.1.5 v1.0 ➤ Complete review to align with current NSW Treasury and Department of Finance, Services and Innovation Circulars and Policy and Guidelines papers

# SOP P4.1.5-1

## RESPONSIBILITIES OF CARDHOLDERS

### 1 Purpose

- 1.1 This procedure defines the responsibilities of corporate credit card holders.

### 2 Procedures

#### Application for Corporate Credit Card

- 2.1 A staff member must complete an "Application for Corporate Credit Card".
- 2.2 The application must be supported by the staff member's Manager.
- 2.3 The Executive Director, Finance and Executive Services (or delegate) will approve or decline the application at their sole discretion.
- 2.4 Applications for Corporate Credit Cards may take up to 30 days to process.

#### Use of Corporate Credit Card

- 2.5 The corporate credit card may only be used for official business purposes in accordance with NSW RFS Policy P4.1.5 *Corporate Credit Cards* and NSW RFS Policy P4.1.8 *Travel*.
- 2.6 Corporate credit cards may be used for emergency purchases where no alternative method of payment is available. For example, emergency repair of a vehicle outside of normal business hours where the supplier requires immediate payment, or emergency fuelling of a vehicle where fuel cards are not accepted or not working. Notification of such use should be made to the staff member's Manager as soon as possible.

#### Issue of Corporate Credit Card

- 2.7 The staff member will be advised by Finance where the card may be picked up from, once approved and issued.
- 2.8 Staff members will be required to sign a "Cardholder Statement of Responsibility" to be retained by the Finance Branch. A copy of this form will also be kept by the staff member.
- 2.9 A copy of this Policy must be read prior to the issue of the card and signing of the "Cardholder Statement of Responsibility".
- 2.10 The staff member will be required to attend a branch of the bank to be allocated a PIN number and to activate the card.
- 2.11 The cardholder is personally responsible for the safekeeping of the card and PIN. The PIN should not be disclosed to anyone and should not be carried with the card.

#### Renewal of Cards

- 2.12 Renewal of cards at expiry will be co-ordinated by the Finance Branch. The staff member will be advised of the issue of a new card.

#### Credit Limits

- 2.13 Standard credit limits will be set as follows:

Monthly limit:	\$5,000
Transaction limit:	\$1,500
Cash withdrawal limit:	\$NIL

- 2.14 Requests for extension of credit limits, whether temporary or permanent, should be forwarded to the Supervisor Transaction Processing via email for consideration and approval by the Executive Director, Finance and Executive Services (or delegate), and should clearly identify the business need for the increase. Changes to credit limits may take up to 48 hours to process. Please be aware that the bank only facilitates changes in credit limits on weekdays during normal business hours – accordingly urgent adjustments may not be able to be accommodated.

- 2.15 When travelling overseas, the Supervisor Transaction Processing should be advised by email at least 48 hours prior to departure to ensure the card can be used overseas.
- 2.16 Credit limits must not be exceeded.

### **Cardholder Statements and the Reconciliation Process**

- 2.17 Credit card transactions will appear in the expense management system once processed by the credit card provider.
- 2.18 Cardholders are required to electronically attach receipts and other relevant documentation to support transactions in the expense management system.
- 2.19 On a monthly basis, no more than ten working days after the end of month, the cardholder must finalise their reconciliations for the preceding month, and forward their expense report to their Manager for approval.
- 2.20 Cardholders who have no activity on their card during the month are not required to complete an expense report.
- 2.21 Each reconciliation (expense report) must include:
- a. A relevant Travel Approval or Expense Pre-Approval where the transaction relates to travel or expense claims for which the staff member does not hold a financial delegation;
  - b. A completed Travel Diary outlining trip details for travel;
  - c. For petty cash float replenishment, approved petty cash docket; and
  - d. Electronic copies of detailed receipts and/or tax invoices.
- 2.22 Staff members are encouraged to electronically photograph or scan receipts as close as possible to the transaction date, and upload to the expense management system. Where a receipt has been lost or is unable to be obtained, the cardholder must complete and electronically attach to the transaction a statutory declaration. This form should include text to the effect of:
- I utilised my corporate credit card in my name for official business on [date] for the purchase of [describe the purchase] at [name of supplier], ABN [ABN Number] for the amount of [dollars and cents] including GST. I have lost the receipt/invoice for this purchase.
- 2.23 Under no circumstances should a staff member deposit funds to the corporate credit card account.
- 2.24 Where a staff member fails to submit an expense report and/or reconciliation in accordance with these guidelines, or is unable to reasonably justify the expenses on the corporate credit card, the card will be suspended and may be cancelled. Where appropriate, disciplinary action may be taken and the expenses recovered.

### **Lost, Stolen or Damaged Cards**

- 2.25 If a corporate credit card has been lost or misplaced, the staff member should immediately notify the Westpac bank on 1300 650 107 (or +61 2 9374 7082 if outside Australia) and advise the Supervisor Transaction Processing via email. Details of the cancellation including the date and time reported and any reference provided by the bank should be included. The Finance Branch will arrange the issue of a replacement card.
- 2.26 Damaged cards may be replaced by contacting the Supervisor Transaction Processing via email and requesting the issue of a replacement card. On receipt of the new card, the damaged card should be destroyed by shredding or cutting into fine strips.

### **Termination of Employment**

- 2.27 Cardholders leaving the NSW RFS, including those seconded to another NSW Government agency, must return their corporate credit card to their Manager or the Finance Branch prior to leaving. The card should be cut in numerous places so that it is unusable.
- 2.28 The cardholder must ensure all reconciliations are complete and approved prior to leaving. A final expense report (reconciliation) should be submitted through the expense management system.
- 2.29 Staff members whose card remain unreconciled on departure may have outstanding amounts deducted from final payments or have debt recovery action taken against them.

### **Suspension and Cancellation of Corporate Credit Cards**

- 2.30 In addition to clause 3.26 of the Policy, a corporate credit card may be suspended or cancelled at any time by the staff member's Manager. Advice must be provided to the Supervisor Transaction Processing via email outlining the cardholders name and the reasons for suspension or cancellation.
- 2.31 Corporate credit cards may be suspended or cancelled where staff members are in breach of the Policy or procedures, or for other disciplinary reasons.
- 2.32 Where a card is suspended or cancelled, the staff member and their Manager will be advised of the cancellation in writing.

## **3 Related guidelines**

- Guidelines for the use of the expense management system

## **4 Related forms**

- Application for Corporate Credit Card
- Cardholder Statement of Responsibility



## SOP P4.1.5-2

# MANAGEMENT OF CORPORATE CREDIT CARDS

## 1 Purpose

- 1.1 This procedure defines the responsibilities of Management and the Finance Branch in the overall management of corporate credit cards.

## 2 Procedures

### Eligibility

- 2.1 Corporate credit cards can only be issued to staff members, in their capacity as a staff member.
- 2.2 The application must be supported by the staff member's Manager.
- 2.3 The Executive Director, Finance and Executive Services (or delegate) will approve or decline the application at their sole discretion.

### Responsibilities of the Commissioner

- 2.4 The Commissioner is ultimately responsible for the proper management and administration of corporate credit cards within the NSW Rural Fire Service.
- 2.5 Annual certification of NSW Rural Fire Service compliance with relevant NSW Government policy in respect of corporate credit cards.

### Managers' Responsibilities

- 2.6 Recommending the issue of a corporate credit card to a staff member.
- 2.7 Ensuring staff awareness and compliance with the policy.
- 2.8 Reporting any breach of policy or improper or fraudulent use of corporate credit cards to the Executive Director, Finance and Executive Services, in addition to through normal reporting mechanisms.
- 2.9 Ensuring prospective approval of expenditure prior to use of corporate credit cards.
- 2.10 Ensuring staff submit reconciliations in a timely manner in accordance with policy.
- 2.11 Reviewing and approving corporate credit card reconciliations, including ensuring costs are correctly allocated and recorded.
- 2.12 Ensuring corporate credit cards are returned and destroyed, and all reconciliations are complete, prior to any staff member reporting to the Manager departing the NSW RFS.

### Finance Branch Responsibilities

- 2.13 Ensure compliance with the *Public Authorities (Financial Arrangements) Act 1987*, including requesting appropriate limits within the Treasury Banking System, and maintaining a record of the total limit for all corporate credit cards currently issued.
- 2.14 Maintaining an accessible and up-to-date record of all authorised cardholders, and the conditions that apply to each cardholder, including as a minimum:
  - a. The cardholder's full name;
  - b. Confirmation that the cardholder has signed the Cardholder Statement of Responsibility;
  - c. The last four digits of the Cardholder's card number;
  - d. The cardholders individual transaction limit and monthly limit, along with any temporary increase in limits;
  - e. Conditions that are attached to the corporate credit card or cardholder, such as review dates, cash withdrawal facilities or restrictions on use; and
  - f. Expiry and Cancellation (where applicable) dates.



- 2.15 Undertaking all liaison with the card issuer to facilitate effective use of corporate credit cards, including setting and amending credit limits and terms and conditions on corporate credit cards.
- 2.16 Implementing a direct debit facility with the card issuer for automatic payment of monthly corporate credit card accounts in full to eliminate any late payment fees or interest charges.
- 2.17 Coordinating the issue and replacement of all corporate credit cards.
- 2.18 Ensuring corporate credit cards are not issued to the cardholder until the cardholder has read and signed the Cardholder Statement of Responsibility.
- 2.19 Undertaking user administration of the expense management system, including the corporate credit card transactional feed and interface with the general ledger.
- 2.20 Monitoring the status of reconciliations, and liaising with relevant staff and Managers as required to ensure compliance with policy.
- 2.21 Conducting period review and sampling to monitor and enforce compliance with policy.
- 2.22 Maintaining necessary system reconciliations and clearing accounts.
- 2.23 Reporting to the Director, Finance and Program Management and Executive Director, Finance and Executive Services on policy compliance, including making recommendations for action in respect of any identified non-compliance.

### **Reporting**

- 2.24 The Finance Branch will provide reports and/or information to the Commissioner (or delegate) that is necessary to meet NSW Government reporting requirements, including compliance reporting and Annual Report requirements.
- 2.25 The Finance Branch will provide reports as necessary to allow compliance monitoring, auditing and or review.

### **Management of Risk**

- 2.26 Risks associated with the use and management of corporate credit cards will be examined, monitored, mitigated and reported in accordance with the NSW RFS Organisational Risk Management process outlined in NSW RFS Policy P7.1.10 *Organisational Risk Management*.

## **3 Related guidelines**

- Guidelines for the use of the expense management system

## **4 Related forms**

- Application for Corporate Credit Card
- Cardholder Statement of Responsibility

## SOP P4.1.5-3

# 'CARD-NOT-PRESENT' TRANSACTIONS

## 1 Purpose

- 1.1 This procedure defines the special responsibilities of cardholders in use of corporate credit cards for 'card-not-present' transactions.

## 2 Procedures

### Definition

- 2.1 'Card-Not-Present' transactions are corporate credit card transactions undertaken where the card is not physically presented. This includes transactions made by telephone or by internet.

### Responsibilities of cardholders

- 2.2 'Card-Not-Present' transactions may be undertaken using corporate credit cards, however such transactions should be eliminated or minimised wherever possible. A 'card-not-present' transaction should only be made where it is not possible to purchase the good or service using an alternate methodology or in person.
- 2.3 Examples of appropriate 'card-not-present' transactions include the need to provide a credit card number when booking a motel, or purchase of certain software subscriptions which are only available online.
- 2.4 When undertaking 'card-not-present' transactions, cardholders should take special care to verify the identity of the merchant, and ensure that they are dealing with a merchant who is known and reputable.
- 2.5 When making internet purchases, staff should utilise NSW RFS equipment whenever possible, as effective security is in place within the NSW RFS network which can assist in fraud prevention.
- 2.6 Online purchases should only be made from secure sites that include https:// (NOT http://) as part of their payment site.
- 2.7 Cardholders need to ensure that proper records of 'card-not-present' transactions are obtained and maintained in order to acquit transactions and reconcile transactions as with all other transactions.
- 2.8 Cardholders should monitor their credit card feed in the expense management system following the processing of 'card-not-present' transactions to ensure the payment is processed as expected.

## 3 Related guidelines

- Guidelines for the use of the expense management system