

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2016 - 2017

**Division/Agency:** Royal Australian Mint

**Question No:** 400

**Topic:** Credit Cards

**Reference:** Written

**Senator:** Ketter, Chris

**Question:**

How many staff have departmental / agency credit cards?

What are their classification levels?

What rules exist for the issue and use of credit cards within the department / agency?

**Answer:**

31.

|      |    |
|------|----|
| APS3 | 1  |
| APS4 | -  |
| APS5 | 6  |
| APS6 | 11 |
| EL1  | 5  |
| EL2  | 7  |
| SES2 | 1  |

Staff adhere to the Mint Credit Card policy for issue and use.

Reference: RAMP-09

## Subject: Credit Card Policy

### Purpose:

- 1.1. This policy has been prepared to assist users in the use of credit cards for the purchase of goods and services up to the value of the approved financial limits relevant to the duties and responsibilities of the authorised cardholder.
- 1.2. The purpose of this document is to establish the policy framework for the Credit Card process and related procedures for the Royal Australian Mint (the Mint).

## 2. Policy Statement

- 2.1. The CEO or CFO must approve the establishment of a credit card.
- 2.2. Cost centre managers are responsible for ensuring purchases are consistent with policies.
- 2.3. Credit cards can only be used for Mint purposes.
- 2.4. All purchases using a credit card must be made in accordance with the Mint's purchasing policy.
- 2.5. Custodians of credit cards are responsible for use of the card. No other person may use the card.
- 2.6. Cardholders cannot incur and certify their own expenditure when arranging payment of the monthly invoice to the card supplier via a payment transfer.
- 2.7. A register of credit cardholders shall be maintained.
- 2.8. Staff must comply with the following operational guidelines.

## 3. Scope:

- 3.1. The Policy and Operational Guidelines is intended to cover all Mint employees who hold credit cards and who manage employees who hold credit cards.

## 4. Roles and Responsibilities

- 4.1. The Financial branch is responsible for the management of the Mint's credit card facility. This includes the maintenance of Mint's register of credit cards that have been issued to staff.

## 5. Applicable Documents

### 5.1. Credit Card Application and Approval Process

Commonwealth Bank Limited Corporate purchasing card application and credit card agreement form must be completed and forwarded to the CEO or CFO for their approval.

Approval forms are then forwarded to the Finance branch for processing. New cards are usually received between 5 – 10 working days.

## 5.2. Cancellation of Credit Card

As part of the procedures associated with a staff member leaving the Mint, all credit card holders are required to return their credit cards to the financial branch for cancellation purposes.

A formal advice to cancel a credit card is to be submitted to the CFO. The card itself should accompany the cancellation advice.

The accounts payable department will arrange to formally notify the credit card provider to cancel and destroy the card and will also amend the credit purchasing card reregister.

If a card is lost or stolen please advise the financial branch immediately on Extension 8763. If out of business hours please phone Commonwealth bank direct on Phone no. 1800 020 306

## 6. Definitions:

- 6.1. AAI: Accountable Authority Instructions
- 6.2. GST: Goods and Services Tax
- 6.3. DoF: Department of Finance
- 6.4. DoT: Department of Treasury
- 6.5. PGPA Act 2013: *Public Governance, Performance and Accountability Act 2013*

## 7. General Requirements:

- 7.1. The Mint is a listed entity in the PGPA Rule 2014, which provides the framework for Commonwealth government financial management. These provide the overarching legislative framework for effective financial management outcomes and outputs within the public sector.
- 7.2. Section 44 of the PGPA Rule 2014, requires the Chief Executive of each agency to manage the affairs of the agency in a way that promotes the efficient, effective, economical and ethical use of Commonwealth resources.
- 7.3. Under section 52 of the PGPA Rule 2014, Chief Executives are authorised to give instructions to their agency officials on any matter relating to the PGPA Rule 2014 and Regulations. These are referred to as Accountable Authority Instructions (AAIs). These AAIs provide the key principles and requirements of the financial management framework.
- 7.4. All officials should ensure that they are aware of, and adhere to, their obligations under the legislation and those instructions.

## 8. Detailed Requirements:

- 8.1. If you have been selected to be the holder of a Mint's credit card the following information and guidelines are provided for information.
  - 8.1.1. While the card will be issued in your name, the card is a Mint credit card and all transactions made with it are the liability of the Mint. The use of the card will in no way affect your personal credit rating.
  - 8.1.2. The card is issued to you on trust and it will be used by only you (the authorised cardholder) for official purpose and that you will take due care of it, Any misuse of the card will result in strict punitive action.
  - 8.1.3. It will be necessary for you as the cardholder, to ensure that a full and proper description of the good/service is recorded on the tax invoice issued by the vendor.

# Royal Australian Mint Policy

8.1.4. In the event of your card being lost or stolen, you will immediately advise:

***Call finance branch immediately on Extension – 8763 during business hours***

***If after business hours please phone Commonwealth bank direct on –  
PH: 1800 020 306***

8.2. The card is to be returned to the Finance branch if you leave the Mint, or are transferred to a new position unless, in the latter circumstance, if it is agreed that the card is to be retained for use in the new position (within the Mint). In this event the Finance branch must be advised of these arrangements and information provided covering your new position and cost centre and any other variations for recording in the Mint's credit card register.

## **Purchasing of Goods**

8.3. All purchases made by credit card must be supported by a compliant tax invoice otherwise the Mint cannot claim input tax credits from the Australian Taxation Office on the GST it has incurred in respect to those purchases.

### **8.4. In Person**

8.4.1. Where a cardholder presents the card at the time of purchase they must ensure the following information is provided.

- A brief description of the goods example; stationery not "various" or "goods" is entered on the transaction slip;
- Name of the supplier/vendor is legibly quoted on the transaction slip;
- The exact value of the transaction (including GST) is clearly shown;
- Any cash register docket received is to be attached to the purchasing card transaction slip;
- The cardholder sign the transaction slip at the time of purchase; and
- A compliant tax invoice is issued at the completion of the purchase.

### **8.5. By Telephone**

8.5.1. When purchasing goods over the telephone, the cardholder is required to give his/her card number to the vendor. The provision of such information is usually given with an element of trust.

8.5.2. Cardholders are reminded of their responsibilities and duty of care they agreed to when applying for their mint purchasing card. It is recommended that the credit card purchases, using the telephone, are undertaken at the discretion of the cardholder and only be entered into with reputable vendors.

8.5.3. A tax invoice number and ABN must be obtained from the vendor, at the time of ordering. This may assist if problems occur once the goods are received and at the time the credit card account has to be paid. The vendor is to be requested to submit a compliant tax invoice at the time the order is placed, either by facsimile or by mail/email.

8.5.4. Note: A notation, on the purchasing card account (at the time of payment) by the cardholder, verifying the receipt of the goods is required for payment and audit purposes.

## 8.6. Electronically (Internet) Purchasing

- 8.6.1. Buying on the internet opens a whole new range of possibilities, however all the sensible rules of "traditional" shopping still apply. Know whom you are dealing with, compare prices and make sure you know what you are getting for your money.
- 8.6.2. The growing use of the internet as a means for the purchase of goods or services requires a higher level of trust than most other forms of purchasing. Cardholders wishing to utilise the internet for purchases should consider the levels of consumer protection available to them before issuing their credit card numbers to those vendors operating on the internet.
- 8.6.3. There are a number of things you can do to avoid making an expensive mistake:
  - Don't judge a website by how good it looks. Websites are relatively easy and cheap to establish;
  - Check that the site has a physical address so you can contact the business later if you need advice or after-sales support.
  - Don't deal with sellers who are evasive and won't give contact numbers or addresses;
  - When dealing with sellers for the first time phone or e-mail them direct and ask about the goods or services they provide;
  - Find out more about the seller you wish to deal with;
  - Check the actual price it will cost you to receive the goods. Foreign currency values and exchange rates, freight or delivery costs and whether the goods attract customs or import duties;
  - If you are buying goods which may need after-sales support find out if the seller has an agent in Australia and find out what their policy is on after sales service.
  - Check the legality of owning or importing certain goods from overseas into Australia;
  - Check the seller's terms and conditions regarding their refund and returns policy and
  - Always ascertain when the goods or services will be delivered.

## 8.7. Internet Payments

- 8.7.1. Don't use your credit card for payment on-line if the seller does not use a secure payment system example, Master/Visa card.
- 8.7.2. If you have a disputed charge contact the Commonwealth bank immediately.
- 8.7.3. Keep a record of all purchase details e.g. print a copy of purchase orders.
- 8.7.4. If you purchase by purchasing card, always check your statement to see you have been charged the agreed amount.
- 8.7.5. For purchase made within Australia you will require a tax invoice to claim back input Tax Credits from the Australian Taxation Office (ATO).
- 8.7.6. Tax invoices are not required for purchases made from overseas vendors but you may be liable for the payment of duty to the Department of Customs and Excise.

## Holding Accounts and Incurring Expenses

- 8.7.7. Cardholder's are to place their purchasing card statements and tax invoices with a completed journal transfer form, and forward to the delegated person for processing.
- 8.7.8. The journal transfer form is to contain verification of purchases made i.e. tax invoices with a credit clearing the cardholder's cost centre holding account, and the

nominated expenditure chart numbers to be debited for endorsement by an authorised incurring certifying officers.

- 8.7.9. Cardholders cannot incur and certify their own expenditure when arranging payment of the monthly invoice to the card supplier.
- 8.7.10. GST can only be claimed in the form of input tax credits where a tax invoice supports a purchase
- 8.7.11. Cost centre holding accounts must be cleared monthly to ensure that management reports reflect the expenditures incurred during the period. This is to avoid an accumulation of any unallocated expenditure.

## **Cancellation of Credit Card**

- 8.7.12. As part of procedures when a staff member leaves the Mint, all credit card holders are required to return their purchase cards to the financial branch for cancellation purpose.
- 8.7.13. A formal advice to cancel an issued credit card is to be submitted to the financial branch. The card itself should accompany the cancellation advice.
- 8.7.14. The financial manager will arrange to formally notify the credit card provider to cancel the issued card and will also amend the credit card register.
- 8.7.15. If a card is lost or stolen please advise the financial branch immediately on extension 8763. If out of business hours, please phone 1800 020 306

## **Training**

- 8.7.16. Under the purchasing policy, all purchases must ensure that employees who are involved in the purchasing of goods and services are trained in accordance with the purchasing policy.
- 8.7.17. Information in respect to purchase competency training course is available from Purchasing department (Ext 6807)