

Policy Register

Procurement Card Policy

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Responsible Service Unit	-	Procurement & Contracts
Authorised by	-	EMT
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This policy is part of a suite of policies adopted by Council or the Executive Management Team (EMT).

New or replacement policies can be created and developed within Service Units but can only be added to Council's Policy Register by Governance Services following the approval of the policy by Council or the EMT.

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1. PURPOSE

The adherence to this Policy and associated procedures will ensure the effective use and administration of Procurement Cards within Manningham Council.

2. POLICY STATEMENT

While Manningham Council's preferred method of payment is our Accounts Payable system, the Procurement Card is designed to provide a convenient and cost effective way of purchasing where:

- Service delivery may be impacted by normal purchasing process delays;
- Purchase orders are not accepted by the vendor;
- Ad-hoc, one-off purchasing of a goods or service is required; or
- Invoicing Council is not available from the vendor.

The use of the Procurement Card can also reduce the instances of reimbursements to employees.

Council's Procurement Card process incorporates control features including authorisation of the card issuance, card limits, transaction limits, approval controls and weekly/monthly reconciliations.

Transactions on the Procurement Card form part of the Council records and are available for release under Freedom of Information requests.

3. SCOPE OF POLICY

This Policy applies to all employees of Manningham Council.

4. RESPONSIBILITY

The Manager Procurement & Contracts is responsible for implementing and maintaining this Policy.

The CEO, Directors, Service Unit Managers and individual Cardholders are responsible for upholding this Policy.

4.1 Cardholder Responsibilities

A cardholder is responsible for:

- compliance with the Procurement Card policy, Procurement Policy and other relevant policies and guidelines;
- ensuring purchases are for Council purposes only;

- reviewing and certification of transactions including:
 - quality check for accuracy;
 - allocating cost codes and appropriate descriptions;
 - attaching supporting documentation and tax invoices; and
 - completing relevant accompanying forms where appropriate.
- follow up with supplier to obtain tax invoices/receipts;
- completing transaction coding and descriptions within the billing cycle in Council's Expense Management System (ExpenseMe);
- reporting of unauthorised transactions to the bank and Procurement Card Administrator;
- notifying the Procurement Card Administrator when on periods of extended leave; and
- returning the card when departing the organisation.

4.2 Manager/Director Responsibilities

A cardholder's Manager/Director is responsible for:

- recommending the issue of Procurement Cards to eligible staff;
- reviewing and authorising cardholder transactions, including:
 - ensuring all transactions and documentation are in compliance with this policy;
 - monitoring expenditure for appropriateness;
 - reporting any suspected breaches to the Procurement Card Administrator and/or Manager Procurement & Contracts;
 - authorising the Procurement Card transactions within Council's Expense Management System (ExpenseMe); and
 - ensuring that the reconciliation and authorisation of transactions is carried out within the calendar month (approximate billing cycle).
- ensuring that the Procurement Card Administrator is made aware of cards which are no longer required for appropriate cancellation and destruction.

4.3 Manager Procurement & Contracts Responsibilities

The Manager Procurement & Contracts is responsible for:

- reviewing this policy;
- verification of applications;
- approving temporary and permanent increases to Procurement Card limits;
- reviewing breaches of this policy and providing a recommended course of action; and
- referring breaches to the appropriate level - Manager/Director/EMT/Audit Committee/Internal Audit/Police depending on the severity of the breach.

4.4 Procurement Card Administrator Responsibilities

The Procurement Card Administrator is responsible for:

- overseeing the Procurement Card program and being the general point-of-contact for Cardholders should there be any queries in relation to the use or administration of the cards;
- maintain a register of all active Cardholders;
- follow-up on any disputed transactions that have progressed to bank notification;
- monitoring compliance with this policy and reporting any breaches to the Cardholder's Manager/Director and Manager Procurement & Contracts;
- performing spot checks on random transactions through the month equivalent to 5% of overall transactions;
- administration of Council's banking portal including ordering of new cards, cancellation of cards no longer required and changes to credit card limits;
- system administrator for Expense Management Program;
- primary contact with the bank regarding Procurement Card; and
- maintaining records of transactions for audit purposes.

4.5 Internal Auditor

The appointed Internal Auditor may carry out audits from time to time in accordance with the audit program and report the results to the Audit Committee.

5. DEFINITIONS

Procurement Card – in this policy refers to cards issued for use by Manningham Council employees.

Cardholder – in this policy refers to employees who have been granted a Procurement Card.

Transaction Coding – process of entering the cost code, description and GST status of transactions.

Transaction Limit – Maximum value that applies to each transaction.

Credit Limit – Monthly credit limit that applies to each individual card.

Authorising Officer – Manager, Director or CEO responsible for approving Procurement Card transactions.

Procurement Card Administrator – Purchasing Advisor, Procurement & Contracts.

ExpenseMe - Manningham's Expense Management System

Extended Leave – four weeks or longer.

Expenditure Delegations – The Internal Cardholder Application, signed by minimum Director level, acts as a Delegated Authority for Procurement Card spend only where Officer may not have a standard Delegation Authority assigned as part of their role.

6. RELATED POLICIES

[POL/517](#) - Procurement Policy

[POL/496](#) - Employee Code of Conduct

[POL/483](#) - Fraud & Corruption Policy

[D10/10082](#) - Procurement Card Expenditure Form - Entertainment

[D10/10081](#) - Procurement Card Expenditure Form - No Receipt Available

[D15/1953](#) - Procurement Card Holder Listing

[D16/54821](#) - FIN176 Procurement Card Request - Application/Limit Alteration

[D21/10347](#) - ExpenseMe Work Instructions - Account Holder Expense Allocation

[D21/10345](#) - ExpenseMe Work Instructions - Approver Instructions

7. USE OF PROCUREMENT CARDS

A Procurement Card may only be used for purchases required by Council.

Purchases on a Procurement Card must be:

- by the named Cardholder;
- for purchases required by Council and related to the officer's roles and responsibilities;
- for purchases not exceeding the credit limit; and
- where the transaction is reasonable expenditure (see below).

7.1 Card Issuing

A Procurement Card can be issued to appropriate staff that are reasonably expected to purchase goods in line with their expenditure delegations and/or roles and responsibilities of their position. All new Procurement Cards are signed off by minimum Director level. Procurement Cards are not to be issued to temporary, casual or agency staff/contractors.

7.2 Procurement & Contract Management Framework (PCMF)

All purchases, regardless of if they are made via Accounts Payable or Procurement Card, must follow our PCMF. This means that your purchase needs to adhere to the quotation rules depending on the purchase amount. Please see the Procurement Policy for expenditure levels and the associated documentation requirements. Procure Hub houses all relevant templates for appropriate price point quotation requests and acceptance. These completed templates should be included in your supporting documentation when submitting transactions through our Expense Management System.

7.3 Reasonable Expenditure

Procurement card purchases must be reasonable expenditure for bona fide Council purposes. As a guide, the Queensland Crime and Misconduct Commission defines 'reasonable expenditure' as: *'In general terms, it should be expenditure that can withstand the 'public disclosure test' should that ever be necessary. Thus, the Cardholder should have no qualms about disclosing the expenditure and being able to defend both its purpose and the amount spent. The officer should be able to identify the benefit of the transaction for their organisation and show that the claim was reasonable.'*

Should a Cardholder be in any doubt regarding the acceptability of a particular purchase (eg: the business nature of the purchase or the possibility of unfavourable public perception), they must take advice from their immediate supervisor before making that purchase.

7.4 Accurate Description

Details entered as descriptions of purchases made must be detailed and clear on the business reason or Council event for which the expense occurred. For example 'event expenses' versus 'Event held 03/02/21 for XYZ Playground opening with 20 attendees'. Details should be relevant and descriptive enough to confirm transactions were made for official Council business allowing for full public scrutiny of these transactions if required.

7.5 Personal expenditure

The charging of personal transactions on Procurement Cards is not acceptable under any circumstances. In instances where the card is used inadvertently for personal use, the cardholder shall immediately notify the Procurement Card Administrator and reimburse Manningham Council without delay and within the same billing period as the purchase.

7.6 Cash Advances

Procurement Cards must not be used to acquire cash advances. This prohibition similarly extends to cash equivalents such as bank cheques, traveller's cheques and electronic cash transfers.

7.7 Gift Cards

While the purchase of gift cards may be relevant for some business units, as long as the justification for the purchase is in line with appropriate business requirements the purchase will be permitted under the Policy . It should be noted that best practice for auditing purposes involves each Business Unit keeping a detailed register of Gift Card purchase and issue/receipt. Depending on value of gift cards, FBT may be charged. Please contact your Finance Business Partner for any questions on this topic.

7.8 Gratuities

The payment of gratuities (or tips) via the Procurement Card is not permitted as such expenditure is regarded as personal expenditure.

7.9 Supporting Documentation

Charges to the Procurement Card must be substantiated by original documentation. Accordingly a Tax Invoice is requested for all transactions:

A Tax Invoice is required to claim input tax credits, and must include:

- The supplier's name and Australian Business Number (ABN);
- The words 'Tax Invoice'; and
- Reference to the amount of GST on the purchased product/service.

If any one of these three criteria is missing, then the document is classed as a receipt only.

In the event that a Tax Invoice is not available, the Cardholder must contact the vendor to obtain a receipt. If a receipt cannot be obtained, the officer must complete a Procurement Card Expenditure Form - No Receipt Available, have it authorised by the Cardholder's Manager/Director, and include as an attachment to the transaction. The No Receipt Available form must be signed separately by both Cardholder and Authoriser before being submitted as part of supporting documentation.

7.10 Hospitality and Entertainment

All transactions involving hospitality/entertainment expenditure must be correctly and meticulously detailed to allow for correct Fringe Benefits Tax allocation. As a general rule, Fringe Benefits Tax doubles the cost of any meals/entertainment.

Details required for all meals, hospitality and entertainment expenses include:

- the names of attendees and whether they are staff/non staff; and
- purpose of the expenditure.

The form Procurement Card Expenditure Form – Entertainment must be completed and included as an attachment to the transaction.

7.11 Alcohol Purchase

Alcohol for any staff or external event should generally be sourced through the Function Centre, and not be purchased using the Procurement Card unless purchased by the CEO or with the prior approval of your Director. This written approval (email or memo) should be attached to the expense along-side the tax invoice.

In every instance the first option should be to make the purchase via Function Centre (on-site) or Accounts Payable (off-site). In circumstances where this is not possible, such as food sampling as part of food safety testing, your Director's acceptance of this purchase should be obtained prior to actual purchase.

7.12 Security

The Cardholder must take adequate security measures to protect the Procurement Card from being lost, stolen or misused, including their Personal Identification Number (PIN).

Under no circumstances should the card or card details be shared or given to another individual to make purchases. Any purchases should be made by the named Cardholder only.

7.13 Report loss or theft

The Cardholder must immediately notify any loss or theft of the Procurement Card to the Bank. Notification must be made using the 24 hour emergency number provided by the Bank. The Cardholder must also immediately report the loss or theft of the Procurement Card to the Procurement Card Administrator.

7.14 Disputed or unauthorised transactions

When transaction data is incorrect the cardholder should immediately contact the supplier to resolve the disputed transaction.

Where the Cardholder suspects or knows that unauthorised transactions have been made using the Cardholder's Procurement Card, the Cardholder must immediately notify the Bank and the Procurement Card Administrator.

7.15 Deliberate Misuse of Procurement Card

The Authorising Officer will review all transactions made by their Cardholders. Spot checks will be performed by the Procurement Card Administrator as well as a structured monthly audit into individual cardholders on a rotating basis.

Any transactions thought to be in breach of this policy will be reported to the owner of this Policy for review and follow-up.

See 'Policy Non-Compliance'.

7.16 Expenditure Detail - Timeliness (ExpenseMe)

While the banking billing cycle varies throughout the year, Manningham looks to complete the full financial reconciliation of a billing cycle within the first week of the following month.

ExpenseMe will issue a weekly reminder to complete any outstanding reconciliations and/or approvals.

If a Cardholder is two months overdue in completing the reconciliation and approval of their monthly transactions, the Procurement Card Administrator will suspend their card until such time as all transactions are appropriately reconciled. If two suspensions occur within one calendar year, the Cardholder's card will be cancelled.

7.17 Reverse Level Authority

The most Senior Officer responsible for a purchase that involves other staff members, such as hospitality where others are present or training/conference attendance, must be responsible and accountable for the payment of that expenditure.

Example: An Executive Assistant making a purchase for Director attendance at a conference: the resulting transaction should be approved by CEO. Likewise, if several staff are at an external event (hospitality), the highest-ranking officer in possession of a Procurement Card is responsible for payment of that event.

The Procurement Card Administrator needs to be notified for system attention to facilitate this type of activity.

7.18 Suspension of Procurement Card

Where the Cardholder is on extended leave or secondment outside of Manningham for greater than four weeks, the Procurement Card Administrator must be notified so that their Procurement Card can be suspended until their return to active duty.

7.19 Cancellation of Procurement Card

The responsible Manager/Director is to notify and return the Corporate Credit Card to the Corporate Credit Card Administrator upon retrieval from the Cardholder once it has been established that a cardholder no longer requires a card. Reasons for cancellation may include:

- Cessation of Employment – Upon notification of an Officer leaving Council's employment the Officer is required to immediately return the Procurement Card to their Manager/Director;
- Change in Circumstances – If the Cardholder ceases to have duties that require the use of a Procurement Card; and/or
- Withdrawal, following breach of this policy.

7.20 Return of goods purchased on the card

All refunds for goods/services originally purchased on the Procurement card are to be credited back to the card account. A cash refund is not to be accepted. Should the Vendor not be able to action the refund in this manner, Cardholder to contact the Procurement Card Administrator for resolution steps.

7.21 Purchase of fuel for vehicles

The purchase of fuel using a Corporate Credit Card is not permitted where an appropriate fuel card has been issued.

7.22 No Unexpected Transactions

Cardholders should be making their Approver aware of transactions before the actual purchase, so there are no unexpected transactions appearing in the Expense Management System for Approver's attention.

8. APPLICATION FOR A PROCUREMENT CARD

- Request for a Procurement Card must be made to the Procurement Card Administrator, who will issue an Internal Application via the Digital Signing platform requiring approval by the potential Cardholder's Manager and Director (CEO in case of Director's credit card application). In the case of the Chief Executive Officer the Mayor must approve the application. The Manager Procurement & Contracts will also be involved in the approval process to ascertain and confirm that the requested limit falls within Manningham's overall approved Credit Limit, that the staff member requesting the card is an employee of Manningham Council, and that their reasons for requesting a card are sound.
- When the Digital Signed form is returned, the Procurement Card Administrator will initiate the bank requirements via the bank online portal. The potential Cardholder will need to complete this process where the bank will confirm their identity and the application will be authorised again by the Manager Procurement & Contracts.
- Request for a Procurement Card limit increase must be made to the Procurement Card Administrator, who will issue the appropriate form via Digital Signing platform requiring approval by the Cardholder's Manager and Director (CEO in case of Director's credit card application). In the case of the Chief Executive Officer the Mayor must approve the application. The Manager Procurement & Contracts will also be involved in the approval process to ascertain and confirm that the requested limit falls within Manningham's overall approved Credit Limit, and that their reasons for requesting a limit increase are sound.
- A temporary increase in the credit limit of a card holder may be approved by the Manager Procurement & Contracts upon receipt of an email from the respective unit manager/director. Initial contact should be made to Procurement Card Administrator to discuss options in the first instance.
- If a permanent decrease in the credit limit is required then contact should be made to the Procurement Card Administrator by the relevant line Manager/Director. The Procurement Card Administrator will make this change within 48 hours of request.

9. EXPENSE MANAGEMENT SYSTEM - EXPENSEME

Manningham Council's Procurement Card transactions are recorded and processed through the Expense Management System, ExpenseMe.

All Cardholders and Authorising Officers have access to ExpenseMe for transaction reconciliation and approval.

The cardholder must enter the relevant codes and descriptions for each transaction and attach tax invoices for all purchases. Descriptions must be relevant and not ambiguous. Cardholders should enter data with the knowledge that it must be meaningful and detailed for review months into the future.

Once complete and authorised by the Cardholder, the individual transaction line will be forwarded within the system to the respective line Manager for authorisation:

- Staff transactions authorised by Unit Manager.
- Manager's transactions authorised by Director.
- Director's transactions authorised by CEO.
- CEO'S transactions authorised by the Mayor.

The Procurement Card Administrator will finalise all transactions and download at the end of each month for inclusion into Manningham's Financial Reporting System.

10. POLICY NON-COMPLIANCE

Any transactions thought to be in breach of this policy will be reported to the owner of this Policy for review and follow-up.

The Manager Procurement & Contracts is responsible for reviewing all suspected breaches of compliance with this policy and for recommending to the Chief Executive Officer on the appropriate course of action to be taken.

Depending on the severity of the breach, and the result of any Internal Audit review commissioned, the recommendation may be one or more of the following:

- removal of card;
- disciplinary action; and/or
- referral to police.

Persons breaching this policy may face disciplinary action, including dismissal and possible police action for serious and wilful misuse. In all cases of misuse, Council reserves the right to recover any moneys from the Cardholder by whatever legal means are available.

11. DOCUMENT HISTORY

Policy Title:	Procurement Card Policy (formally Corporate Credit Card Policy)
Responsible Officer:	Molley Qi
Resp. Officer Position:	Manager Procurement and Contracts
Procurement Card Administrator:	Leonie Archer
Next Review Date:	September 2025
To be included on website?	No

Last Updated	Meeting type? - Council or EMT	Meeting Date	Item N°
26/09/96	Commissioners	26/09/96	Item 12
13/05/97	Council	13/05/97	Item 10.4
02/06/97	Executive Management Team	02/06/97	Item 18
01/06/98	Executive Management Team	01/06/98	Item 33.2
30/06/98	Council	30/06/98	Item 10.1
15/02/99	Executive Management Team	15/02/99	Item 20
29/06/99	Council	29/06/99	Item 10.4
16/08/99	Executive Management Team	16/08/99	Item 3
03/07/00	Executive Management Team	03/07/00	Item 18
11/09/00	Executive Management Team	11/09/00	Item 15
28/11/00	Council	28/11/00	Item 10.3
31/03/03	Executive Management Team	31/03/03	Item 26
17/12/2008	Executive Management Team	17/12/2008	
14/01/2009	Executive Management Team	14/01/2009	
16/05/2012	Executive Management Team	16/05/2012	
25/05/2012	Audit Committee	25/05/2012	Item 11.2
12/06/2012	Special Briefing Session	12/06/2012	
26/06/2012	Council	26/06/2012	
15/05/2013	Executive Management Team	15/05/2013	
31/05/2013	Audit Committee	31/05/2013	
21/5/2014	Executive Management Team	21/5/2014	
30/5/2014	Audit Committee	30/5/2014	
08/04/2021	Executive Management Team	25/03/2021	IN21/140
27/05/2021	Executive Management Team	27/05/2021	IN21/281
23/10/2023	Executive Management Team	28/09/2023	IN23/562
30/10/2023	Executive Management Team	28/09/2023	IN23/562