

Credit Card Policy



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Purpose:

The purpose of this policy is to:

- Provide Central Otago District Council employees and elected members guidance surrounding credit cards;
- Clearly define parameters surrounding credit cards;
- Control and mitigate the risks around credit card use.

Scope:

This policy shall apply to all business, service or activity conducted by Council, elected members and all employees of Council, irrespective of where they are working.

For the avoidance of any doubt, any reference to employees or staff in this policy shall include:

- the organisation's employees;
- volunteers;
- persons seconded to council;
- contractors.

Definitions:

| Word or phrase | Definition |
|-------------------------|--|
| Credit card | This has the usual meaning. For the purposes of this policy, this includes vehicle fleet fuel cards, purchase cards and equivalent cards used to obtain goods and services before payment is made. |
| One-up-principle | Relating to financial delegations, this means that delegation holders cannot approve transactions involving themselves or |

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| | from which they could be seen to benefit, instead they must be approved by their one-up manager. The Chief Executive Officers credit card expenditure must be approved by the Mayor. The Mayors credit card expenditure must be approved by the Deputy Mayor and the Group Manager – Business Support. |
| Contractors | Individuals who are contracted to provide services to Council. They may be self-employed or employed by a separate organisation. These individuals will likely be provided with a Council system account, email address, and key fob for building entry. Whilst not employees of Council, they fall within the scope of this policy. |

Policy:

Credit Cards

The use of credit cards and purchasing cards is not a form of sensitive expenditure, however this is often the medium for payment of sensitive expenditure items. Using credit cards is a common way to pay for sensitive expenditure and is more transparent than using cash. This policy aims to control and mitigate the risks around credit card use.

A Council credit card will be issued to one, named, credit card holder. It must be solely used by that person and cannot be transferred or delegated to anyone else.

If requested to do so, the credit card holder will return the credit card to the Council immediately.

Credit cards may be used for the following:

- routine purchases;
- exceptional purchases;
- emergency purchases and low value items, i.e. less than \$2,000, where there is no contracted supplier arrangement;
- when dealing with a specialised vendor;
- when the purchase method requires it.

| Additional Information | |
|---|--|
|  | Where a Supply Agreement exists between the Council and a Supplier, the appropriate platform for purchase will be by Purchase Order. |

Eligibility

The Chief Executive Officer may approve the issue of credit cards to roles, where required and appropriate. The issue of credit cards must have a justifiable business purpose and be necessary for the effective functioning of the organisation.

In conjunction with the issue of a credit card or purchasing card, the Chief Executive Officer will confirm the credit limit in accordance with the Register of Delegations to Staff. The credit limit will be set based on the minimum amount necessary to enable the cardholder to undertake their Council duties.

Rules

- The use of Council credit cards for private expenditure or credit is prohibited;
- The credit card is the property of the Bank;
- The credit card holder must sign the credit card immediately upon receipt;
- The credit card holder is prohibited from disclosing the PIN to anyone, whether family or those in apparent authority, including Bank staff, or allowing such people to use the credit card;
- Appropriate documentation should be provided for all purchases, clearly showing what the money has been spent on and outlining a justifiable business purpose;
- Purchases must adhere to the Sensitive Expenditure Policy;
- The credit card holder must adhere to the [BNZ Credit Card Terms and Conditions](#).

Credit limits

The limit represents the maximum aggregate value for goods and services. The credit card holder is responsible for the collection of a detailed and itemised GST tax invoice.

If a budget is approved for a set amount, the credit card holder must not exceed this amount without prior approval. Credit limits are outlined in Appendix One.

Any requests to change credit limits must be approved by the employee's manager and the Group Manager – Business Support.

Cash advances

Credit cards should not be used to obtain cash advances unless cash is required:

- in an emergency (usually related to business related travel); or
- for official purposes (in rare circumstances), with prior approval

In the instance that cash advances do occur, these must be properly documented and accounted for and reconciled to actual expenses.

Cash in advance is not a typical function of Council credit cards, therefore this functionality would need to be implemented on an as needed basis.

Internet purchases using credit cards

Credit card payments made on the internet must reflect good security practice in accordance with the Information Services policies and processes.

Employees and Elected Members must only purchase from reputable companies known to the public organisation. If in doubt as to if a website is secure and/or reputable, please contact the Information Services team.

The card holder must keep a copy of any online order forms completed when making purchases. Purchases must be within the card holders delegated authority and adhere to Council's Procurement Policy.

Review and approval

Credit card and purchasing card transactions are to be reviewed and approved by a person senior to the card holder, using the 'one-up rule'. The Chief Executive Officers credit card expenditure must be approved by the Mayor. The Mayors credit card expenditure must be approved by the Deputy Mayor and the Group Manager – Business Support.

Should there be any reason to question a transaction, the approver should discuss this with the credit card holder in the first instance. An audit process will investigate any 'unusual' transactions with inquiries made of the credit card holder if deemed necessary.

Monitoring and reporting on credit card use will be undertaken by the Finance Team. This will be conducted monthly, as part of the payment process. If unusual transactions have occurred, this will be followed up with the Group Manager – Business Support.

Where a staff member's credit card has been used to make a purchase for or on behalf of their manager, this manager must not approve the credit card reconciliation. This must be approved by the manager in question's one-up. For example, where a staff member's credit card has been used to purchase a flight or accommodation for their direct manager, this reconciliation must be approved by the manager's one-up.

- Risk Management Policy
- Procurement Policy
- Staff code of conduct Controller and Auditor General - Controlling sensitive expenditure: Guide for public organisations
- [BNZ Credit Card Terms and Conditions](#)

Appendix One – Credit card holders and credit limits

| Credit card holder | Credit limit |
|---|--------------|
| Mayor | \$5,000 |
| Chief Executive Officer | \$10,000 |
| Executive Assistant – Chief Executive Officer | \$5,000 |
| General Manager – People & Culture | \$10,000 |
| Trade & Consumer Marketing Manager | \$5,000 |
| Head of Destination | \$5,000 |
| Group Manager – Business Support | \$10,000 |
| Media and Marketing Manager | \$5,000 |
| Group Manager – Planning & Infrastructure | \$10,000 |
| Executive Assistant – Planning & Infrastructure | \$5,000 |
| Group Manager - Waters | \$10,000 |
| Collections Manager | \$3,000 |
| Group Manager – Community Vision | \$6,000 |
| Group Manager – Community Experience | \$10,000 |