

# **Departmental Policy 5**

## **Commonwealth Credit Cards**

You must refer to the following at all times in conjunction with this policy:

- [AAI 5 – Commonwealth Credit Cards and Credit Vouchers](#)
- [Departmental Policy 5A – Taxi Use and Cabcharge](#)
- [Resource Management Guide \(RMG\) No. 201 – Preventing, Detecting and Dealing with Fraud](#)
- [Department of Industry, Innovation and Science - Delegations](#)
- [Contact: creditcards@industry.gov.au](mailto:creditcards@industry.gov.au)

Officials must ensure that all expenditure is an efficient, effective, economical and ethical use of Commonwealth resources consistent with **Section 15 of the Public Governance, Performance and Accountability (PGPA) Act**. All purchases on the Commonwealth credit card must be approved, defensible, documented and in accordance with relevant Departmental policies.

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## 1.1 OVERVIEW

### **Commonwealth credit card**

A credit card is issued to the Commonwealth to enable the Commonwealth to obtain goods or services on credit.

Charge cards and vendor cards issued to the Commonwealth are both a form of "Commonwealth credit card" for the purposes of the Public Governance and Accountability (PGPA) Act 2013 and Rule.

### **When should a Commonwealth credit card be used?**

- Generally for purchases of goods and services under \$10,000 (including internet purchases) - officials may use the Department's Commonwealth credit card for business purposes and **must not** use the Commonwealth credit card for ongoing payments e.g. contract or program payments.
- Travel expenses – refer to the Department's policies on domestic travel and overseas travel.
- Venue Hire.
- Assets – consistent with the department's Asset Management Manual.

### **One Approval Process**

It is a requirement that the PGPA Act s23 approvals are obtained prior to committing relevant money and/or entering into an arrangement. The PGPA Act s23 delegate must be an official other than the person requesting the approval, ensuring transparency, separation of duties and to minimise the perception of self-benefit, except in instances where the "one approval" process is allowable.

Officials, who have completed the financial accreditation, are listed on the department's delegations and hold a Commonwealth credit card, may undertake the one approval process consistent with this policy (refer to Appendix 1). The one approval process allows for an end-to-end procurement, where an official is able to undertake a procurement activity, exercise the PGPA Act s23 approval delegation and make payment for the transaction using their Commonwealth credit card in one activity.

#### **Important:**

- When undertaking the **one approval** process, the procurement activity **must**:
  - be under \$10,000;
  - be consistent with the Commonwealth credit card's transaction limits (refer to table – Expenditure Limit);
  - not be for personal benefit (or perceived to be); and
  - not be for official hospitality (including Business Catering) or gifting activities.

When assessing the appropriateness of the one-approval expenditure, the approver (PGPA Act s23 delegate) must be satisfied that:

- the approval is efficient, effective, economical and ethical use of Commonwealth resources and consistent with the financial framework;
- the approval is value for money;

- the approval is business related;
- the approval complies with procurement policies (including the Commonwealth Procurement Rules and the Whole of Australian Government processes);
- the costs are reasonable and appropriate;
- the expenditure can withstand public, audit and parliamentary scrutiny; and
- the expenditure is not for personal benefit, or could be perceived to be (e.g. courses, training, personal development activities, official hospitality).

Please refer to Appendix 1 for examples and guidance.

## 1.2 PROCESS

### **Conditions of issue**

- **It is a condition of issue that the cardholder must:**
  - be an employee of the Department although there are exceptions (see page 4);
  - pass an accreditation test and hold the appropriate delegation;
  - read and sign the Cardholder Agreement and Acknowledgment Form prior to receiving their card;
  - sign the card;
  - store their Commonwealth credit card safely and securely, separate to other personal cards and the credit card number/PIN be safeguarded at all times;
  - not link the Commonwealth credit card to any personal accounts;
  - ensure that no private costs are to be incurred on the Commonwealth credit card except where a combined official and coincidental private expenditure claim is incurred;
  - only hold one Commonwealth credit card (for example, hold a credit card or a cabcharge card, but not both).

### **Conditions of use**

- **It is a condition of use that the cardholder:**
  - must not obtain cash;
  - prior to charging an amount to a Commonwealth credit card the cardholder must satisfy themselves that the requirements PGPA Act s23, including the one-approval considerations have been met and exercised appropriately;
  - **Important:**
    - All expenditure (i.e. approval and commitment of relevant money) must be approved by an appropriate PGPA Act s23 delegate. Consistent with the department's current delegations, all holders of Commonwealth credit cards hold a financial delegation up to the card limit of their card.
    - this responsibility/accountability lies directly with the cardholder, not the manager/supervisor endorsing the cardholder's acquittal.

- must, when purchasing over the Internet, keep a copy of any completed online order forms;
  - use the Commonwealth credit card to pay a claim that includes both official and coincidental private expenditure, **on an exception basis only** (e.g. where a hotel account cannot be readily split into official and private expenses);
  - must reimburse the Department **immediately** (once identified) for all private and unauthorised expenditure (including single day travel) in accordance with Departmental policies on debt recovery;
  - maintain records and obtain valid tax invoices for **all** official travel and domestic purchases (including internet purchases);
  - retains relevant invoices and receipts;
  - ensure that all transactions are acquitted within 20 days of the following month;
  - prior to either being absent from the Department for a period of more than six months; leaving the Department; or moving to another Division, ensure that all records in relation to their use of the Commonwealth credit card are forwarded to the Divisional Administrator.
- **Where a Commonwealth credit card is lost, stolen or suspected of being misused**, officials must:
    - notify the **card provider** immediately;
    - notify the Divisional Administrator and the Departmental Card Coordinator in the Transaction Processing Unit (TPU) Section as soon as possible (creditcards@industry.gov.au); and
    - complete the Customer Transaction Dispute Form for any unknown or unauthorised transactions appearing on their credit card statement. The form should be forwarded to the Departmental Card Coordinator (refer to Flowchart - Disputed transactions).

### **Applying for a Commonwealth credit card**

Commonwealth credit cards are generally only provided to employees of the Department.

- **Employees are required to:**
  - complete and obtain endorsement from the Head of Division (or their delegate) using the Credit Card Application Form (refer to "Approvals" in this document);
  - complete and sign the Cardholder Agreement and Acknowledgement Form. This form sets out the Departmental requirements for the cards usage;
  - forward the following supporting documentation to the Divisional Administrator (and subsequently to the Departmental Card Coordinator in TPU):
    - Credit Card Application Form;
    - Cardholder Agreement and Acknowledgement Form; and
    - Copy of the cardholder's Financial Accreditation Certificate.
- **Non-employees must:**
  - submit a written proposal endorsed by the Head of Division (or equivalent) to the Manager, TPU;

- TPU to consult with the Financial Frameworks Team regarding proposed changes to the Department's delegation schedule relevant to the non-employee application;
- if approved, refer to employee requirements above;
  - **Important:** Non-Departmental staff and contractors do not have a delegation under the Department's delegation schedule and therefore should not have a Commonwealth credit card.

### **Reasonableness of purchases and reviewing the credit card statement**

- **The cardholder is to:**

- provide receipts/invoices to the Divisional Administrator for transactions greater than \$82.50 (GST inclusive);
  - receipts/invoices for transactions less than \$82.50 (GST inclusive) must be retained by the cardholder until the statement has been endorsed by the relevant manager;
  - for National Trade Measurement (NTM) officers, all receipts must be retained for the purpose of trial purchases.
- complete an Asset Data Collection form for any assets purchased including consulting with the Divisional Finance Managers on the correct GL account that the purchase should be coded to;
- sign the credit card statement that all purchases made are reasonable and in accordance with the Department's policies;
- identify fuel purchased for vehicles leased or owned by the Department by attaching the relevant receipt and highlighting the purchase on the Commonwealth credit card statement. A copy of the credit card statement and receipt must be forwarded to the Travel and Fleet Manager, Finance Group.
- identify on the credit card statement where the card has been used for private expenditure transactions. Any private expenditure transactions are to be reported to the official's Divisional Finance Manager as a legislative breach under the Certificate of Compliance process, and any monies owed to the Department must be recovered immediately (once identified) in accordance with Departmental policies on debt recovery.

- **The cardholder's manager/supervisor is to:**

- review the credit card statement transactions;
- endorse that the transactions are reasonable and in accordance with Departmental policies and procedures;
- ensure receipts and/or tax invoices for all transactions greater than \$82.50 are on hand;
- ensure a signed Missing Tax Invoice Form (available on the intranet) has been completed/provided where a receipt or invoice is not available;
- ensure that any personal expenditure on the Commonwealth credit card is recovered by raising a debt in accordance with Departmental policies on debt management;

- investigate any expenditure with insufficient or non-existent supporting documentation, incorrect or missing approvals, inappropriate use or misuse of the Commonwealth credit card and refer unresolved issues and non-compliance to their Divisional Finance Manager (or equivalent);
  - report any apparent or suspected fraud, loss or theft of a Commonwealth credit card to the Fraud Control Officer (FCO); and.
  - return the Commonwealth credit card of employees that leave the Department in line with the Department's exiting procedures.
- **The Accountable Authority's:**
    - use of the Commonwealth credit card, by the accountable authority, will be reviewed for reasonableness by the Chief Financial Officer.
  - **The Chief Scientist's:**
    - use of the Commonwealth credit card will be reviewed for reasonableness by the appropriate Deputy Secretary.

### **One-Approval Expenditure limit**

- Cardholder limits for one-approval transactions must not exceed:

<b>Position (or equivalents)</b>	<b>Financial transaction limit for credit card (GST inclusive)</b>	<b>Financial threshold limit for credit card (GST inclusive)</b>
APS 4 and below	up to \$5,500	up to \$20,000 per month
APS 5 and above	up to \$9,999	up to \$50,000 per month
SES	up to \$9,999	up to \$50,000 per month

### **Misuse of Commonwealth credit cards**

- **Officials must:**
  - report allegations or suspicions of fraudulent activity on the Commonwealth and/or Department to the FCO. A report can be made in person, in writing, by email or telephone. The Department's Fraud Control Hotline is 02 6213 6376 and the email address is fraudcontrolofficer@industry.gov.au;
  - acknowledge that misuse of the card will be investigated, and:
    - additional details may be requested by the Divisional Finance Manager and Financial Policy Team within the Corporate Network;
    - that details, including personal details, will be provided to the FCO and any other relevant third party for investigation purposes;
    - if necessary, will be dealt with in accordance with sanctions under the Code of Conduct, including reprimands, deductions of salary, reduction in classification and termination of employment.
- **Consequences of misuse:**
  - misuse of Commonwealth credit cards with the intention of obtaining cash, goods or services other than for the Commonwealth, carries stringent penalties, including imprisonment, employment sanctions, termination of appointment and/or criminal sanctions for intentional/serious misuse of Commonwealth resources.

## 1.3 APPROVALS

### New applications

- **Can be endorsed by:**
  - General Manager (or equivalent);
  - other officials authorised by the General Manager (or equivalent) as evidenced by written approval notifying the Departmental Card Coordinator in TPU. These can include:
    - Branch Managers;
    - Divisional Finance Managers; and/or
    - State and Territory Managers for AusIndustry.

### Purchases and limits variations

- Any variations to the transaction or credit card limit are to be endorsed by the Head of Division (or equivalent) and must be approved by the Manager, TPU.
- Variations can be for:
  - official overseas travel (e.g. limits increased for the duration of the trip); and/or
  - a demonstrated business need.

## 1.4 ADDITIONAL INFORMATION

### Opening facility accounts

- The Chief Financial Officer has the power to open facility accounts with the Department's credit card provider.

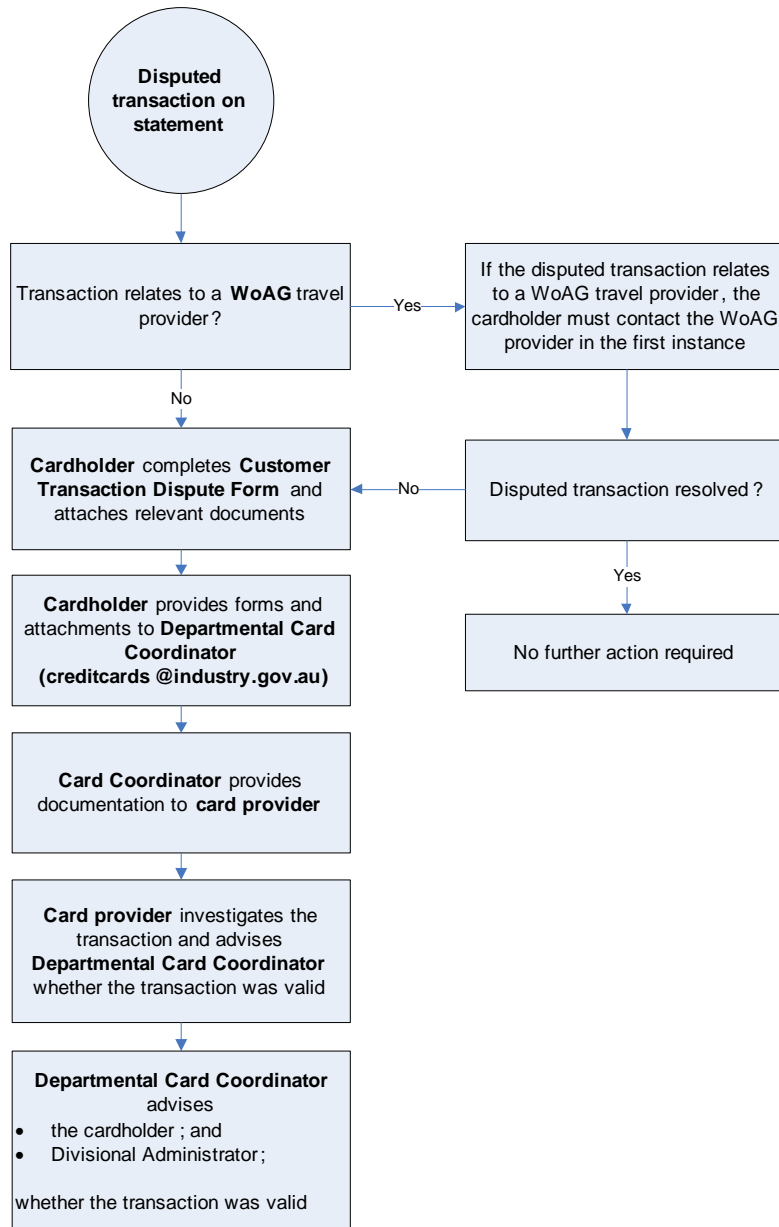
### Administration responsibilities of Commonwealth credit cards

- **Divisional Administrators (or equivalent)** are responsible for:
  - the day to day operation of administering Commonwealth credit cards is the responsibility of the Divisional Administrator. Cancellations or disputes must be referred to the Departmental Credit Card Coordinator;
  - ensuring that the monthly credit card statements are reconciled and signed by the cardholder and endorsed by the cardholder's manager;
  - arranging for new credit card applications;
  - arranging for Head of Division (or equivalent) endorsement of requests to vary cardholder credit limits. The Variation of Limit Form is to be completed, along with documented justification (demonstrated business need), and sent to the Departmental Card Coordinator in TPU for processing;
  - collecting and securely holding any Commonwealth credit cards of officials taking leave of more than six months;

- notifying the Departmental Card Coordinator in TPU when officials in the Division transfer to another Division;
- ensuring the suspension or destruction of cards of official leaving the Department.
- **Departmental Card Coordinator (or alternate)** is responsible for:
  - liaising with the card provider to obtain or cancel Commonwealth credit cards;
  - securely storing Commonwealth credit cards before the cards are issued to officials;
  - issuing Commonwealth credit cards;
  - maintaining a register of Commonwealth credit cards issued to officials;
  - liaising with the card provider to lodge and receipt results of disputed transactions.



## Disputed transactions



## Appendix 1

### Conditions for One-Approval procurement process:

One-approval is allowable for	One-approval is not allowable
Procurements under \$10,000 (must be consistent with the requirements outlined in this policy)	Where there is a personal benefit
Online purchase of business cards	Registration fees for conferences, courses, training, personal development activities etc
Local ground transport - this includes local transport to attend functions, seminars, workshops, meetings etc	Official hospitality
Approval of venue hire - up to the financial threshold for credit cards subject to PGPA Act s60 approval being obtained (see Expenditure Limits)	Gifting
SES approving their own domestic travel (SES only)	Memberships

### When should a Commonwealth credit card be used?:

Scenarios	Guidance/Exception
<b>Payment of invoices</b> , for example venue hire, telephone services, overseas purchases, minor IT equipment (assets), training, conferences, security bin rental, printing, grocery supplies, building supplies etc.	<ul style="list-style-type: none"> <li>Purchases – need to be consistent with the Department’s purchasing policy and processes including the Asset Management Manual.</li> </ul> <p><b>Important:</b> A Commonwealth credit card should not be used to pay invoices relating to arrangements where the Department’s procurement guidelines require a purchase order to be raised.</p>
<b>Purchasing (including internet purchases).</b>	<ul style="list-style-type: none"> <li>Purchasing needs to be consistent with the Department’s purchasing policy and processes including the Asset Management Manual.</li> </ul>
<b>Domestic travel expenses</b> including for domestic ground transport, meals (excluding single day travel), incidentals and official travel related expenses, including excess baggage charges.	<ul style="list-style-type: none"> <li>The single day travel allowance is to cover meals for single day travel and therefore meals <b>should not</b> be charged to the card when on single day travel.</li> <li>Where a travel allowance has been advanced in cash then expenditure <b>should not</b> be charged to the card.</li> <li>In exceptional circumstances, where an official has been delayed through a natural disaster or incident impacting on air travel then travel related expenses could be charged to the card.</li> </ul>
<b>Overseas travel expenses</b> including for meal expenses, ground transport, overseas accommodation and official related expenses including excess baggage.	<ul style="list-style-type: none"> <li>Cash advances are not available from the Commonwealth credit card (no exceptions).</li> <li>Tipping associated with overseas travel and only in places where tipping is local practice could be charged to</li> </ul>

Scenarios	Guidance/Exception
<b>Fuel</b> purchased for vehicles leased or owned by the Department.	<p>the card.</p> <ul style="list-style-type: none"> <li>Fuel purchased for vehicles leased or owned by the Department could be charged to the card.</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>The acquisition of assets requires the prior approval from their Divisional Finance Manager (refer to the Department's policies including the Asset Management Manual in regards to accounting treatment of assets).</li> </ul>
<b>Ordering business cards online.</b>	<ul style="list-style-type: none"> <li>If you have a Commonwealth credit card and financial delegation you can order and approve (as PGPA Act s23 delegate) your own cards.</li> </ul>

## **Document Control**

<b>Document title</b>	<b>Approval Date</b>	<b>Approver</b>	<b>Next Review Date</b>	<b>To Be Reviewed By</b>
DP 5 – Commonwealth Credit Cards	1 July 2014	Chief Financial Officer	<b>As Required</b>	Policy Owner
DP 5 – Commonwealth Credit Cards	7 August 2015	Chief Financial Officer	<b>As Required</b>	Policy Owner
DP 5 – Commonwealth Credit Cards	26 August 2015	Financial Frameworks Team	<b>As Required</b>	Policy Owner
DP 5 – Commonwealth Credit Cards	6 October 2015	A/g Chief Financial Officer	<b>As Required</b>	Policy Owner