

Strategic Outcome Supported: 10.1 – Provide strategically focused, open and accountable governance.

OBJECTIVE

1. The purpose of this Policy is to establish a controlled framework for the issue and use of purchasing cards to facilitate the efficient purchase of low-value operational goods and services while ensuring appropriate accountability, transparency, financial control, and compliance with the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996*, and the Shire's financial management requirements.

SCOPE

2. The policy applies to all cardholders and encompasses all transactions made using purchasing cards.

DEFINITIONS

3. **Cardholder** refers to the individual Shire employee to whom a corporate card has been issued and whose name is displayed on the front of the purchasing card along with the Shire's name.
4. **CEO** means Chief Executive Officer.
5. **Corporate credit card/credit card** means a credit card issued by the Shire's bank to individual employees acting on behalf of the Shire to procure goods and services for the Shire's activities.
6. **Fuel Card** means a card that is specifically used to purchase fuel for corporate vehicles.
7. **Personal expenditure** refers to expenditure incurred by an employee that does not pertain to the Shire's business, activities or operations.
8. **Purchasing Card** is a general term used for the purpose of this policy to encompass fuel, transaction or corporate credit cards.
9. **Shire** means Shire of Donnybrook Balingup.
10. **Transaction Card** means any store card limiting purchases to a specific store.

POLICY STATEMENTS

11. The Shire requires that all purchasing cards issued by the Shire be used appropriately and in accordance with the Shire's policies and procedures, and all expenditure incurred be properly approved and acquitted.
12. Purchasing cards are issued by the Shire for the procurement of goods and services on behalf of the Shire subject to the following:
 - a. Purchasing cards are issued only to permanent or fixed-term contract (full-time) employees of the Shire as outlined in Shire procedures. Council Members are not employees of the Shire and may not be issued credit cards.

- b. Purchasing cards are issued to specific positions employed at the Shire to enable efficient and effective procurement of goods and services on behalf of the organisation. A purchasing card is not an employment or other benefit given to any individual employee.
- c. Purchasing cards will be issued and used in accordance with the Shire procedures.
- d. No cash withdrawals are permitted.
- e. Cardholders must sign an agreement outlining their responsibilities and legal obligations when using purchasing cards.
- f. A register of all current cardholders, including card number, expiry date, and credit limit, must be maintained.
- g. New and existing cardholders must be provided with a copy of the policies and procedures related to the use of credit cards.
- h. Regular monitoring and review of purchasing card usage must be conducted to ensure compliance and identify any misuse.
- i. Misuse of purchasing cards will result in disciplinary actions and recovery of funds.
- j. Expenditure incurred on purchasing cards must:
 - i. be necessary to carry out the Shire's activities and functions; and
 - ii. be reasonable and appropriate; and
 - iii. not be excessive in relation to the goods or services sought; and
 - iv. not be personal expenditure.

Card issue, credit limits, and use

- 13. Purchases are limited to various expenses pertaining to Shire business, where normal procurement processes are not possible or practical.
- 14. The CEO authorises the issue of purchasing cards for other purposes and approves the credit limits on those individual cards as prescribed in Shire Procedures subject to the overall purchasing card limit not being increased as a consequence.
- 15. All reward schemes (Fly Buys etc.) shall belong to the Shire.

Cardholder responsibilities

- 16. Purchasing cards must be used in accordance with the Shire Procedures.
- 17. Where a cardholder incurs personal expenditure on a purchasing card, the Shire will take appropriate measures to recover such expenditure in the shortest possible timeframe. This may include deducting the amount from the cardholder's salary or requiring immediate reimbursement. Any accidental personal expenses deducted will be reported to Council. Shire procedures will outline the process for recovery and reporting.

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18. When a cardholder leaves the Shire's employment or moves to a different position at the Shire that is not authorised to be issued a corporate purchasing card, return (surrender) and cancellation of the card must be undertaken in accordance with Shire procedures.
19. A cardholder is bound by the provisions of this policy and associated procedure, as well as the Shire's Code of Conduct for Employees, in relation to the purchasing card assigned to them.

Lost or stolen cards

20. The cardholder is responsible for safe custody of the card issued to them as well as the security of associated card information.
21. Loss or theft of a purchasing card must be reported by a cardholder in accordance with Shire procedures.
22. Where a card or card information has been compromised or lost, cancellation and re-issue of a card must be undertaken as prescribed in the Shire's procedures, except where cancellation of a card facility is initiated by the card issuer.
23. The Shire will engage the card issuer in accordance with Shire procedures to cancel the card and arrange for a replacement credit card.

Reconciliation and reporting

24. Reconciliation of purchasing cards is to be completed on a monthly basis and acquittal of each transaction requires:
 - a. A relevant tax invoice stating the type of goods purchased, amount of goods purchased and the price paid for the goods. The receipt shall meet the requirements of the *Goods and Services Tax Act 1999* to enable a GST rebate to be applied.
 - b. If no supporting documentation is available, the cardholder is required to provide a statutory declaration detailing the nature of the expense and must state on that declaration 'all expenditure is of a business nature'.
 - c. Authorisation of expenditure incurred on credit cards must be signed by both the credit cardholder and one other Director or the Chief Executive Officer.
 - d. A succinct explanation of why the expense was incurred and the appropriate expense account, with an annual budget allocation, for costing purposes.
 - e. Should a lack of detail be a regular occurrence for a particular cardholder, the cardholder may be refused access to a purchasing card in the future.
 - f. Each transaction will go through an individual approval process to ensure each expense is adequately validated.
 - g. Cards are to be surrendered to the Director Finance and Community, or to the Chief Executive Officer where the cardholder is the Director Finance and Community, upon cessation of employment or expiry of the card.
 - h. If the Chief Executive Officer or Director Finance and Community deny the approval of expenses, the recovery of the expense is to be met by the cardholder.
25. Purchasing card transactions will be listed in the schedule of accounts paid, presented to Council at the next Ordinary Council meeting.

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DELEGATION AND AUTHORISATION

26. Nil.

LEGISLATION

- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996

APPENDIX

27. Nil.

GOVERNANCE

Related Policy(s):

- Nil.

Related Procedure(s):

- Nil.

Revision Requirements and Version Control:

Responsible Department(s):		Finance and Community		
Review to be conducted by:		Director Finance and Community		
Revision Frequency:		☐ Annual (1yr)	☒ Triennial (3yr)	☐ Quinquennially (5yr)
Current Version Date:		23/09/2026	Next Due:	09/2029
Policy Version Details and Information:				
#:	Synopsis:	Date:	Ref.:	Record:
1	Initial adoption of policy	26/06/2013	-	-
2	No review done - renumbered from 3.7 Use of Corporate Credit Cards	21/12/2021	213/21	NPP8067
3	Major amendments (See council report) and reformatted to new template.	27/11/2024	214/11-24	-
4	Changed naming convention from Credit Card to Purchasing Cards to align with current best practice recommendations. Plus other minor changes.	23/09/2026	168/09-26	MONARCH-1594159990-216