

cancerinstitute
NSW



CORPORATE CREDIT CARD POLICY & GUIDELINES

Version 1.0

September 2005

Document Title:	Corporate Credit Card Policy & Guidelines.
Summary:	This document establishes the Cancer Institute NSW policy with respect to the allocation and use of Corporate Credit Cards.
TRIM Record No.:	E05/01131.
Date of Issue:	September 2005.
Version Control::	Version 1.0.
Contact Officer:	Finance and Administration Manager.
Relevant References:	<ul style="list-style-type: none"> ➤ Treasurer's Directions – sections 205.01 to 205.08. ➤ Use of Credit /Procurement Cards & Bank Guarantees – NSW Health, Circular No. 2003/61. ➤ Guide to Better Practice – Corporate Credit Cards, Audit Office NSW. ➤ Policy & Guideline Paper, Review of Credit Card Use – Best Practice Guide, NSW Treasury, Circulars 99/6 & 01/23.
Main Legislative Implications:	<ul style="list-style-type: none"> ➤ The <i>Public Finance & Audit Act (section 12)</i> – with respect to the approval of expenditure (also see sections 170 & 205 of the Treasurer's Directions) ➤ The <i>Public Authorities (Financial Arrangements) Act 1987</i> – with respect to the provision of financial accommodation (refer to correspondence dated 15/3/05, from Chief Financial Officer (DOH) to Chief Cancer Officer). ➤ <i>Annual Reports (statutory Bodies) Act & Regulations</i> – with respect to the certification of credit card compliance by the Chief Executive Officer.
Applicable Delegations of Authority:	<p>See Ministerial Delegation:</p> <ul style="list-style-type: none"> ➤ s2.2 - (Credit Cards). <p>Delegations are subject to change - refer CINSW Delegations of Authority Manual for latest position.</p>
Related Cancer Institute NSW Policy	<ul style="list-style-type: none"> ➤ Staff Travel Policy and Guidelines. ➤ Entertainment & Hospitality Expense Policy & Guidelines.

Cancer Institute NSW

Corporate Credit Cards Policy and Guidelines

© Cancer Institute NSW

TABLE OF CONTENTS

1	INTRODUCTION	1
2	ALLOCATION OF CORPORATE CREDIT CARDS	1
3	CARD HOLDER RESPONSIBILITIES	2
4	ACCEPTABLE USE OF CORPORATE CREDIT CARDS	3
	4.1 INTERNET PURCHASING	3
5	ACQUITTAL OF MONTHLY CARDHOLDER STATEMENTS	4
	5.1 EXPENDITURE APPROVAL PROCESS:	5
6	CHIEF CANCEER OFFICER ACCOUNTABILITY REQUIREMENTS	5
	APPENDIX 1	6
	CANCER INSTITUTE NSW CORPORATE CREDIT (CARDHOLDER) STATEMENT OF RESPONSIBILITY	6

1 INTRODUCTION

This document sets out policy covering the allocation and use of Corporate Credit Cards by employees of the Cancer Institute NSW. The document also outlines procedures for acquitting and processing monthly Cardholder Statements.

The Cancer Institute NSW does not utilise Procurement Cards (P-Cards) for the purchase of goods and services. In the event that P-cards are introduced these guidelines will be revised to take account of additional requirements.

2 ALLOCATION OF CORPORATE CREDIT CARDS

Corporate credit cards will only be issued to senior Cancer Institute NSW managers who are able to demonstrate that the issue of a card will aid in the effective and efficient exercise of their official duties. Factors that will influence the decision to issue a card to a particular manager include:

- the nature and extent of minor purchases of goods and services that may be undertaken (including internet purchases);
- the frequently and nature of domestic travel that may be undertaken in the course of official duties;
- overseas travel; and
- the need to meet the cost of official “out of pocket” expenses (including certain approved entertainment/hospitality cost).

Each application for the issue of a corporate credit card must be in writing and is to include:

- the applicant’s surname and initials (to be shown on the card);
- the applicant’s position title;
- justification for issue (that adequately explains the rationale for the issue of a card); and
- proposed credit limit (based on anticipated usage of the card and the likely expenditure to be incurred).

Applications are to be submitted to the **Chief Operating Officer** (or in the absence of this officer the **Chief Cancer Officer**) who will assess the merits of the application (including the proposed credit limit) and either approve or reject the application.

Please note – Unless an applicant puts forward a compelling case no corporate credit card is to be issued that will permit cash to be withdrawn from the credit card account.

If approved, the application will be forwarded to the Finance and Administration Manager who will liaise with the applicant and the CCSU with respect to the establishment of the new credit card account and the physical issue of the card. The approved application form is to be placed on the official corporate card TRIM file.

The Finance and Administration Manager will maintain a **Register of Card Holders** (within the official corporate card TRIM file). This register will record the details listed below, and will be signed by the card holder to acknowledge receipt of the card:

- the name of each card holder;
- card account number;
- credit limit and any other cash withdrawal limits (where established); and
- card expiry date.

3 CARD HOLDER RESPONSIBILITIES

When taking delivery of a card each cardholder is to be provided with a **Statement of Responsibilities** that is to be signed by the cardholder to acknowledge their understanding of the conditions under which the credit card is to be used. The cardholder is to retain a copy of this schedule. The original copy will be placed on the official corporate card TRIM file.

This Statement of Responsibilities is to include the following conditions:

- Managers issued with a corporate credit card are in a position of trust in regards to the use of public funds. All expenditure charged to a credit card is **subject to examination and approval by a delegated officer** to ensure its appropriateness and compliance with the policy conditions, as outlined herein. Improper use of that trust will result in the card being withdrawn and render the cardholder liable to disciplinary and possible legal action;
- Credit cards are only to be used for official business purposes (as outlined in this policy). Where inappropriate expenditure occurs, the value of the expenditure may be recovered from the cardholder;
- Credit cards are only to be used by the person whose name appears on the card;
- The cardholder is personally responsible and accountable for the safe keeping of the card. Cards are to be kept secure and protected against improper use;
- In the event that a card is lost or stolen, the cardholder must report the loss immediately to card provider. The Finance Administration Manager is also to be advised at the earliest opportunity;
- Any PIN that has been issued with the card (where cash withdrawals are permitted) must not be disclosed or carried with the card;
- Monthly Cardholder Statements are to be acquitted and reconciled within 15 days of the Statement Date. As part of the acquittal process the cardholder is to certify that all charges shown are correct and were incurred for official purposes. Repeated failure to acquit monthly statements in a timely fashion may result in the credit card being cancelled.

Continued.....

- All transaction slips (ATM and merchant purchases) together with supporting Tax Invoices (in particular, for purchases exceeding \$55 in value) are to be retained and submitted by the cardholder when acquitting monthly Cardholder Statements;
- Where no documentation is available to support a particular transaction the cardholder will be required to provide a declaration detailing the nature of the expense and that is business related;
- Credit limits are not to be exceeded;
- Where permitted, cash withdrawals are to be kept to the minimum amount necessary to cover the business expense and are only to be taken when the expense is imminent;
- Deposits are not to be made to the card account by the cardholder; and
- In the event of termination of employment cardholders will immediately return the credit card and ensure the credit card account is properly reconciled and acquitted.

4 ACCEPTABLE USE OF CORPORATE CREDIT CARDS

Listed below are examples of the type of official expenditure that can be incurred using a Corporate Credit Card:

- Domestic travel related expenses, including – **taxi fares** (where Cabcharge is not available), **parking expenses**, **actual cost of meals** (up to the limits specified within the *CINSW Staff Travel Policy & Guidelines*), **accommodation** and **hire cars** (including the purchase of fuel for a hire car);
- Costs incurred while **traveling overseas** on approved official business;
- Prepayment of **course / conference fees** (including overseas courses);
- Payment of **subscriptions** (including overseas subscriptions);
- Infrequent purchase of low value / routine business related **consumables items**;
- Cost of official “out of pocket” expenses (including certain approved **entertainment /hospitality costs**) – however, the approval of the Chief Cancer Officer or Chief Operating Officer must be obtained **prior** to incurring any such expense. (Refer to *CINSW Entertainment and Hospitality Expense Policy & Guidelines*).

Please note – When paying by credit card is **not** appropriate to add a “**tip**” to the value of the account being paid, except where it is customary to do so for example, when traveling overseas.

4.1 INTERNET PURCHASING

In making Internet purchases the cardholder should exercise caution. A credit card payment should only be made where the provider has encryption on their site - this can be established by checking if there is a padlock image at the bottom of the browser when visiting the merchant’s site. Encryption ensures that information sent (e.g. the Credit Card Number) cannot be intercepted over the Internet.

Cardholders using the Internet must carefully scrutinize their credit card statements for any suspicious transactions. If a suspicious transaction is noted the bank needs to be notified within fourteen days from the date of the statement. If a transaction is found to be invalid the Institute will not be held liable for the payment.

A copy of all online transactions (including Tax Invoices) should be printed out as proof of purchase to facilitate validation of amounts listed on statements.

5 ACQUITTAL OF MONTHLY CARDHOLDER STATEMENTS

Cardholder Statements itemising transaction activity are issued on a monthly basis. Statements are received by the Finance and Administration Manager, for distribution to cardholders. Cardholders must reconcile and acquit their monthly statement within 15 days of the Statement Date. (*Repeated failure to acquit monthly statements in a timely fashion may result in the credit card being cancelled*).

As part of the acquittal process the cardholder is to:

- examine each transaction and attach supporting transaction dockets and Tax Invoices. Where documentation in support of a transaction is not available the cardholder should notate (on the statement) the reason and describe the nature of the expense;
- highlight any transactions “in dispute” and so notify the Finance Administration Manager, who will pursue such charges with the Bank;
- attach a copy of the approved “Authority to Travel” form and “Travel Expense Claim” form where a transaction relates to travel for which approval has been granted under the *CINSW Staff Travel Policy & Guideline*¹;
- make notations on the statement (or attached Tax Invoice/s) where a transaction relates to entertainment/hospitality expenses as to the nature of the expense/s incurred, the purpose and details of the individuals to whom the expense relates (both Institute employees and non employees)² (Refer to *CINSW Entertainment and Hospitality Expense Policy & Guidelines*);
- certify the Statement, in the space provided, that all charges shown are correct, were incurred for official purposes and are in accordance with policy; and
- return the certified statement to the Finance and Administration Manager.

The Finance and Administration Manager will ensure that all cardholder statements are returned in a timely fashion and are properly supported, annotated and certified. Any expenditure that looks to be questionable in terms of its business nature is to be highlighted for the attention of the delegated approving officer.

The Finance and Administration Manager will then cause a CCSU “Corporate Card Reconciliation” form to be prepared for each statement that allocates expenditure shown across the relevant accounting codes. Cardholder Statement (together with the completed CCSU form) will then be forwarded to the appropriate delegated officer (see Expenditure Approval Process below).

¹ Where overseas travel is involved a copy of the Minister’s approval to travel overseas should be attached.

² This information is required to determine possible Fringe Benefits Tax liability.

Following approval by the delegated officer original cardholder statements (together with supporting transaction dockets, Tax Invoices and the CCSU Reconciliation form) are to be sent to the CCSU. A copy of this documentation is to be retained and placed on file within the Finance Administration area.

5.1 EXPENDITURE APPROVAL PROCESS:

Delegated approving officers are to examine the nature of the expenditure shown on cardholder statements, in particular, entertainment /hospitality expenses, and if satisfied that all is in order formally approve the cardholder statement in the space provided. To satisfy CCSU requirements the delegated officer should also sign the CCSU reconciliation form in the space marked “Approved By”.

Please note: An officer other than the cardholder must approve expenditure charged to the cardholder’s credit card account. In the case of the Chief Cancer Officer, credit card expenditure is to be examined and approved by the Chief Operating officer or another senior manager delegated to undertake this expenditure approval role.

6 CHIEF CANCER OFFICER ACCOUNTABILITY REQUIREMENTS

It is a requirement of the Chief Cancer Officer’s performance agreement with the Minister that this officer shall ensure the proper use and management of corporate credit cards, including the development of a corporate credit card policy that specifies controls consistent with Premier’s and Treasury circulars/ directions.

To ensure the effective implementation of the above accountability requirement the following procedures are required to be carried out:

- the Chief Cancer Officer is to receive regular (quarterly) reports on card usage (by all card holders) highlighting – expenditure for the period and YTD in summary form; instances where the use of credit cards is contrary to policy guidelines (for example, credit limits exceeded, acquittal documentation not received on time, and any inappropriate use of a card) and action taken in relation to any such matters raised;
- the Chief Cancer Officer is to certify (annually) that credit card use by all card holders has been in accordance with this policy; and
- the Chief Cancer Officer is to include in the Cancer Institute’s annual report to Parliament a certificate affirmed that credit card use within the Cancer Institute has been in accordance with Premier’s Memoranda and Treasurer’s Directions.



APPENDIX 1

CANCER INSTITUTE NSW CORPORATE CREDIT (CARDHOLDER) STATEMENT OF RESPONSIBILITY

**CARDHOLDER
NAME:** _____

**POSITION
TITLE:** _____

**COST
CENTRE:** _____

**BUSINESS
UNIT:** _____

Approval has been granted to issue you with a Cancer Institute NSW corporate credit card. This card has been issued on the express condition that you will, at all times, comply with the requirements stipulated below.

Important Note - Managers issued with a corporate credit card are in a position of trust in regards to the use of public funds. All expenditure charged to your credit card is subject to examination and approval by a delegated officer to ensure its appropriateness and compliance with the policy conditions, as outlined within the *CINSW Corporate Credit Card Policy & guidelines*.

Improper use of that trust will result in your card being withdrawn and may render you liable to disciplinary and possible legal action.

I understand and agree that:

1. My credit card is only to be used for official business purposes and that should inappropriate expenditure occur, the value of that expenditure may be recovered from the cardholder.
2. My credit card is only to be used by the person whose name appears on the card.
3. I am personally responsible and accountable for the safe keeping of the card.
4. In the event that my card is lost or stolen, I will report the loss immediately to card provider and the Finance Administration Manager.
5. Any PIN issued with the card (where cash withdrawals are permitted) must not be disclosed or carried with the card.
6. Monthly Cardholder Statements are to be acquitted and reconciled within 15 days of the Statement Date and that I will certify that all charges shown are correct and were incurred for official purposes. I also understand that repeated failure to acquit monthly statements in a timely fashion may result in my credit card being cancelled.
7. All transaction slips (ATM and merchant purchases) together with supporting Tax Invoices (in particular, for purchases exceeding \$55 in value) are to be retained and submitted when acquitting the monthly Cardholder Statement.
8. Where no documentation is available to support a particular transaction I will provide a declaration detailing the nature of the expense and that is business related.
9. I will not exceed credit limits.
10. Where permitted, cash withdrawals will be kept to the minimum amount necessary to cover the business expense and will only be taken when the expense is imminent.
11. I will not make deposits to the card account.
12. In the event of my termination of employment I will immediately return the credit card and ensure the credit card account is properly reconciled and acquitted.

I acknowledge that I have read and understand the conditions set out above and that I will, at all times, comply with the stipulated requirements.

Signature of Cardholder: _____	Name: _____
Date: _____	Position: _____