

# Expense Card Procedure

Procedure Author	General Manager Strategy and Corporate
Date of next review	March 2025

## 1 Purpose

Council provides for the issuance and use of Expense Cards (Corporate and Store Cards) to Workers as an efficient and effective method of procurement and or payment of Council related expenses, where Council does not have an active ongoing term contract for supply.

This Procedure outlines the appropriate use of an Expense Card and the obligations of the Holder and Approver and sets out the parameters for the effective management and governance of Expense Card facilities.

This procedure does not include for the provision or use of Fuel Cards. Consideration for these elements are defined in Councils Motor Vehicle Fleet Management Policy.

## 2 References and Supporting Documentation

This Procedure is to be read in conjunction with the Procurement Policy and Procurement Procedure.

- Local Government Act 1999 (SA)
  - Section 120 - Conflict of interest, and
  - Section 137 - Expenditure of funds.
- A New Tax System (Goods & Services Tax) Act 1999
  - Division 1 - Preliminary
    - 1-4 - States and Territories are bound by the GST law
  - Division 2 - Overview of the GST legislation
    - Chapter 2—The basic rules
    - Part 2-2—Supplies and acquisitions
- Fringe Benefits Tax Assessment Act 1986
- Worker Code of Conduct
- Travel Expenditure Policy
- Motor Vehicle Fleet Management Policy
- Hospitality Policy
- Recognition of Staff Policy
- Expense Card Guideline
- Expense Card Request Form
- Delegations Register
- Global Glossary

### 3 Application

Chief Executive Officer	Approval of a Worker maintaining involvement in a procurement activity where an actual or potential conflict of interest has been identified or declared.
Senior Manager - Finance	To ensure this Procedure is reviewed by Council as required. To review and approve Expense Card transactions relating to the Chief Executive Officer.
Presiding Member - Corporate Governance Committee	To provide a point of escalation for the Senior Manager - Finance in the case of Chief Executive Officer Expense Card transactions.
Internal Auditor	To conduct periodic audit of Councils procurement activities transacted via Expense Card and assist in the development of assurance metrics to ensure compliance with this Procedure.
Manager – Procurement and Accounts Payable	To ensure correct application of this Procedure in the development of systemised and non-systemised procurement processes. Development and maintenance of internal training tools to assist in the correct application of this Procedure by Workers.
Accounts Payable Team	Processing and payment of Council Expense Card transactions. Creation and maintenance of Council Expense Card accounts.
Finance Team	To manage Councils treasury requirements with Councils contracted financial institution, including the provision of Corporate Cards.
Workers holding CEO sub-delegation pursuant to Section 137 of the Local Government Act 1999 (Workers and Approvers)	Approval of expenditure of Council funds, the process undertaken preceding the approval request and the validation that the transaction is for a valid Council procurement activity, within Financial limitations delegated.

### 4 Procedure

#### 4.1 Permitted Use

- 4.1.1 The use of an Expense Card is only permitted for Council related procurement activities.

Expense Cards are an efficient means of transacting low risk, low value, high volume, online or retail purchasing transactions.

#### 4.2 Expense Card Type

##### 4.2.1 Corporate Card

A Corporate card is issued on behalf of Council by Councils nominated finance institution and may be in the form of a Master Card, Visa Card or other, dependent on the issuing institution with which Council has contracted its banking services. A Corporate card allows for procurement of goods and Services with accepting suppliers and transacts payment to the supplying company at point of purchase.

#### 4.2.2 Store Card

A store card is issued on behalf of Council by Councils nominated suppliers with which a trading account is held. A store card is supplier specific (supermarket, department store or hardware chain) and allows for procurement of goods without the need for a formal purchase order. Payment is transacted to the supplying company after reconciliation of a monthly consolidated invoice or statement (where point of sale tax invoices are issued) at the payment terms agreed.

### 4.3 Expense Card Management

#### 4.3.1 Issuance and Revocation

4.3.1.1 Issuance of an Expense Card necessitates the submission of an Expense Card Request Form to the Finance team by the Manager of the intended Expense Card Holder. The Finance team will review, provide commentary and facilitate the approval process.

4.3.1.2 The review undertaken by the Finance team will include an assessment of:

- the appropriateness of an Expense Card in relation to the role held by the requested Expense Card holder;
- confirmation that the intended Expense Card holder is an Authorised Officer of Council; and
- that the Worker holds CEO sub-delegation to required financial limits;

4.3.1.3 A Worker whom is the intended Expense Card holder will be required to undergo training on the application of the Procurement Policy, Procurement Procedure, this Procedure and associated Guideline prior to an Expense Card being issued.

4.3.1.4 The Manager of a Worker whom is the intended Expense Card holder will be required to undergo training on the application of the Procurement Policy, Procurement Procedure, this Procedure and associated Guideline prior to an Expense Card being issued if that Manager has not undertaken such training previously or since the date of last review of this Procedure.

#### 4.3.2 Transfer of Role

4.3.2.1 Where a Worker, whom has been issued with an Expense Card, transfers to an alternate role within Council, a review must be undertaken as to:

- the appropriateness of an Expense Card in relation to the new role held by the Worker.
- the review undertaken may result in revocation of the Expense Card.

#### 4.3.3 Annual Review

- 4.3.3.1 The Finance team in collaboration with Council Executive Group will conduct an annual review of Expense Cards to determine:
- the number of Expense Cards, financial limits and impact on financial facilities;
  - the current allocation of Expense Cards and role alignment;
  - prior year usage patterns with respect to alignment to reasons for issuance;
  - the conduct of Expense Card holders in relation to adherence to monthly reconciliation requirements.

The annual review undertaken may result in revocation of the Expense Card.

#### 4.4 Expenditure Thresholds and Financial Limits

- 4.4.1 An Expense Card will have a set maximum transaction value limit. The maximum transaction value limit will not exceed a Worker's financial limit set by Chief Executive Officer sub-delegation under Section 137 of the *Local Government Act 1999*.
- 4.4.2 An Expense Card is intended for the efficient transacting of low value adhoc purchases and as such maximum transaction limits, unless specifically noted in this Procedure, will not exceed the lowest expenditure threshold of \$1000 set in Councils Procurement Procedure.
- 4.4.3 A Worker undertaking the following duties may be issued an Expense Card with a maximum transaction limit exceeding \$1000 upon review:
- Facilitation of travel and accommodation bookings on behalf of Council Workers and Elected Member group.
  - Facilitation of training course bookings on behalf of Council Workers and Elected Member group.
  - Facilitation of Council fleet vehicle registration requirements. This requirement will necessitate a once off annual increase in card limit to allow for the transaction. Once transacted, the card limit will be returned to the standard level.
- 4.4.4 All financial limitations sub-delegated by the Chief Executive Officer are exclusive of GST and the value represents the full consideration for a procurement requirement. Splitting of the requirement is not permitted to circumvent limitations.
- 4.4.5 Where multiple Expense Card transactions for the same service delivery or supply type exceed an in aggregate value of \$100,000 for the preceding financial year, as identified during the annual spend analysis process, Council will institute a market approach in that service delivery or supply type with a view to executing a term contract for supply. Resulting contract types may be:
- Sole Supply (Single Provider); or
  - Panel (Multiple Providers)

#### 4.5 Use in error

- 4.5.1 Where a Worker issued with an Expense Card uses the Expense Card for a personal transaction in error, the Worker will report such error and reimburse Council for the full transaction value.

## 4.6 Card Security

- 4.6.1 Officers issued with an Expense Card must take all reasonable steps to ensure the security of Expense Card details, therefore:
- 4.6.1.1 must not share Expense Card details or allow the use of the Expense Card by other Workers or persons.
  - 4.6.1.2 must take reasonable steps to ensure that secure and known websites are only used when purchasing on-line.
  - 4.6.1.3 must report lost or stolen Expense Cards immediately after becoming aware to enable inactivation or suspense of the Expense Card by the issuing company.
  - 4.6.1.4 must report fraudulent Expense Card transactions immediately after becoming aware to enable the voiding of such transactions and the inactivation or suspense of the Expense Card by the issuing company.

## 4.7 Monthly Reconciliation of Expense Card Transactions

- 4.7.1 All Expense Card transactions must be substantiated with a valid Tax Invoice.
- 4.7.2 Where a valid Tax Invoice is misplaced or lost, the Worker will be required to:
- source a replacement tax invoice from the supplying company; or
  - complete and sign a Statutory Declaration as to the validity of the relevant transaction/s for which no Tax Invoice has been provided.
- 4.7.3 Where applicable, the Expense Card reconciliation must include the necessary narration to ensure correct consideration of Fringe Benefits Tax (FBT).
- 4.7.4 Council has a requirement to maintain stringent time frames in relation to the reconciliation and public disclosure of Expense Card transactions. As such Workers must ensure reconciliation of Expense Card transactions are completed by or before the fifteenth (15<sup>th</sup>) day of each month. Repeated delays in the reconciliation of monthly transactions, without reasonable excuse, will result in the revocation of an Expense Card.

## 4.8 Approvals

- 4.8.1 By approving an Expense Card Transaction, Workers confirm that they have taken full notice of, and the Expense Card transaction/s being approved has complied with the requirements of the Procurement Policy and this Procedure.
- 4.8.2 Financial approval.  
Only Workers issued with CEO sub-delegation under section 137 of the *Local Government Act 1999* may approve expenditure of Council funds within financial limitations delegated.

## 4.9 Conflict of Interest

- 4.9.1 Workers undertaking procurement activities must acquaint themselves with Section 120 of the *Local Government Act 1999* for the legislated definition of a Conflict of Interest.
- 4.9.2 The identification and process for management of Conflicts of interest are described in Councils Employee Conduct Policy and all Workers undertaking procurement activities must acquaint themselves with this Policy.
- 4.9.3 Workers must declare any actual or perceived conflict of interest linked to the use of a supplier and or approval of Expense Card transactions. The Worker must declare in writing the nature of their interest, and take no further part in transacting with that supplier unless approved by Councils Chief Executive Officer.

## 4.10 Public Disclosure

- 4.10.1 All Council Corporate Card and interstate/overseas travel transactions will be reported and made publicly available via Councils website on a monthly basis.
- 4.10.2 Workers should ensure any narration added to transactions in the monthly reconciliation process is:
- Suitable for public viewing;
  - Does not contain personal or private information, including names; and
  - Is clear and concise

## 5 Feedback

- 5.1.1 Your feedback on this Procedure is invited and can be directed to the Manager Governance via email to [governance@playford.sa.gov.au](mailto:governance@playford.sa.gov.au) or by calling the Customer Contact Team on 8256 0333

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### Administration use only

ECM document set no.	3965452
Version no.	1
Policy link	Procurement Policy
Procedure author	General Manager – Strategy and Corporate
Endorsed by	Council
Resolution no.	4615
Legal requirement	<i>Local Government Act 1999</i>
Review schedule	4 Years per Procurement Policy review schedule
Date of current version	May 2021
Date of next review	March 2025

### Version history

Version no.	Approval date	Approval by	Change
1	25 May 2021	Ordinary Council Resolution No. 4615	New Procedure

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