

## Credit Card Expenditure Policy

Date Issued: 11 February 2010  
Reviewed: November 2016

### Background

Credit cards provide a convenient method of making low-value purchases, and with the right procedures, they can improve the efficiency of the organisation. Because of this, it's important to establish principles for the use of credit cards that promote transparent, conservative, and appropriate business practices.

### Objective

This policy establishes key principles for the use of credit cards issued to Council officials.

### Policies

1. Far North District Council issues credit cards to the Mayor, the Chief Executive (CE) and the Chief Financial Officer. (CFO).
2. Cards are issued in accordance with the conditions prescribed by Council's bankers (ASB Bank). The maximum limit is \$5,000 for the Mayor's and the CE's cards. The CFO's maximum limit is \$10,000.
3. Application forms will be completed by the card holder and approved by two delegated signatories, as approved by the bank.
4. Credit cards are only to be used for Council purchases where it is impractical to use other procurement methods, such as purchase orders or charge back facilities.
5. All transactions should be supported by GST invoices or other appropriate documentation. Details of parties for whom the transaction was incurred are to be noted on the supporting documentation, together with details of the purpose of the expenditure.
6. Cards are not to be used for personal expenditure or cash advances. At all times while issued with a card, the cardholder is deemed responsible for the use of the card. In all cases of misuse, Council reserves the right to recover any monies from the cardholder by appropriate legal means and/or cancel the card.
7. The cardholder is responsible for checking statements and advising the bank of any mistakes.
8. Claims are to be submitted to the CFO – Corporate Services or the Financial Controller within 10 working days of the receipt of a statement to meet payment terms required by the bank.
9. Approval for the claims is required as follows:
  - CE: approved by the Mayor

- Mayor: approved by CE, and the Mayor's expenses reported to the Audit and Finance Committee on a quarterly basis, along with elected members' claims
- CFO – Corporate Services: approved by the CE

## Procedures

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1. When an election is in progress, the Mayor's credit card should be returned to the Council and held for the period between the actual election and the swearing in of the new council. If the Mayor is re-elected, the card can be returned following the swearing in. However, if the Mayor is not re-elected, the card should be cancelled and destroyed and a new account set up for the new mayor.
2. If the CE or CFO – Corporate Services resigns or the contract of employment is terminated, the card should be returned to the Council and immediately cancelled and destroyed. This should happen on the last physical working day regardless of whether the CE or CFO continues to be paid for a period of severance.
3. Credit cards are the responsibility of the cardholders and should be kept in a safe location at all times. Any PINs activated must not be made known to any other person.
4. If the card is lost, it is the cardholder's responsibility to notify the bank immediately. Once the bank is notified of the loss, the liability of Council will be stopped at the last transaction carried by the cardholder immediately prior to notification, providing that the cardholder has not contributed to the loss in any way. If notification is delayed or doesn't happen, liability will remain with the Council.
5. Notification should be made to the Banking Services Officer or the Financial Controller as soon as is practicably possible, highlighting all relevant information such as when the card was last used, the value of the transaction, or how the card was damaged.
6. If the card is damaged, it must be cut up by the cardholder or taken into the local bank.
7. If a transaction appears on the credit card statement that is incorrect, the bank must be notified in writing within 30 days of the close of statement date. Issues of this nature must be notified to the Financial Controller so that a declaration can be made to the bank. This will ensure that the transaction is checked by the bank and if it is found not to be an approved transaction, the liability will be removed from Council.