



AAPP 111 ACT ACCOUNTING POLICY PAPER

CORPORATE CREDIT CARDS

Chief Minister, Treasury and Economic
Development Directorate

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1. INTRODUCTION

The corporate credit card is a method of purchasing and payment used within the ACT Government as an alternative to raising purchase orders and making payments using other methods. The use of a credit card offers several advantages over other payment methods (in terms of convenience, the potential to reduce paperwork, increased transparency, and accountability). It also enables prompt payment of suppliers.

Under the *Whole of Government Banking Services Agreement*, Westpac Banking Corporation is the ACT Government's contracted provider of credit cards.

The Oracle Fusion Cloud Expense Management System (EMS) is the approved corporate tool for reconciliation, acquittal and tracking of ACT Government corporate credit card expenses.

1.1 PURPOSE

This *Corporate Credit Card Policy (this Policy)* outlines the policies and procedures which should be adopted to implement and administer credit cards. It also outlines Cardholder obligations when using an ACT Government credit card for official purposes.

This Policy is to be read in conjunction with the following:

- *Financial Management Act 1996*
- *Government Procurement Act 2001*
- *Public Sector Management Act 1994*
- *Public Sector Management Standards 2006*
- *ACT Purchasing Policy Principles and Guidelines*
- The Cardholder's Directorate Director General Instructions (DGIs)¹
- Corporate Credit Card Factsheets (including the *ACT Government Credit Card Application Process Factsheet*) on the *Manage Credit Cards page* on the *OneGov Service Centre Website*.

1.2 APPLICATION & CONTACTS

This Policy applies to ACT Government Agencies, that is Directorates and Territory Authorities (Agencies)² and their employees, who use EMS to acquit and approve credit card expenses, with effect 1 July 2024. Agencies not using EMS should develop their own credit card instructions/guidelines based on *this Policy*.

Questions relating to *this Policy* can be directed to the Financial Reporting and Frameworks Branch: <https://www.treasury.act.gov.au/accounting>.

¹ For a Territory authority it will be the Chief Executive Instructions.

² ACT Public Schools are excluded from *this Policy*.

1.3 KEY TERMINOLOGY AND ASSUMPTIONS

The following key terms have the meaning detailed below for the purpose of *this Policy*:

Director-General should be read as Chief Executive Officer where the Agency is a Territory authority.

Corporate Credit Card means a credit card issued to obtain goods or services on credit, for the purpose of official ACT Government business.

Expense Management System (EMS) it is an online system used to process expenditure acquittals by Cardholders. The system allows for the tracking, monitoring, and analysis of expenditure.

Accounts Payable Invoice Automation Solution (APIAS) is an online system for Accounts Payable processing. Transactions processed through APIAS are transferred to Oracle for payment and recording.

Project Management and Reporting System (PMARS) is an online system for managing and reporting on capital works projects, tracking payment claims/invoices, and managing other compliance matters.

Oracle e-Business Suite (eBS) is the Financial Management System used by most of the ACT Government.

All thresholds/figures in *this Policy* are GST Inclusive.

2. POLICY

The aim of *this Policy* is to outline key requirements and controls which support large-scale use of credit cards as a cost-effective tool for frequent, low-value, high-volume purchases.

Agencies may apply additional guidelines or policies for specific procurement approaches or purchases of goods and services using credit cards. If an agency produces additional guidelines or policies in relation to the use of credit cards, they must document and maintain records and ensure consistency with *this Policy*.

Failure to comply with *this Policy* and associated procedures may result in incorrect accounting treatments, errors, and possible fraud against the Agency. Consequently, any failure to follow these procedures will be taken seriously and may result in disciplinary action.

2.1 KEY POLICY REQUIREMENTS

The key requirements and outcomes outlined in *this Policy* are:

- Corporate credit cards are the preferred payment mechanism for readily available off-the-shelf purchases, and all purchases valued at less than \$5,000 (GST inclusive).
- Staff must take care to ensure that credit cards are used for appropriate official purposes and guarded against misuse, theft, or fraud.
- Cardholders must ensure credit card expenses are acquitted within 15 working days.
- Supervisors (line managers and executives) are responsible for ensuring Cardholders use credit cards appropriately, and the number and individual credit limits of cards within their area is appropriate for the business being conducted.

Please see the [Corporate Credit Card Roles & Accountabilities Factsheet](#) to understand the primary responsibilities in relation to credit cards.

2.2 PROCUREMENT REQUIREMENTS

Use of a corporate credit card still requires compliance with ACT Government procurement policies and processes. For further guidance on ACT Government procurement policies and processes, refer to the Procurement ACT site at: <https://www.procurement.act.gov.au/>

A purchase order is not required for procurements using a credit card. However, agencies may wish to establish a pre-approval process for certain credit card transactions.

2.3 DELEGATION OF AUTHORITY TO MANAGE CARDS

The Director-General may delegate their credit card responsibilities. This includes the authority to approve new cards, changes to card limits, and cancellation of cards.

This delegation should be made in writing and would generally be in the form of a written brief/minute.

3. APPLYING FOR CORPORATE CREDIT CARDS

3.1 ELIGIBILITY & APPROVAL

Permanent Officers of the ACT Government are eligible to apply for a corporate credit card.

Non-permanent officers, contractors, and other officials undertaking business on behalf of the ACT Government are eligible to apply where they:

- occupy a position that holds financial delegations
- are a public sector officer as defined under the *Public Sector Management Act 1994*.

Eligibility does not guarantee an approval of a corporate credit card application. Applicants must demonstrate a genuine business need for the card.

The Agency's Director-General (or Delegate) reviews and approves/rejects all new Cardholder applications and/or changes to credit limits.

3.2 STANDARD CARD LIMITS

The default limits for corporate credit cards are:

- \$5,000 for any single transaction (*the transaction limit*)
- \$5,000 total spend per month (*the credit limit*).

Where the standard limit is either too high or low for the needs of the business unit, a non-standard limit can be requested. See section 5.2 for more information on requesting a non-standard limit.

Credit card limits must not exceed the expenditure delegation for the Cardholder.

Purchases must not be split to negate transaction limits.

4. USING CORPORATE CREDIT CARDS

4.1 DELEGATIONS

A corporate credit card holder is required to have financial delegation for each transaction, even where another delegate has authorised the expenditure.

Example: An Executive Assistant receives authorisation to purchase sandwiches for a committee meeting held during lunch in the office boardroom. The Executive Branch Manager has authorised the expenditure to purchase the light lunch. The payment is made using the Executive Assistant's credit card. The Executive Assistant, who is the Cardholder, is still required to have financial delegation for the payment.

4.2 WHEN TO USE A CORPORATE CREDIT CARD

ACT Government corporate credit cards are to be used for official purposes only.

Credit cards should be used for purchases valued at less than \$5,000 (GST inclusive)³ unless there are valid reasons for not doing so.

Additionally, credit cards are the preferred payment mechanism for purchases of commercially readily available, off-the-shelf purchases of minor items in circumstances including:

- in person, over the counter retail purchases
- telephone purchases
- mail order and subscription purchases⁴
- internet/online purchases.

Cardholders must ensure the credit card and credit card details are stored securely, and not quote their credit card number when strangers are nearby.

Cardholders must also sign the reverse side of their credit card immediately on receipt of the card. This helps prevent fraudulent use.

For more information on when to use a credit card, please see the [Corporate Credit Card Appropriate Use Factsheet](#) on the [OneGov Service Centre Website](#).

4.3 WHEN NOT TO USE A CORPORATE CREDIT CARD

Corporate credit cards should **NOT** be used for:

- personal use, any such use may result in sanctions being applied
- any expenditure where the cardholder has a real or perceived conflict of interest unless:
 - the expenditure is incidental to work duties (e.g. taxi fares or parking costs due to a requirement to travel between office locations), or
 - for a purpose pre-approved by their immediate supervisor⁵ e.g. use of the credit card for taxi fares, reasonable meals on a pre-approved work trip etc.

³ Purchases are also limited to the expenditure delegation of the Cardholder.

⁴ Cardholders must cancel any subscriptions before cancelling a credit card – failure to do so will result in continuing charges to the Territory.

⁵ In the case of the Director General, by the Deputy Director General

- purchases of stationary, travel, or accommodation which are covered by Whole of Government (WhoG) purchasing arrangements, except for purchases of:
 - stationery items which are not available from the preferred government provider or are required urgently (under 24 hours)
 - flights or accommodation due to a cancellation or loss of tickets and the replacement cannot be paid under agreed arrangements with the ACT Government's travel provider.
- purchases that require the agreement of terms and conditions that differ from the supplier's standard terms and conditions
- purchases where payment is expected to be made via APIAS, PMARS, or other Agency purchasing systems. For instance, where a contract with a supplier requires payment via invoice, or an invoice relates to a purchase of an asset, and is required to be recorded and processed via PMARS
- purchases for items which would not withstand public scrutiny including alcohol, tobacco, gambling, and adult entertainment services
- purchases where the preferred supplier does not accept payment by credit card
- purchases where standard payment terms represent better value for money. For instance, where a supplier imposes a premium for paying with a credit card.

Cardholders must ensure they avoid duplication of payment through the subsequent authorisation of invoices for payment of goods that were purchased and paid for by a corporate credit card.

For more information on when NOT to use a credit card, please see the [Corporate Credit Card Appropriate Use Factsheet](#) on the [OneGov Service Centre Website](#).

4.4 ONLINE PURCHASES

Internet payments are generally riskier than payments made in-person. To help mitigate this risk, Cardholders should only make an online payment if **all** the following criteria have been satisfied:

- The payment site is secure.
- The supplier site is legitimate.
- Appropriate risk mitigation strategies have been put in place.

It should be noted that the usage of payment platforms such as PayPal, although not prohibited, should be limited. Transactions using payment platforms often shows the name of the provider rather than the actual supplier for the transaction.

For more information and guidance, please see the [Online Payment Risk Mitigation Factsheet](#) on the [OneGov Service Centre Website](#).

4.5 ACCIDENTAL USAGE

If an ACT Government corporate credit card has been mistakenly used (instead of a personal credit card), the Cardholder must immediately report the incident to their [Strategic Finance Area](#) and the [Shared Services Finance Banking Team](#) and arrange to reimburse the funds. Cardholders can refer to the [EMS User Guide](#) for more information.

5. MANAGING CORPORATE CREDIT CARDS

5.1 MERCHANT BLOCKING

Agencies may consider applying other types of restrictions like merchant blocks.

Banks require merchants to have identifying codes, based on the type of goods or services. At the time of application, agencies can request that certain merchants or merchant codes are blocked to prevent expenditure on items that should not be purchased using Territory funds (for example, gambling, liquor stores, and adult entertainment services).

5.2 CHANGING CARD LIMITS

Agencies may change the transaction limit or credit limit on a case-by-case basis, with the approval of the Cardholder's Director-General (or Delegate), if there is a valid reason for doing so. The following should be considered when requesting/approving non-standard limits:

- Transaction limits must not exceed the Cardholder's financial delegation.
- Transaction limits for each purchase should be set at a level consistent with anticipated usage.
- Credit limits are sufficient to cover total expected payments in a normal month.
- The risk associated with changing the limit(s) is balanced against any efficiencies gained as a result.

It is recommended any requests for non-standard limits are accompanied by a brief which outlines the justification for the variation/amendment, including examples of the type and value of expected purchases. This brief should be endorsed by the prospective Cardholder's Executive.

5.3 EXTENDED LEAVE AND TEMPORARY TRANSFERS

The credit limit for a card should be reduced to \$1.00 when a Cardholder goes on extended leave or undertakes a temporary transfer for a period greater than three months.

Requests to reduce a card limit should be forwarded to the Shared Services Finance Banking Team.

5.4 RENEWAL OF CARDS

Replacement cards are automatically issued by Westpac prior to a card's expiry date.

Replacement cards are issued to the Shared Services Finance Banking Team who will contact the Cardholder to arrange collection.

5.5 TRANSFERRING CARDS

Corporate credit cards are not transferrable between staff members.

If a Cardholder is absent more than one month the person acting in the position carrying the delegation may be issued with a credit card, provided they meet the necessary eligibility criteria (see Section 3.1 of *this Policy*).

5.6 CANCELLING CARDS

Credit cards should be cancelled when a Cardholder resigns, transfers permanently to another area, or no longer has a requirement to hold a credit card.

Prior to cancelling a credit card, the Cardholder must:

- acquit all outstanding transactions prior to cancelling a credit card, and provide any required documentation to the Expense Approver for verification and approval purposes via EMS
- destroy the card by cutting the chip and card into small pieces and provide photographic evidence of destruction to the relevant Strategic Finance Area and the Shared Services Finance Banking Team
- cancel or rearrange subscriptions. Cardholders must cancel any subscriptions before cancelling a credit card – failure to do so will result in continuing charges to the Territory (i.e., cancelling a credit card does not prevent subscription payments from being charged to the ACT Government facility)
- clear any outstanding purchases or make arrangements for another person with sufficient access to do so on their behalf (noting this should not be the Cardholders Expense Approver).

Machinery of Government changes may also require credit cards to be cancelled. This should be discussed with the Cardholder's Strategic Finance Area.

The Shared Services Finance Banking Team is responsible for notifying Westpac of card cancellations.

5.7 SUSPICIOUS TRANSACTIONS & DISPUTES

Cardholders must immediately notify Westpac if there is any suspicious activity on their card or they identify any unfamiliar transactions. The contact details for Westpac are on the reverse side of the credit card.

Cardholders should also notify their direct supervisor, Strategic Finance Area, and Shared Services Finance Banking Team of suspicious card activity after completing the initial report to Westpac and refer to the EMS User Guide for further instructions.

6. ACQUITTALS AND RECORD KEEPING

6.1 EXPENSE MANAGEMENT SYSTEM (EMS)

The Oracle Fusion Cloud EMS module enables Cardholders to acquit their credit card expenses through an internet portal.

The system enhances the tracking, monitoring, and analysis of credit card expenses along with the automated transfer of expenditure into Oracle. EMS accesses the *Chart of Accounts* and allows for the automated pre-coding of expenditure and supports the setting of default codes.

EMS is supported by the Shared Services Finance Branch.

6.2 ACQUITTALS

Cardholders are required to acquit expenditure in EMS within 15 working days.

Expense Approvers must verify and approve EMS Expense Reports in EMS within 10 working days of the expense being acquitted by the Cardholder.

Cardholders should make appropriate arrangements for account reconciliation and acquittals if they are on leave for an extended period.

Information regarding the process to acquit credit card expenses can be found on the EMS page on the OneGov Service Centre website.

6.3 RECORD KEEPING (receipts/invoices/approvals)

General Requirements

Cardholders must ensure there is a clear description of the goods/services purchased on supporting tax invoices/receipts. The description 'goods' is not sufficient. The description is required so expenditure can be easily checked, reconciled, and correctly coded in EMS.

When a Cardholder purchases goods or services on behalf of another staff member (requesting officer), the requesting officer is responsible for providing the relevant supporting documentation to the Cardholder.

Cardholders should attach relevant approvals or procurement documentation (where available) to the Expense Report in EMS, especially where it relates to official travel or large purchases.

Transactions above \$82.50

For all transactions above \$82.50, Cardholders must obtain a tax invoice from the supplier and attach a copy of the tax invoice to the Expense Report in EMS. This supports the ACT Government in meeting goods and services tax (GST) reporting obligations.

Cardholders are required to complete a Statutory Declaration if they lose or fail to obtain a tax invoice for transactions above \$82.50. This should outline the amount, date, and details of goods/services purchased.

Transactions below \$82.50

For transactions below \$82.50, Cardholders must retain documentation (invoices, receipts etc.) and attach a copy of the tax invoice to the Expense Report in EMS.

7. COMPLIANCE AND TRACKING

Individual Cardholders are responsible for the physical security and use of their corporate credit cards.

Individual agencies are responsible for the management and oversight of the card activity and must put in place appropriate internal controls and risk mitigation strategies to monitor and regulate the use of credit cards.

7.1 CREDIT CARD REGISTER

A consolidated register of active Cardholders and supporting documentation is maintained by the Shared Services Finance Banking Team. Agencies can request data from this register to assist with reviews of their credit card numbers and limits.

7.2 STORING CREDIT CARD DATA

The Payment Card Industry Data Security Standards (PCI DSS) applies when Cardholder data is stored, processed and/or transmitted.

It is a requirement that Cardholder data should not be stored unless it is required for a business, legal and/or regulatory purpose. This applies to keeping a register of Cardholder information.

The Primary Account Number (credit card number) details need to be either masked or truncated to limit vulnerabilities associated with Cardholder data.

7.3 CREDIT CARD REVIEWS

The Director-General (or Delegate) must ensure a review of corporate credit card limit levels is conducted at least annually or as risk assessments determine.

Additionally, entities should consider conducting regular internal audits to ensure corporate credit card policies and procedures are followed and adequate documentation is obtained and scanned into EMS for credit card purchases as evidence that the Agency has received the goods/services.



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