Answers to Senate Estimates Questions on Notice

Budget Estimates May 2017

Communications Portfolio

National Collecting Institutions

Question No: 33(k)

National Collecting Institutions

Hansard Ref: Written, 02/06/2017

Topic: Credit Cards

Senator Bilyk, Catryna asked:

National Collecting Institutions:

- Australian National Maritime Museum
- National Film and Sound Archive
- National Gallery of Australia
- National Library of Australia
- National Museum of Australia
- National Portrait Gallery of Australia
- Museum of Australian Democracy Old Parliament House

How many credit cards are currently on issue for staff in the Department and agencies within the portfolio? If possible, please provide a break-down of this information by APS/ SES level.

- (a) What was the value of the largest reported purchase on a credit card in calendar year 2016 and what was it for?
- (b) How much interest was paid on amounts outstanding from credit cards in calendar year 2016?
- (c) How much was paid in late fees on amounts outstanding from credit cards in calendar year 2016?
- (d) What was the largest amount outstanding on a single card at the end of a payment period in calendar year 2016 and what was the card holder's APS/ SES level?
- (e) How many credit cards were reported as lost or stolen in calendar year 2016 and what was the cost of their replacement?
- (f) How many credit card purchases were deemed to be illegitimate or contrary to agency policy in calendar year 2016? What was the total value of those purchases? How many purchases were asked to be repaid on that basis in calendar year 2016 and what was the total value thereof? Were all those amounts actually repaid? If no, how many were not repaid, and what was the total value thereof?
- (g) What was the largest purchase that was deemed illegitimate or contrary to agency policy and asked to be repaid in calendar year 2016, and what was the cardholder's APS/ SES level? What that amount actually repaid, in full? If no, what amount was left unpaid?
- (h) Are any credit cards currently on issue in the Department or agencies within the portfolio connected to rewards schemes? Do staff receive any personal benefit as a result of those reward schemes?
- (i) Can a copy of the Department's staff credit card policy please be provided?

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National Collecting Institutions

Answer:

Australian National Maritime Museum

There are 26 cards on issue to staff:

Agency Head	1
EL 2	8
EL 1	13
APS 6	1
APS 5	3
Total	26

- (a) \$16,477.01 for international travel
- (b) Nil
- (c) Nil
- (d) Nil
- (e) One card lost. Nil fees
- (f) Nil
- (g) Nil
- (h) No
- (i) Attached

National Film and Sound Archive

There are 46 procurement credit cards on issue to staff:

SES	3
EL2	8
EL1	16
APS6	10
APS5	8
APS4	1
Total	46

- (a) The NFSA is unable to provide this information as it requires a substantial level of work and would involve an unreasonable diversion of agency resources.
- (b) Nil
- (c) Nil
- (d) Not applicable. The NFSA had no outstanding amounts on credit cards at the end of a payment period.
- (e) Nil

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- (f) Eight credit card purchases to a total value of \$238.24. All eight purchases were repaid in full.
- (g) The largest purchase was \$120.52 by a card holder at the EL1 level. The amount was repaid in full.
- (h) No.
- (i) The NFSA is in the process of updating its financial policies for the new financial year 2017-18. A draft copy of the Corporate Credit Card policy which will replace the existing policy is attached.

National Gallery of Australia

There are 73 cards on issue to staff:

SES	4
EL 2	14
EL 1	16
NGA 6	19
NGA 5	7
NGA 4	5
NGA 3	5
NGA 2	3
Total	73

- (a) \$16,007.30 for international flights (fares for two overseas curators working on an NGA exhibition).
- (b) Nil
- (c) \$4,146.44
- (d) \$16,007.30 SES Band 3
- (e) No cards were reported as lost or stolen in the period.
- (f) To provide specific information would require a manual interrogation of a large number of financial transaction records and the NGA considers this would require an unreasonable diversion of staff resources. All illegitimate transactions that were detected were repaid promptly, and were the result of staff member/s inadvertently using their credit card for personal expenses.
- (g) This is not something that the NGA specifically tracks and does not have systems set up to track and monitor expenditure in this way.
- (h) No.
- (i) Attached.

Answers to Senate Estimates Questions on Notice

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Communications Portfolio

National Collecting Institutions

National Library of Australia

There are 26 credit cards on issue to staff.

Director-General	1
SES Band 1	3
EL2	3
EL1	10
APS 6	6
APS 4	3
Total	36

- (a) \$7,880.00 (GST inclusive) for the Australian Library and Information Association Information Online Conference for the attendance of seven National Library staff. The transaction was for early bird rates for the February 2017 conference.
- (b) Nil
- (c) Nil
- (d) Nil
- (e) Nil
- (f) Nil
- (g) Nil
- (h) National Library credit cards are not linked to any reward schemes.
- (i) Attached

National Portrait Gallery of Australia

The Gallery has 21 cards issued to staff.

- (a) The largest reported purchase was \$3,333.94 on September 30, 2016. The purchase related to return airfares.
- (b) Nil interest paid
- (c) Nil late fees paid
- (d) Nil outstanding at the end of a payment period
- (e) Nil lost or stolen in calendar year 2016
- (f) The Gallery had one transaction that was illegitimate in the calendar year 2016. The total value of the transaction was \$67.44 and all money was recovered. The Gallery did not have any transactions contrary to agency policy and therefore nil purchases were required to be repaid.
- (g) NA
- (h) There are no credit cards issued to staff in the Gallery that are linked to rewards schemes.
- (i) Credit Card policy is attached.

Answers to Senate Estimates Questions on Notice

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Communications Portfolio

National Collecting Institutions

National Museum of Australia

There are 26 cards on issue to staff.

PEO	1
SES Band 1	3
APS	22
Total	26

- (a) \$22,493.60 Gas supply
- (b) Nil
- (c) Nil
- (d) Nil
- (e) Nil
- (f) Nil
- (g) Nil
- (h) No
- (i) Section 5 of the Museum's Council Instructions, approved in May 2015, sets out the Museum's staff credit card policy (copy attached).

Museum of Australian Democracy - Old Parliament House

There are 36 credit cards on issue to staff:

SES	2
EL2	5
EL1	8
APS6	6
APS5	2
APS4	3
APS 6	2
APS 6	5
APS 5	3
Grand Total	36

- (a) Largest transaction \$8069.67 for a recruitment fee.
- (b) Nil all cards are automatically paid out by the end of each month
- (c) Nil all cards are automatically paid out by the end of each month
- (d) Nil all cards are automatically paid out by the end of each month
- (e) Nil

Answers to Senate Estimates Questions on Notice

Budget Estimates May 2017

Communications Portfolio

National Collecting Institutions

- (f) None
- (g) NA
- (h) No
- (i) Attached



AUSTRALIAN NATIONAL MARITIME MUSEUM

CREDIT CARD POLICY AND GUIDELINES

GUIDELINES FOR USE OF AUSTRALIAN GOVERNMENT CREDIT CARD

The Museum has a number of credit cards. The level of delegation - transaction and monthly limits — is aligned to the functional and operational responsibilities of the delegate. Delegation is allocated to a position as opposed to the individual occupant of the position and is approved by the museum's Council.

A credit card may only be used for official purposes. The use of a card for personal purposes is not permitted, nor is the use another officer's card without prior approval. Misuse or failure to comply with the conditions of issue of a card may result in proceedings under Commonwealth or State law.

General

Prior to issuance of a credit card, delegates must sign the Credit Card Agreement and Acknowledgement form, a copy of which is attached to these Guidelines.

The cardholder is to ensure:

- o the safe custody and security of the card;
- o the card is not used for purposes other than museum usage;
- the card is not used for multiple transactions of a single purchase which is in excess of the delegate's limit;
- o the total value of outstanding transactions, including transactions that have not yet been listed on a statement, do not exceed the monthly limit; and
- all credit card statements and supporting reconciliations are authorized by the card holder's immediate supervisor *before returning to Finance* on a monthly basis. Staff must seek approval from their section heads, section heads from their branch heads and branch heads from the Director.

Use of a credit card does not negate the need to:

- o take appropriate steps to achieve value for money; or
- o obtain proper documentation for procurement, purchases, travel expenditure, returned goods and disputed amounts.

Credit cards are restricted to non-cash transactions only. Personal Identification Numbers (PIN) are not available.

If a credit card is lost, or if an officer becomes aware of an apparent misuse of a card, the matter must be reported immediately to the Finance section. In the event of the misuse of a card, the matter will be referred to the Executive Group for appropriate action re: card suspension and/or revocation.

Leave

Delegates are not permitted to use the credit cards during periods of leave. This includes long service leave, extended leave without pay or other leave of more than one month's duration.

Return of cards

When a cardholder leaves the museum through resignation or transfer, the credit card must be returned immediately to Finance.

Reconciliation and Approval Procedures

1. Collect your tax invoices/receipts

Collect all your credit card documents until you receive your statement for the month. Clearly mark your documents with the details of your purchases/travel. *Do not return individual dockets to Finance staff.*

2. Monthly reconciliation

Your credit card statement will be issued to you around the middle of each month. Complete the Credit Card Monthly Reconciliation form for payment details and coding, and attach all documentation.

If an invoice is sent directly to Finance, it will be forwarded to you for inclusion in your reconciliation.

If an item is in dispute, it is your responsibility to contact the supplier to resolve the situation and to mark the item in dispute on the statement.

3. No receipt

If you have misplaced a tax invoice/receipt, please ensure you sign the Substitute Sales Voucher for your claim.

4. Approvals

Sign and date your credit card statement and obtain your supervisor's written authorization.

5. Due Date

Please ensure that you complete your reconciliation, provide all documentation and obtain your supervisor's approval **before returning to Finance** on or before the end of the month.

CREDIT CARD MONTHLY RECONCILIATION

CARDHOLDER

MONTH

Transaction Details	Purchase Amount	Cost Code	Receipt Attached	Statutory Declaration
			N/A	
		**************************************	N/A	La constitución de la constituci
			N/A	
			N/X	
			N/X	
		Addition of the second of the	N/A	
		TOTAL STATE OF THE PROPERTY OF	N/Y	The state of the s

Approval

Delegate

Australian National Maritime Museum

Credit Card Agreement and Acknowledgment by Cardholder

I	•		ledge receipt of Australian
Go	vernment Credit Card (AGCC) Nur	nber xxxx xxxx xxxx xxx	X.
I ur	derstand and agree that:		
1.	I am personally responsible for the safe keeping and proper use of the AGCC		
2.	I will not use the AGCC, nor permit it to be used, for other than official purposes;		
3.	I will only use the AGCC to the limits specified for the position set out below:		
	Position Number	Transaction Limit	Monthly limit
	XX	XX	XX
4.	I will not use the AGCC to acqui	re cash;	
5.	I will only use the AGCC for the within an approved Museum budget		ices if funds are available
6.	I will be personally liable for cost comply with these conditions of i brought against me under Commo	ssue and am aware that p	ough misuse or failure to roceedings may also be
7.	If the AGCC is lost or stolen I wi the loss or theft occurs outside no IMMEDIATELY and the Finance	ormal working hours I wil	l notify the Card Company
	Signature of Cardholder	Signatu	re of Issuing Officer
	Date/		

NFSA Finance Instruction (FI) – Corporate credit cards

Corporate credit cards

This FI is issued under, and must be read in conjunction with, the AAI Corporate credit cards and credit wouchers.

This Fire andersed by the Chief Financial Officer (CFC)

What is this policy about?

This FI supports <u>AAI Corporate</u> <u>credit cords and credit vouchers</u>. This FI sets out further policy instructions for managers and staff regarding the issue and use of corporate credit cards in the NFSA.

Roles and responsibilities

CFO

The CFO is responsible for issuing all instructions on the management and use of corporate credit cards in the NFSA.

The CFO is responsible for allocating the roles and responsibilities for the management of corporate credit cards in the NFSA.

The CFO authorises the issue of new corporate credit cards and variations to individual credit limits.

Finance

Finance is responsible for assisting the CFO with respect to the financial management and accountability of corporate credit cards. This includes issuing corporate credit cards and managing the credit card system.

Finance will have in place processes and procedures for these purposes.

Corporate credit card holders

The cardholder is responsible for using the corporate credit card in accordance with NFSA policy and for assuring that all expenditure on the card is efficient, effective, ethical and economical use of NFSA money.

The cardholder is responsible for maintaining appropriate records and purchases on the corporate credit card and for assuring that all transactions are complete and accurate.

Issue of corporate credit cards or a change of credit limit

Instructions - All staff

All requests for new corporate credit cards or a change of credit limit on a current card should be made to Finance@nfsa.gov.au.

Finance will provide you with three (3) forms to be completed; two (2) NFSA Finance Forms and one (1) from the issuing financial institution.

NFSA Finance Form Corparate Credit Card Request or Change of Limit on Current Card requires:

- business justification for the issue of a new credit card or change of credit limit on a current card,
- a proposed credit limit,
- the recommendation of your General Manager, and
- approval from the CFO.

You must also read and sign the NFSA Finance Form Corporate Credit Card Agreement and Acknowledgement, and complete the Westpac Corporate and Purchasing Card Cardhalder Application.

The 3 completed forms should be sent to Finance or scanned and emailed to Finance@nfsa.gov.au.

You will be advised by the issuing financial institution (Westpac) when your corporate credit card is ready for collection.

Upon receipt of your corporate credit card, you must sign the back of the card immediately and familiarise yourself with the issuing financial institution's terms and conditions governing the use of the card.

Using corporate credit cards

Instructions - All staff

You need to comply with the conditions applying to usage of the corporate credit card as set out in the NFSA Finance Form



NFSA Finance Instruction (FI) - Corporate credit cards

Corporote Credit Cord Agreement and Acknowledgement form.

You must use the corporate credit card for business purposes only.

You must **not** use the corporate credit card to enter into a Commonwealth contract or agreement unless you have authority to enter into the contract or agreement for that particular amount (under the NFSA's Financial Authorisations).

You must either have the authority to approve proposals to spend public money (under the NFSA's *Financial Authorisations*) or ensure that the proposed payment is approved by a staff member who has such financial authorisation before making the payment on the corporate credit card.

You need to maintain appropriate records of purchases/ payments and should ensure that a tax invoice is obtained for all Australian purchases/payments above \$82.50 (excluding GST).

Receipts for Australian purchases/payments under \$82.50 should have a full description of the goods or services purchased (the word 'goods' or similar general descriptions are not acceptable).

Any overseas transactions should be supported with a receipt with full details of the transaction and should be clearly stated in Australian dollars.

Consistent with the NFSA's <u>Financial Authorisations</u>, you must not use the corporate credit card for any official hospitality unless prior written approval is provided from the Chief Executive Officer (CEO) or a General Manager. Some business catering can be approved by EL2 staff. You must also complete the NFSA Finance Form <u>Official Hospitality</u> form or <u>Business Catering</u> form.

You should ensure that the total expenditure on monthly purchases does not exceed the credit limit set for your card.

If you have purchased any assets on your corporate credit card, including portable and attractive assets (items under \$2,000 which, due to their nature, are easily portable and at risk of theft), you should notify Finance as soon as practicable after the purchase is made, to ensure that the purchase is brought to account in the NFSA Asset Register.

You must keep your corporate credit card in a secure place.

- If you are going on more than four (4) weeks leave, return the card to Finance for safe keeping.
- Immediately report lost cards to Finance and the issuing financial institution (Westpac).
- Destroy your card on expiry.
- Return your card to Finance when leaving the NFSA.

Misuse of your corporate credit card will result in your card being suspended or cancelled.

Acquittal of corporate credit card expenditure

Instructions - All staff

Finance will email to you monthly a *Credit Card Acquittal* spreadsheet for completion. Your monthly credit card statement transactions will be included on the spreadsheet and you must acquit your expenditure.

You should ensure details included on the spreadsheet are correct and attach all supporting documentation (such as tax invoices and receipts, and written approval for official hospitality) to the *Credit Card Acquittal* spreadsheet. Any disputed transactions must be highlighted with appropriate commentary.

Where supporting documentation has been lost, you must provide a signed <u>Statutory Decloration</u> with the acquittal spreadsheet, detailing the purchase made and the circumstances relating to the loss of supporting documentation.

Complete the acquittal spreadsheet by signing and dating it and provide it (including supporting documentation) to your immediate manager for approval.

Approved acquittal spreadsheets and supporting documentation must be forwarded to Finance@nfsa.gov.au within five (5) working days of receipt of your monthly credit card statement. Failure to do so may result in your card being suspended or cancelled. You will be advised by Finance should this occur.

Administering corporate credit cards

Instructions – Managers

You must examine corporate credit card expenditure made by your staff, including supporting documentation, before providing acquittal approval.

By providing approval of staff corporate credit card expenditure you are confirming correct use of the card and compliance with NFSA policy.

You must report any misuse of corporate credit cards to Finance or the CFO.



NESA Finance Instruction (FI) - Corporate credit cards

Further instruction

Financial Authorisations

AAI Corporote credit cards ond credit vouchers

AAI Making payments of relevant money

Forms

Corporate Credit Card Request or Change of Limit on Current Card

Carporote Credit Cord Agreement and Acknowledgement

Credit Cord Acquittal (spreadsheet)

Statutory Declaration

Official Hospitality

Business Cotering

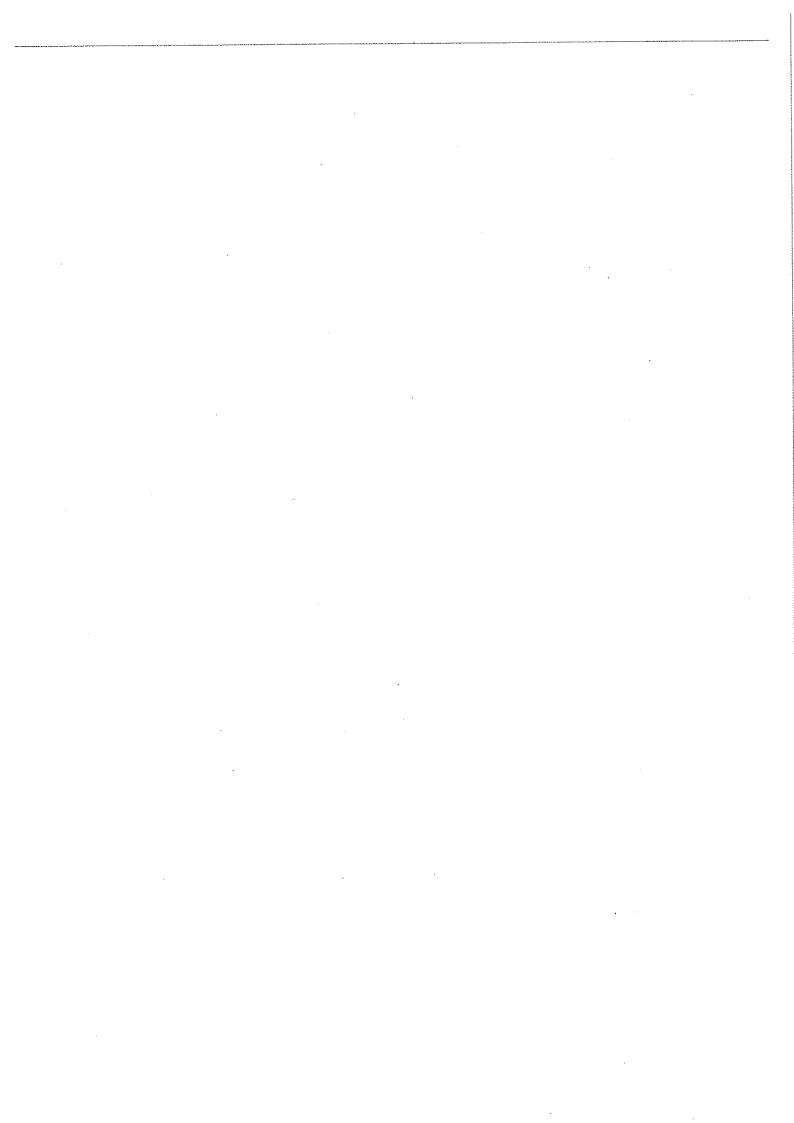
Supporting information

NFSA chart of accounts

Contact

Finance@nfsa.gov.au

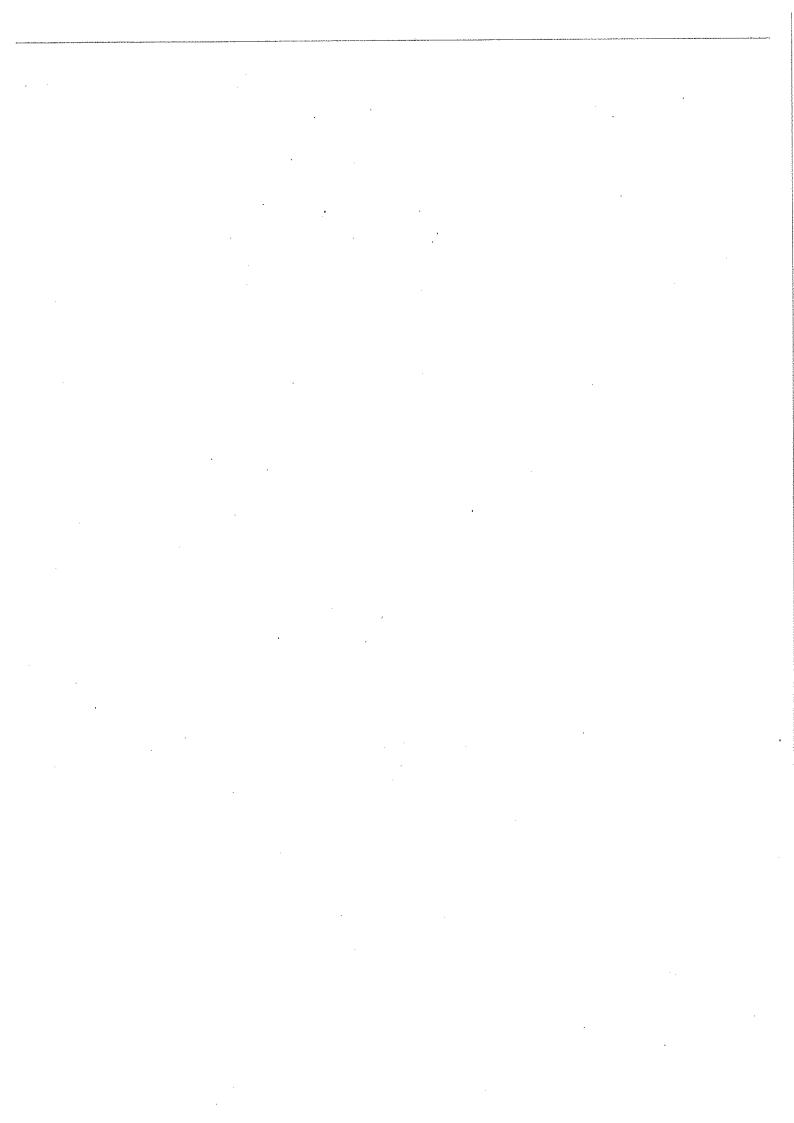




NFSA Finance Form – Corporate Credit Card Request or Change of Limit on Current Card



1 Employee details				
Surname :		Given Na	Given Name :	
Classification :		Position 1	Position Title :	
Branch: Section:				
2 Request details				
☐ New credit card request OR ☐ Change to current credit limit				
Required limit : Current limit (if seeking a change in limit) :				
Business justification:				
Applicant's signature:				
General Manager :	Supported		Signature:	
-	Not Supporte	d ·		
CFO Approval :	Yes		Signature:	
	□ No			
CFO comments, if any :				
Please send completed form to Finance or scan and email to Finance@nfsa.gov.au				
Finance use only: ANDREA O'KEEFFE Financial Accountant	Application se	ent to	Date:	



NFSA Finance Form – Corporate Credit Card Agreement and Acknowledgement



Card	holder's Name:
Cred	it Limit (see 5. below): \$2,000 OR Other amount, please specify:
Tran	saction Limit: N/A
l und	erstand and agree that:
1.	I am required at all times to take strict care of the corporate credit card as I am fully responsible for all charges made on the card;
2.	I will only use the corporate credit card for official purposes and in accordance with all purchasing guidelines, relevant policies and procedures and applicable laws;
3.	The corporate credit card will not be used for solely private expenditure or to obtain cash;
4.	I am only permitted to make purchases which have been appropriately authorised before the purchase is made by my immediate Manager. The purchase must be approved by an expenditure delegate as stipulated in the NFSA's Financial Authorisations;
5.	I am permitted to make purchases using the corporate credit card up to the above stated credit limit;
б.	All expenses incurred on this corporate credit card, and as listed on the monthly credit card statement, wi be fully acquitted with supporting documentation, including 'Tax Invoices' where relevant. I will sign the monthly acquittal to certify the expenditure incurred was for official NFSA business and that it accurately reflects the transactions entered into. The acquitted monthly credit card statement must be reviewed and approved by my immediate Manager;
7.	I will acquit all expenditure within five (5) working days of receiving the monthly credit card statement;
8.	If the card is lost or stolen, I am to report it immediately to both the card issuer and to Finance; and
9.	I have read the NFSA Accountable Authority Instruction (AAI) - Corporate credit cards and credit vouchers and NFSA Finance Instruction (FI) - Corporate credit cards and agree to abide by them.
Card	holder's signature:
	•
	

Please send completed form to Anance or scon and email to Finance@offici.typ.au 

Finance Policies May 2014

Date Approved: May 2014 (Date of Effect 1 July 2014)

Date of Next Review: May 2015

Contact: Noel Florian (Chief Financial Officer) - 6240 6777

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1 Assets

1.1 Storage of Accountable / Controlled Forms

An 'accountable form' is a printed formal document with blanks which, when filled in, may convert the document to a valuable or negotiable instrument.

A 'controlled form' is a printed document that normally is sequentially numbered and because of its end task needs to be controlled either in quantity issued or restriction of issue to specific areas.

All accountable or controlled forms shall be entered in a register by the responsible officer and kept in safe custody. On issue for use, the name of the issuing officer and the signature of the receiving officer shall be recorded in the register as well as the sequence numbers.

The receiving officer shall keep the forms in a secure place, and shall be responsible for the recording of and accounting for all forms for which he or she has signed and may be required to give an account of that custody.

The responsible officer may be required to give an account of all bulk stores of accountable and or controlled stores held in stock.

Some examples of accountable forms are:

- Cheques
- · Back up receipt books
- · Cab Charge vouchers
- Events tickets.

1.2 Bank Reconciliations

All official operational bank accounts held by the Gallery shall be reconciled to the general ledger on a monthly basis.

Reconciliations are to be completed as soon as practical after the end of the month.

All adjustments are to be effected at the earliest possible time.

The reconciliation shall be signed and dated by the officer performing the reconciliation and reviewed, signed and dated by the Assistant Manager Finance, Manager Finance or Chief Financial Officer.

All relevant information pertaining to the reconciliation shall be attached to the reconciliation and filed on a registered Gallery file.

Any un-presented cheque greater than six months shall be investigated and appropriate action taken.

Any un-presented cheques greater than twelve months shall be stopped at the Bank re-credited to the account code against which it was originally debited, and the payment voucher noted accordingly.

1.3 Control of Petty Cash

A petty cash advance is retained in the Finance Section, so that cash is available at short notice to fund approved purchases that are not required to be processed through the official purchasing system.

The advance shall be kept in a locked cash box in the Finance safe, and managed by one Finance officer.

The limit for individual purchases shall be \$100, unless approved for additional expenditure is authorised by the Chief Financial Officer or the Manager, Finance.

The total petty cash advance shall be \$2,000.

Each claim for petty cash shall be on an official petty cash form and shall contain the following information:

- Date
- Reason/purpose
- Amount
- · Approval signed by the authorised delegate
- Claimed by
- Resource Centre, project code and account code to be charged

The officer receiving the cash shall sign the petty cash form as proof of receiving the amount stated.

Cash register dockets (if available) shall be attached to each petty cash form as proof of purchase and price. Officers are to make every effort to obtain a receipt for each purchase over \$55, to facilitate a refund of GST.

If a petty cash advance is required, the claim is to be followed up by the Finance officer responsible for petty cash, before the next reimbursement of the total petty cash advance.

The petty cash imprest account shall be reimbursed at least on a monthly basis, by bringing to account in the general ledger all current dockets. The cash on hand and the reimbursement claim shall be fully checked by another Finance officer. Any discrepancies in the petty cash advance are to be reported immediately to the Manager, Finance or Chief Financial Officer.

The petty cash advance shall also be subject to random spot checks of cash on hand and dockets.

The total petty cash advance and the limit for individual claims shall be reviewed annually.

1.4 Collection, Banking & Accounting for Monies

MAIL REMITTANCES. All monies received by mail in the Gallery shall be entered in a "Remittance Register" in the Records Management Unit, and the entries signed by one officer. The register and monies shall be securely delivered to the Cash Collection Officer or the Membership section, each day. All monies received in the Gallery shall be receipted to the general ledger and banked where possible on that day or if not, the next business day.

The Remittance Register shall be updated with the cash receipts number and initialled by the Cash Collections Officer, or if the money was not banked and receipted an explanation shall be entered in the Remittance Register. E.g. cheque returned to sender.

The Remittance Register is to be checked and signed regularly (at least weekly) by a senior officer of the Finance section to ensure that all monies have been receipted. The timely completion of the bank reconciliation shall ensure that all receipted monies have been banked.

DIRECT DEPOSITS TO THE GALLERY BANK ACCOUNT. All direct deposits to the Gallery bank account shall be identified from the daily bank statements and brought to account in the general ledger on a daily basis, by the Finance Officer responsible for receipting.

MONIES RECEIVED THROUGH OTHER SOURCES. Other monies are collected through cash registers in Membership, the Gallery Shop and through the Admissions desk.

A cash register 'Z' read or a 'cash sales report by Department (summary)' shall be obtained at the close of business each day, and the takings reconciled to the cash register tape or the sales report. All cheques, credit sales slips, and other documents shall be forwarded to the Finance section for reconciling and posting to the general ledger, before banking.

All cash shall be placed in a wallet, locked and deposited in the night safe.

Any discrepancy shall be advised to the Shop Manager and the Assistant Director Marketing and Merchandising on a weekly basis. Any material discrepancy (greater than \$250) shall be reported to the Chief Financial Officer and to the Assistant Director Marketing & Merchandising.

1.5 Point of Sale and Inventory System Security & Access

Each person having authorised access to the Point of Sale (POS) and Inventory System will be allocated a confidential User ID, Password and a Card ID. The user ID and Password is used when first logging onto the system, then the Card ID is used for each transaction on the POS. It is not permitted to use someone else's ID or password to access the system on their behalf with or without their knowledge.

Security access to the AdvanceRetail system is limited within staff levels.

Administrator

- Full Access

Manager

- No administrative maintenance

Supervisor & Purchasing

- No administrative maintenance, no Debtors

Debtors & Supervisor

- No administrative maintenance

Logistics

- Receipting, stock movements and small amount of Maintenance

Warehouse

- Receipting, stock movements and small amount of Maintenance

Casual

- Only POS and no access to returns or overriding prices except Staff and

Member discounts

For Full Details see: AR Security Roles.

The Gallery's IT Staff will back up the system daily.

1.5 Consignment of Commercial Stock

CONSIGNMENT OUTWARDS - Commercial stock which is despatched or received from a third party on consignment for re-sale is to be fully documented and recorded on Advance Retail. Consignment stock should only be sent to the Gallery's trade Agent or other agents who have an approved consignment agreement with the Gallery. Under NO circumstances are goods to be consigned or received from a third party without a written agreement. The Manager of Commercial Operations and the Assistant Director of Development, Marketing & Commercial Operations are authorised to enter consignment agreements.

A reconciliation of all stock on consignment shall be performed monthly, and all monies owing to the gallery duly brought to account. The trade sale officer will generate a commercial debtor's reconciliation report.

Stock remaining after 12 months will be returned to the Gallery.

A signed certificate of the value of stock held on consignment shall be obtained from the consignee at the date of each stocktake and at the close of the financial year.

The Commercial Accountant should maintain a register of Consignment Outwards stock.

CONSIGNMENT INWARDS - Any goods to be held in the Gallery shop on consignment must be subject to a written agreement approved by the Manager of Commercial Operations.

The product must be set up on the POS and categorised as consignment stock so it is easily identifiable. Goods are to be thoroughly checked and accounted for upon receipt, then receipted in at cost and the receipt reference should begin with the reference 'CON'.

Monthly sales must be tracked and provided to suppliers so to obtain a valid tax invoice from the supplier, then matched to the initial receipt. Goods are to be sent back within predetermined time frames as per the written agreement with suppliers.

Extra care should be taken for consignment stock as any loss is the Gallery responsibility.

The Commercial Accountant should have a record of all Consignment Inwards stock.

1.6 Internal Use of Commercial Stock

Commercial stock from the stores or from the Gallery Shop may be requisitioned for internal use in the Gallery (e.g. reference material) or to be given as gifts to selected patrons of the Gallery, or for promotional purposes.

An "Internal Publications Requisitions" form is to be completed by the officer requesting the stock, and approved by the Section Manager.

On approval, the goods will be dispatched, and an amount of unit cost plus 20% from the warehouse or recommended retail price less 15% from the Gallery shop shall be charged.

These transactions are for internal use only and do not represent expenditure or revenue for the Gallery. These transactions should not be reflected in the financial statements.

The Commercial Account should have a record of all internal use of commercial stock.

1.7 Movement & Control of Commercial Stock

All Commercial stock received into the Gallery shop or the Hume warehouse shall be recorded in Advance Retail at the time of receipt once the product has been checked and counted.

All retail sales through the Gallery or Exhibition shops shall be recorded in the relevant shop location. No personal credit is to be provided by any Gallery shop locations. Trade and Wholesale sales to business customers are processed as debtors/trade sales. Bulk orders are dispatched from the Hume warehouse.

Hume warehouse uses Locations which are manually maintained and may consist of multiply locations.

Stock adjustments for Internal Publications Requests (IPR's) must be authorised by relevant Managers prior to adjustments being made. Stock adjustments for day to day inventory maintenance (e.g. damaged & nil stock etc.) are to be authorised by the Manager of Commercial Operations or Commercial Accountant.

All stock movements, e.g. transfers, mail orders, supplier credits are to be correctly recorded, authorised and processed on the system before any physical stock movement.

1.8 Numbering of Commercial Stock

A unique number shall be allocated to all stock items, commercial stock and non-commercial material.

All NGA commercial stock shall have a unique ISBN number printed on the product at time of production if physically possible, and shall be allocated a stock number with "A" prefix. All non-commercial stock such as marketing and communication material will be numbered with a "B" prefix.

All Gallery Shop stock requires a unique number allocated by the Advance Retail system at time of entering the product on the system, and must not be overridden. This number shall be affixed to product where there is no identifying Barcode/ISBN before the item is displayed for sale by swing tag or sticker. All Barcodes/ISBN numbers must be entered in AdvanceRetail where available.

The unique product number and barcode/ISBN allocated to each item of commercial stock shall be used consistently for ordering, product costing, recording sales and be published in trade catalogues and mail order brochures.

1.9 Retail Pricing of Commercial Stock

All pricing will include GST (where applicable).

The retail price of third party commercial products for retail is cost + 100% as a general rule. Books will be based on Recommended Retail Price (RRP).

The retail price (including GST) of products produced by the Publications Department shall generally be as follows:

Postcards

\$1.50 - \$2.00

Posters

\$15.00 - \$20.00

Greeting Cards

\$3.50 - \$6.50

All NGA Paper products should have a margin greater than 60%. NGA produced books, will be individually assessed and priced accordingly.

Exceptions will be made for Trade sales, Consignment Stock or for sales through other retail outlets, in accordance with their written agreement.

Retail Prices should be reviewed annually.

The retail price may be 'marked down', if:

- Stock is damaged
- Stock is slow moving determined through routine monthly, quarterly or annual analysis.
- · Temporary or specific sale
- Members Discount (10%)
- Guides (10%) and (40% for exhibition Catalogues)
- Staff Discounts (15%)

General selling price reduction initially would represent 30% markdown to retail price and after 2 months would reduce to 50% or less, unless otherwise recommended.

The retail price is not to be changed without authorisation by the Manager of Commercial Operations or Commercial Accountant. Where the product is a NGA publication the officer in charge of Trades Sales must also approve, copy of form attached.

If the price is to be reduced to below cost the Assistant Director of Development, Marketing & Commercial Operations and the Assistant Director, Administration must also authorise, within budget guidelines and delegations.

Price Reduction Application Form

Code	Description	Original Price	Weighted	Sale Price ((T)empory (P)ermanent	Temporary - Date Start Finish	Qty on Hand Shop W/H	Reason for Mark down
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Requesting Officer	Officer							
iii chan	5	•		Name			Signature	Date
NGA Pro	NGA Product must be signed off by Trade Sales	•		Name			Signature	Det
Shop Supervisor	Dervisor			•				
				Name			Signature	Date
Commerc	Commercial Manager	·	-	Мате			Signature	Date

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1.10 Stocktake of Commercial Stock

A complete physical stocktake of the commercial stores and the Gallery shop shall be undertaken at least once a year.

Interim stocktakes may be held during the year, as defined by the Chief Financial Officer.

The Commercial Accountant shall be responsible for the preparation and documentation of the procedures and control of the stocktake, while the Product Coordinator, Gallery Shop Manager and Warehouse Manager shall be responsible for the execution of the stocktake. All documented procedures shall be adhered to.

The Commercial Accountant shall be responsible for the verification and reconciliation of the stocktake report.

A random 2% check of the validity of the stocktake data shall be undertaken, and checks of items with a variance of 5% of the value and/or 5% in quantity of each item. Any other variance outside the above parameters will be undertaken at the direction of the Chief Financial Officer. The stocktaking variance report shall be used to calculate the value of adjustments submitted by the Chief Financial Officer for approval.

All variances shall be noted, and an explanation given where appropriate. All adjustments to Stock (i.e. loss due to damage, variance at stocktake etc.) are to be authorised in accordance with Council delegations.

After write-off approval, the stock register shall be adjusted to reflect the physical holding of each item as recorded in the stocktake.

The annual shrinkage of stock is expected to be no greater than 2% at cost.

Reference: Title:

Stocktake Procedures

Council Delegations

1.11 Valuation of Commercial Stock

The unit value of commercial stock is to be calculated on the basis of the lower of weighted average cost (WAC) and net realisable value (NRV). Net realisable value is determined on the basis of normal selling patterns.

The Gallery uses a proprietary program Advance Retail to manage, track and record its inventory. Advance retail comprises a head office database with two storage/selling databases, one for the Gallery Shop and one for the Hume warehouse.

The total inventory value of commercial stock shall be calculated in accordance with AASB102, para 9 that prescribes that inventory shall be valued at the lower of WAC or NRV. Inventory values shall be recorded in the Gallery's financial management information system, Finance 1, reported in the annual financial statements, and prepared in accordance with the Finance Minsters' Orders as issued from on an annual basis.

Provision accounts have been established, (See Finance Policy 29) to be reviewed and calculated at the end of each financial year, to cover loss, damage, slow moving and obsolete stock. Such provisions and any such amendments will be approved through the Chief Financial Officer, Program Managers and Council.

Stock will be adjusted within Advance Retail on completion of the annual stocktake and be brought to account in the financial statements.

The value of work in progress and stock on consignment is included for the purposes of total value of stock and will be included in the financial statements.

1.12 Obsolete & Slow Moving Stock Policy

Commercial stock shall be reviewed yearly to identify stock that is obsolete or slow moving. Exhibition specific stock shall be reviewed on conclusion of the exhibition.

Obsolete stock consists of all products with no sales over the last 12 months, including past exhibition stock which has no future sales value and excluding unique art items or heritage publication.

Stock is considered slow moving if the Gallery is holding more that 5 years quantity of stock based on the last 12 months sales. This would exclude products created in the last 12 months (except exhibition specific), receipted in the last 6 months and new purchase orders raised in the last 2 months.

Stock may be marked down as per Policy 7.

On the recommendation of the Assistant Director, Development, Marketing and Commercial Operations, the Assistant Director, Administration may under delegated authority approve the sale of obsolete or slow moving stock, at a price less than the unit cost or approve disposal.

Stock holdings should be reviewed on a continual basis during the year. A list of remaining obsolete or slow moving stock shall be prepared for the Finance, Risk Management and Audit committee meeting in June, with a view to having any adjustment to the provision to be approved for inclusion in the end of year accounts.

Any stock write down should be approved as per the Gallery's Financial Delegations and Section 38 NGA Act 1975.

The Assistant Director, Administration, Assistant Director, Development, Marketing and Commercial Operations and Chief Financial Officer, have the delegation to dispose of commercial stock which has been provided for in the obsolete and slow moving provision already approved by council.

When choosing a method of disposal consideration should be given, to be at minimal cost, attract no embarrassment and not allow for unauthorised parties to profit for the use of the product.

Possible methods for disposal include give to colleges, schools, libraries etc, remainder books sales, shred/pulp & internal use such as but not limited to Education and Membership.

1.13 Write-Off & Disposal of Commercial Stock

On completion of a stocktake all variances, including a list of all damaged and unsaleable stock, must be brought to the attention of the Chief Financial Officer and Assistant Director Marketing and Merchandising.

Any write-off of stock is to be approved according to the Gallery's Financial Delegations. If the value of the stock to be written-off is greater than \$25,000 Council reporting is required.

The value of stock to be written-off shall be recorded at its net realisable value prior to disposal (See <u>policy</u> number 1.11 - Valuation of Commercial Stock).

All written-off stock shall be annotated on the inventory system, physically isolated from other stock and shall be disposed of in a suitable manner at the earliest possible time after approval by the appropriate authority.

The method of disposal shall be at the discretion of the Assistant Director Marketing & Merchandising, the Assistant Director, Administration in agreement with the Chief Financial Officer.

The type and quantity of items to be disposed of along with any sensitivity as to the nature of the item must be considered when determining the most cost-effective method of disposal.

1.14 Works of Art Stocktake

The National Collection is comprised of Works of Art (WoA) purchased by the Gallery or gifted to the Gallery since 1976, together with Works of Art (purchases and gifts) transferred from the Commonwealth on 19 June 1990.

The purpose of the stocktake is to verify the existence of the Works of Art in the National Collection.

The stocktaking process is managed according to the Collection Stock-take policy and Procedures (approved in April 2013).

There are four main types of stocktaking processes, which are undertaken during a financial year, including:

- From the Emu database to the collection
- A physical collection check back to the database
- Loans
- · Targets locations for regular stocktakes

The procedures for the stocktake will be documented, and the stocktake undertaken annually by the Registration Department and completed before June 30.

The Registration Department shall submit a written report of the results of the stocktake to the Assistant Director, Exhibitions and Collection Services who will be responsible for notification of results to the Assistant Director, Administration and the Director. Each un-located item will be evaluated as to its current dollar value and importance to the Collection. Direction will be given as to the course of action to be taken in the case of a missing work of art, and resources shall be provided to maintain the action. Any new, unrecorded damage found during the stocktake shall be included in the report.

An error rate of up to 5% will be acceptable in information recorded on the database. An error in the database is defined as, incorrect location, incorrect description, incorrect accession number etc.

This policy shall be reviewed annually.

1.15 Issue of Uniforms & Protective Clothing

Some sections within the Gallery issue uniforms or protective clothing, if the person is to be employed at the Gallery, in a relevant position, on a continuous basis. Further details on what is provided and to whom is contained within individual section policies and guidelines.

Each employee issued with uniform or protective clothing shall be obliged to maintain such clothing in a satisfactory manner, and to wear the clothing while on duty at the Gallery.

An allowance, as determined from time to time, shall be paid to each employee issued with uniforms or protective clothing. The allowance shall be paid through the salary system.

All uniforms or protective clothing remain the property of the Gallery and maybe required to be returned to Stores on cessation of employment as determined by the relevant Section Manager.

1.16 Accounting for Portable & Attractive Items

Portable and attractive items are those items, which by their very nature are able to be easily transported to and from the Gallery and/or would have a general use and/or appeal to an officer of the Gallery or the visiting public.

Portable and attractive items under \$2,000 shall be expensed at the time of purchase and each resource centre is responsible for maintaining a list of these items for control purposes. The Chief Financial Officer will determine if an item that is portable and attractive shall be recorded on the asset register.

Items over \$2,000 shall be classed as a category within 'Equipment', and shall be treated as a non-current asset, unless there is an exceptional reason as to why they would not be an asset.

1.17 Control of Portable & Attractive Items

Portable and attractive items are those items, which by their very nature are able to be easily transported to and from the Gallery and/or would have a general use and/or appeal to an officer of the Gallery or the visiting public.

Portable and attractive items shall be allocated a number, by the relevant resource centre, at the time of receipt into the Gallery.

Each item shall be marked with the allocated number and this number and the section in which the item will be located are to be recorded on the computer in the asset register.

When a portable or attractive item is moved from a section, the Section Manager shall inform the Finance Officer.

Portable and attractive items shall be included in the regular stocktake of non-current assets.

The Section Manager of the section to which an asset was allocated shall be held responsible for locating any missing items.

All missing items shall be recorded, together with the section to which the item was allocated, and the Chief Financial Officer and Assistant Director, Administration shall be informed, in writing, of such losses.

1.18 Control & Operation of Safe

Safes are provided in the Gallery in areas where it has been deemed necessary to provide storage for the safekeeping of documents or valuables. The following rules shall be adhered to at all times:

- 1) Keys to safes will be managed in accordance with the overarching security and key policies of the Gallery.
- Safes shall be kept locked at all times when not in use.
- 3) The officer entrusted with the safe key shall, during the day, carry the key on their person or in a container with suitable security. The key shall not be left with another officer, unless the Chief Financial Officer has given written permission.
- 4) If the safe has a combination lock, the combination shall be memorised by two officers using the safe. The combination may be retained in a sealed/signed envelope and locked in a drawer in the Finance Section safe. The combination should not be recorded in any other place or manner.
- 5) If the officer/s using the safe leaves the Gallery's employment or is re-deployed in another section of the Gallery, the combination of the safe shall be changed and all keys returned and noted in the key register.
- 6) Safe combination should be changed at least every two years.
- 7) The night safe has a key and a combination lock. Security staff shall retain the key at all times. Only Finance Section staff shall know the combination. A security officer and a finance officer must both be present on any occasion when the lower ground floor safe is opened.
- 8) With other key/combination safes in use in the Gallery, the keys shall be used during the day to gain access to the safe and at night the keys shall be placed in the safe and the combination "spun-off" to lock the safe.
- 9) The officer entrusted with the safe key shall keep a confidential record of all items retained in the safe, and up-date this record on a regular basis.

1.19 Control of Assets (Non-Current)

The Framework for the Preparation and Presentation of Financial Statements defines an asset as follows: "An asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity"."

All assets shall initially be valued at cost. Assets are to be revalued at fair value. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value at each reporting date (see revaluations policy for details).

The Gallery shall maintain a register of all non-current assets in its possession. A Finance Officer is responsible for the registration of new assets and maintenance of existing assets in the register. A Finance Officer is responsible for the financial data in the assets register

Only those items costing more than \$2,000 shall be considered an Asset by the Gallery. Non-consumable items costing less than \$2,000 shall be expensed at the time of purchase. Certain portable and attractive items costing less than \$2,000 shall be recorded as an inventory item, for control measures. (See Policy No 27)

Operating and application software purchased with initial computer hardware shall be considered an asset if the total system is over \$2,000. All software and modifications to software, that fulfils the intangible asset definition in AASB 138 Intangible Assets, but purchased at a later date, shall be capitalised.

The register shall record all relevant details of the asset including at least, the date of purchase, the purchase price, the physical location of the asset, the depreciation rate, the expected useful life, and the Section Manager responsible for the asset.

If an asset is moved from its recorded location, the relevant Section Manager shall advise the Finance Officer, who shall update the asset register with the new location.

Leased assets will be recorded in accordance with AASB 117 Leases.

References:

AASB 117, AASB 138, Finance Minister's Orders

1.20 Depreciation of Assets (Non-Current)

This policy is consistent with AASB 116 "Property, Plant and Equipment".

The depreciable amount of all non-current assets shall be allocated on a systematic basis over its useful life.

Depreciation expense shall be recognised from the time the asset is available for use.

Any addition or extension to an existing asset that becomes integral to that asset shall be depreciated over the remaining useful life of that asset.

Any addition or extension to an existing asset that retains a separate identity and will be used after the asset is disposed of shall be depreciated independently on the basis of its useful life.

The depreciation expense is to be calculated on a straight-line basis over the expected useful life of the asset, unless another form of depreciation is deemed necessary by the Chief Financial Officer.

The useful life and residual value of each asset is to be reviewed at the end of each financial year.

Per the financial statements, the following depreciation rates are applied:

Buildings: 10 to 200 years

Infrastructure, Plant and equipment: 3 to 20 years

Heritage and cultural assets: 20 to 480 years

References: AASB 116 for further details

1.21 Stocktake of Assets (Non-Current) and Attractive Items

A complete physical stocktake of all plant and equipment and attractive items shall be undertaken regularly (generally once a year). The procedures for the stocktake are to be documented before each stocktake and approved by the Chief Financial Officer, and the procedures adhered to.

A variance report is to be produced from the assets register at the completion of the stocktake (recommended to be undertaken annually in accordance with AASB 136 Impairment of Assets), and missing or damaged items are to be listed and brought to the attention of the Chief Financial Officer.

Items to be written-off shall be approved by the appropriate delegate as per the Financial Delegations of the Gallery (See policy no. 1.22 "Write-off and Disposal of Assets").

After write-off approval has been received, the asset register shall be updated by the Manager, Finance to record the write-off of the asset.

1.22 Write-Off & Disposal of Assets (Non-Current)

Any non-current asset (Excluding works of art) found to be obsolete and/or surplus to the requirements of the Gallery shall be returned to the stores.

After approval for disposal or write-off has been obtained, the finance system is to be updated to record the disposal, removal of assets, net proceeds received on sale of the asset (if the item has been sold), and the date of disposal. The Manager, Finance shall be responsible for the updating of the asset register.

A Stores Officer shall arrange for the disposal of the asset in accordance with current disposal procedures and Gallery's financial delegations.

The gain or loss on the disposal of an asset shall be calculated in accordance with AASB 116: "The gain or loss arising from the de-recognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item". The gain or loss arising from de-recognition shall be included in profit or loss when the item is derecognised (unless AASB 117 requires otherwise on a sale and leaseback).

If the asset is used as a trade-in, then the trade-in value shall be recorded as the net proceeds of the disposed asset and as part of the cost of the acquired asset, for accounting purposes.

At the end of the financial year an assessment is to be undertaken to determine if any of the assets owned by the Gallery are impaired. The impairment assessment is to be undertaken in accordance with the principles set out in AASB 136 Impairment of Assets.

References: AASB 116, AASB 117

1.23 Asset Revaluations

INTRODUCTION - Following initial recognition at cost, property plant and equipment is carried at fair value less accumulated depreciation and any accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date.

In accordance with FMO 33 Valuation of non-financial assets it is necessary to assess assets each year to ensure the carrying amount does not differ materially from fair value at each reporting date. If there is a material difference in the carrying value of an asset then revaluation of the entire class is required.

Therefore, the regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are to be made on a class basis.

HERITAGE AND CULTURAL ASSETS - The Gallery has a large amount of heritage and cultural assets in the form of art works and library resources. The art works and library resources are able to be revalued using market-based evidence. Therefore, the revaluation model is applied in accordance with AASB116 *Property plant and equipment*. The Finance Section will maintain control of the Valuation Methodology for Heritage and Cultural assets.

As the value of the Gallery art works and library resources are materially significant to the balance sheet and the value is volatile, it is necessary to undertake revaluations on an annual basis.

The Gallery obtains independent appraisals of the art works and library resources on an annual basis from an independent valuer. Valuers are professionally qualified valuers who specialise in the art industry. Heritage and cultural assets are valued on a three year cycle basis whereby:

Year 1 — All items on display, along with items with an individual value over \$1 million are valued. The rest of the collection has a percentage applied based on the percentage increase or decrease from works on display and individual items valued over \$1 million.

Year 2 – All items on display, along with items with an individual value of \$1 million are valued. The rest of the collection has a percentage applied based on the percentage increase or decrease from works on display and individual items valued over \$1 million.

Year 3 - All items on display, along with items with an individual value of \$1 million are valued. The Gallery's library is also valued along with a 5% sample of other collection items (based on a random sample selection process). The percentage increase or decrease from the sample testing is applied on the remainder of the collection.

An overarching Collection Valuation methodology is updated on a yearly basis to describe the valuation process and this document is maintained by the Chief Financial Officer.

LAND - Land is to be revalued on a regular basis (at least every three years) by an external professional as it is a significant balance and historically the fair value has been reasonably volatile.

BUILDING - The building is to be revalued on a regular basis (at least every three years) by an external professional as it is a significant balance for the NGA.

PLANT AND EQUIPMENT - This asset class is made up of office and computer equipment. Given that these assets are not significant to the NGA's balance sheet and there are insignificant changes in fair value, revaluations are to be undertaken by an external professional every three to five years. However, if there are any indicators that the fair value is likely to be significantly different from the carrying amount a revaluation should be undertaken.

MEASUREMENT - Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through income statement. Revaluation decrements for a class of assets are recognised directly through income statement except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

1.24 Valuation of Heritage Assets

An independent valuer shall revalue Works of Art and the Library Collection with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

WORKS OF ART - in the Gallery Collection including those purchased by, and gifted to the Commonwealth shall be included in the valuation process for heritage assets.

Works of art on display at the time of valuation and items valued at more than \$1 million, identified by the works of art electronic collection record system (EMu), shall be valued by Curators during the data entry process, and subsequently revalued by an independent valuer. The Finance Section shall retain a full list of these works.

Works of art under this value shall be sub-divided into the major collection areas, and the independent valuer shall also value 5% by volume of each area (every three years). These valuations shall then be extrapolated across each collection area.

The independent valuer shall provide a total valuation for the complete Works of Art collection.

Archival material in the National Collection or material on loan to the Gallery shall not be included in the valuation process.

1.25 Library Collection

Every third financial year the Chief Librarian shall identify items with a value of more than \$4,000. An independent valuer shall revalue these items. Items with a value of less than \$4,000 shall not have an individual valuation.

Samples of various sizes shall be taken from each of the other collection within the Library, depending on the size and importance of the collection. An independent valuer shall assess the value of these samples. These valuations shall then be extrapolated across each of the collections.

1.26 Intangible Assets

In accordance with the notion of fair value, the Gallery shall identify and review the treatment of intangible assets such as patents, trademarks, licences, software etc, on an annual, case-by-case basis.

All software purchases are presently brought to account as an intangible asset at the time of purchase and amortised across their useful life.

2.0 Liabilities

2.1 Leave Provisions - Current and Non-Current

Under the current Enterprise Agreement long service is provided for under the Long Service Leave (Commonwealth Employees) Act.

The Gallery's Long Service Leave Provision will be accounted using the short hand method under section 43 Employee benefits of the Finance Minister's Orders for Financial Reporting (Incorporating Policy and Guidance). This method is an estimate of the present value of the liability taking into account attrition rates and pay increased through promotion and inflation.

Accrued recreation leave and related entitlements are to be calculated and brought to account on a monthly basis.

This policy shall be reviewed periodically to ensure that the expected maturity of this liability does reflect the previous experience or expected future trends.

References: AASB 119, FMO 43

2.3 Provision Accounts

DOUBTFUL DEBTS - A provision shall be made for doubtful debts at the end of each financial year. This will be determined by reviewing and assessing all debts that are outstanding for 60 days or more individually.

Another factor to be considered in determining the value of the provision is the past experience in the effectiveness of recovery of debts.

CREDIT NOTES - A provision shall be made for credit notes, based on an assessment made by the Chief Financial Officer, and related to the total debtors balance at the close of the financial year.

This provision shall be reviewed annually to ensure that the rate applied reflects the past experience and/or transactions recorded during the year.

COMMERCIAL STOCK WRITE-DOWN - Refer to Finance Policy — 15 — A provision of approximately 10 % of the total closing stock value shall be made for slow moving and damaged stock, based on an assessment made by the Chief Financial Officer.

LONG SERVICE LEAVE - A provision for long service leave shall be made after an assessment of employment trends has been produced from records maintained by the Human Resources Management Section. Approximately 10% of the long service leave shall be considered to be current and the remaining 90% shall be considered to be non-current.

This policy shall be reviewed annually to ensure that the expected maturity of this liability does reflect the previous experience or expected future trends.

2.4 Leases

The Gallery will consider entering into lease arrangements for the purchase of assets where:

- a) the purchase price exceeds \$50,000; and
- b) the section purchasing cannot readily fund the purchase within the current financial period and the Section Manager is satisfied the purchase is urgent and cannot be deferred to the next financial year, or
- c) the purchase is of such significant cost (e.g. > \$50,000) and cannot be met within any one financial period.

Where the above conditions are satisfied:

- a) the Assistant Director, Administration and/or other approved delegate must approve the arrangement and be satisfied it is the most appropriate option.
- b) the Assistant Director, Administration and/or other approved delegate may consider other situations where special circumstances exist. The accounting treatment for all leases shall be in accordance with AASB 117.

2.5 Commitments Register

A commitment is an intention to incur a liability.

The Framework for the Preparation and Presentation of Financial Statements defines a liability as follows: "A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits".

A Commitment is an agreement entered into by the Gallery to expend money in exchange for goods to be provided or services to be rendered, but NOT as yet provided or rendered.

All known commitments are to be listed and brought to account, at the end of the financial year.

Commitments should be accounted for in accordance with Finance Minister's Orders for Financial Reporting.

References: Finance Minister's Orders, PRIMA Illustrative Financial Statements (CAC Agency)

3.0 Revenue

3.1 Mail Order and Internet Sales

The Gallery shall sell, by mail order other through the internet, those items from commercial stock which the Manager of Commercial Operations and the Assistant Director, Development, Marketing and Commercial Operations deems appropriate.

All mail order and internet sales must be paid prior to delivery. Payment in the form of cash, cheque or credit card must accompany the order. This includes sales made from www.ngashop.com.au or other commercial websites.

Freight charges will be charged to the customer and will be included in the total payment due to the Gallery. This includes both Australian and International customers. Freight across mainland Australia will include GST whereas international freight is GST Free.

A freight recovery account will reflect the actual amount of delivery monies recouped.

Telephone orders may be accepted when a credit card number is quoted, and the order is not above \$150. If the order is above \$150, then written approval must be obtained from the customer to charge their credit card.

All mail orders shall be entered onto the Point of Sale (POS) and inventory system before goods are despatched. The Gallery shall endeavour to despatch all mail order goods within two working days of receipt of the order.

3.2 Recognition of Major Exhibition Revenue and Expenditure

For the purposes of this policy 'major exhibition' means those exhibitions allocated a separate project code in the chart of accounts.

All revenue and expenditure related to each major exhibition shall be brought to account in the financial year in which that transaction occurs. It is important to note however that the Gallery's major exhibitions may spread over multiple financial years and that the overall financial result may not be reported in one financial year.

3.3 Recovery of Expenditure

Any expenditure incurred by the Gallery on behalf of another person or organisation, and not directly related to the operations of the Gallery, shall be fully recovered from that person or organisation, through the Debtors system. Usually the individual will be provided with a Gallery invoice when seeking reimbursement.

3.4 Accounting for Recovery of Expenditure

Expenditure recovered in accordance with Finance Policy 3.3 above shall be accounted for by crediting the amount recovered against the original expense account.

Expenditure recovered and accounted for in this way must be clearly identifiable as actual expenditure already incurred. If this is not clear, the income is more accurately identified as miscellaneous revenue and is to be recorded as such.

When costing for the provision of goods or services a clear distinction is to be made of the components related to direct materials and for overheads (including salaries). When recovered the direct materials component shall be credited to the expense account and the overheads component to miscellaneous revenue.

Insurance recoveries related to the movement of works of art are not treated as above, instead, for management purposes, these monies are treated as miscellaneous revenue, receipted through the Debtors System.

3.5 Trade Sales

The National Gallery shall sell Commercial products to wholesale outlets at discount prices, on terms set out below.

Price: The recommended retail price shall be calculated in accordance with the Finance Policy 1.9.

Discount: The Gallery's discount for publications and merchandise for trade customers shall be:

For orders over \$250
 For orders over \$1,000
 For orders over \$2,000
 For orders over \$5,000
 For orders over \$5,000

Minimum: The Gallery's minimum order value is \$100. Orders below \$100 will be subject to a \$10 service charge.

Delivery: Goods shall be delivered within 14 days of receipt of the order, when in stock.

Freight/postage: Freight costs shall be charged (at level) on all wholesale orders.

International orders shall be despatched as per instructions and actual freight charge recouped.

Payment terms: Net 30 days

Credit: Initial trade orders must be prepaid if the client is not already an approved debtor.

Returns: Products are sold on a non-returnable basis unless damaged or defective. Defects must be reported within seven days of receipt of goods. Merchandise must not be returned without prior

authorisation of the Gallery.

International: Payment in Australian dollars is required. Full freight charges are to be levied. The customer is to

specify method of shipment.

4.0 Expenses

Expenses must be approved in accordance with the Gallery Delegations listing, which is available on the Intranet. A payment stamp is available for coding expenses and should be completed fully.

4.1 Home Delivered Publications

The Gallery generally does not approve the home delivery of publications, as most publications are available in the Gallery Library. However the Director or the Assistant Director, Administration may approve an application for the home delivery of any publication.

4.2 Use of Official Hospitality

Funds for official hospitality are provided to facilitate the conduct of business, which should further the aims of the Gallery. Promotional entertainment, relating to exhibitions is funded separately. Written approval/authorisation is required for the use of official hospitality.

A reasonableness and appropriateness test should be made to determine whether a hospitality event should occur.

Hospitality may be in the form of:

- entertainment
- gifts
- flowers etc.

Department Managers may incur expenditure for official entertainment up to \$100 per occasion, to a total of \$300 per annum. If this annual limit is reached within any one year then approval must be obtain from the relevant Assistant Director prior to incurring any additional expense.

For expenditure over the limit of \$100 per occasion, prior approval is required from either the relevant Assistant Director, Assistant Director, Administration or the Director.

For all official entertainment Gallery officers attending should generally not exceed 50% of those present.

If an officer is in receipt of a travelling allowance, which includes a meal allowance, that portion of the allowance relating to the entertainment shall be deducted from any official entertainment expenditure claimed while the officer is travelling.

An official credit card may be used to pay for approved entertainment.

A tip may be included in the expenditure. However care should be exercised to ensure that the tip is not excessive and publicly defensible.

Non-acceptable expenditure for entertainment generally includes (noting that these may still be approved by Assistant Directors or the Director:

- □ functions to farewell Gallery officers
- club membership fees
- functions where the majority of persons are Gallery officers

Expenditure on minor gifts of a protocol or public relations nature is acceptable when the presentation is to further the aims of the Gallery.

The relevant Assistant Director should approve gifts of flowers or wreaths.

4.3 Purchasing of General Stores

Only the appropriate delegated officer may authorise the purchase stores (e.g. stationery, chemicals and furniture) required for the day-to-day operations of the Gallery. Under no circumstances are staff to incur expenditure without such approval or delegation.

If an officer of the Gallery incurs expenditure without the above approval, the officer may be held personally responsible for the debt.

4.4 Purchasing of Library Books & Periodicals

The purchasing of library books and periodicals is the responsibility of the Chief Librarian and is covered by the Financial Delegations as approved by Council. Library collection purchases are ordered on the library collection management system, which is maintained and updated by library staff.

After receipt of library books or periodicals, invoices are authorised for payment and forwarded to the Finance section, where payment is processed. The exception is when items are ordered on a credit card or are paid by wire transfer in advance.

4.5 Purchasing of Commercial Stock and Publications

The Assistant Director of Development, Marketing & Commercial Operations is accountable for all purchases of commercial stock and for the production of all Gallery publications within budget guidelines and delegations. The authority to purchase is subsequently delegated to section managers of Commercial Operations, Gallery Shop, Publications and Marketing and Communications.

The Assistant Director of Development, Marketing & Commercial Operations will receive final proofs of all NGA products prior to commissioning publications. The Product Committee authorise the purchase of stock for exhibitions or special projects at weekly meetings which have an agenda and minutes. The Publications and Gallery Shop Manager are to advise at regular meetings proposed purchases for approval. Marketing material is to be developed with relevant stakeholders as required.

Commercial and Publications purchases must follow approved Gallery purchasing practices.

All products shall be purchased through the Gallery's official Purchasing Officers in the Gallery Shop and Publications. A purchase order for all products shall be raised in AdvanceRetail prior to receipt. This is required as all known commitments are to be listed and brought to account, at the close of the financial year.

All purchases shall have the approval of the appropriate delegated officer and be fully documented. All credit card transactions must have receipts corresponding to invoices for commercial purchases.

Invoices relating to commercial stock must be coded to resource centre D9, and natural account 12301 for stock held at Hume & 12307 for shop stock. No project and activity coded is required and should be 0000 & 00 respectively (e.g. D9-0000-12307-00).

4.6 Purchasing of Works of Art

The purchase of Works of Art is controlled by the National Gallery Act 1975.

The Council of the National Gallery is responsible for the purchasing program adopted by the Gallery.

Any proposed purchase over \$10,000,000 requires the approval of the Minister as per the *National Gallery Act* 1975 and associated *Regulations*.

Council has delegated to the Director authority to purchase works of art up to the value of \$100,000. The Director and the Chair of the Council or Chair of the Acquisition Committee have the authority to purchase works of art up to the value of \$200,000. The Director, Chairman of Council and Chairman of Acquisitions Committee have the authority to purchase works of art up to the value of \$250,000. Any proposed purchase above \$250,000 and below \$10,000,000 is required to be approved by the majority of the Council.

Purchases approved by the Director shall be listed, for Council notification, at the next Council meeting. These lists form the basis of documentation entered onto the Works of Art computer system.

All purchases including those approved under delegated authority shall be submitted to Council for approval and information, as laid down by the *National Gallery Act 1975*. The Finance Section takes account of approved purchases on an accrual basis in the financial statements.

It is important to note that GST may be charged on the purchase of Works of Art, either within Australia or through importation. Please contact the Finance Section for all GST issues.

4.7 Accounting for Repairs and Maintenance

Expenditure for repairs and maintenance to equipment, to maintain that equipment in a serviceable manner, shall be expensed.

Expenditure for repairs and maintenance of a capital item, to maintain that item in a serviceable manner, shall be expensed.

Expenditure for major enhancements to a capital item shall be capitalised. All Non-Collection Capital expenditure is controlled through the Capital Budget Committee of the Gallery.

4.8 Telephones, including Mobile Phones

The Gallery can pay for the use of either privately own or Gallery owned phones, based on the following:

Privately owned mobile phones or semi-official phones — Where a need has been established, the relevant Assistant Director may approve the use of a private phone for official purposes. Portion of the rent and either those calls identified as official, or a percentage of all calls shall be reimbursed to the officer, after approval by the relevant Assistant Director, and on production of the paid account.

Gallery owned mobile phones – Where a need has been established, the relevant Assistant Director may approve the issue of a Gallery owned mobile phone, for official use. The Gallery shall pay the monthly accounts, and a copy of each bill can be forwarded to the officer concerned for identification and reimbursement of all non-official calls.

4.9 Travel

Staff required to travel on official Gallery business who have incurred or are likely to incur costs will have those costs met by the Gallery in accordance with the <u>National Gallery of Australia Travel Guidelines</u>. Staff are expected to neither gain nor lose financially as a result of undertaking official travel.

Staff are required to exercise sound judgement in achieving appropriate and cost-effective outcomes when arranging travel. The method and times of travel should be arranged to minimise as far as practicable the overall cost of travel and the period of absence from duty during official hours. When considering the most cost-effective travel options staff and supervisors should ensure they maintain an appropriate balance between work and home responsibilities.

The authority to make any payments to staff derives from the Enterprise Agreement. Approval to travel and incur expenses must be authorised consistent with the current delegation schedules.

4.10 Credit Cards

The Gallery may issue a credit card to an officer of the Gallery. An appropriate form shall be used to obtain a credit card. The Finance Section will determine the processes covering credit cards, including acquittals. The acquittal process for the credit card is defined in the <u>Credit Card Acquittal Guidelines</u>. If credit cards are not used or acquitted appropriately the Chief Financial Officer may suspend or cancel the associated credit card.

Credit cards should not be used for tipping or for any expenditure which would not be publicly defensible.

5.0 Miscellaneous

5.1 Accounting for Foreign Currency Transactions

Foreign currency transactions should be treated in accordance with AASB 121 the Effects of Changes in Foreign Exchange Rates. All foreign currency transactions which when converted to Australian dollars, which are less than \$A100,000 shall be considered immaterial and the method of recording the commitment and payment will be as for a normal Australian dollar transaction. i.e. no adjustment shall be made.

Foreign currency transactions which when converted to Australian dollars are greater than \$A100,000 will be recorded as a commitment in Australian dollars at the rate applicable at the date of commitment and shall be hedged at the time of commitment or as soon as possible after the decision has been made.

The date of commitment shall be the date of the Council meeting approving the purchase of Heritage Assets or the date of approval by the Minister if the value of the work of art exceeds \$A10,000,000. The date of the contract or the date of the purchase order shall be the date of commitment for other transactions.

5.2 Taxation

The Gallery will pay and receive GST and will lodge an FBT and BAS return in a timely manner.

5.3 Financial Reporting

The Finance Section will provide financial reports to the Program Managers Group, the Director and the Council as required and in a timely manner.

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NATIONAL GALLERY OF AUSTRALIA

AUSTRALIAN GOVERNMENT CREDIT CARD

GUIDELINES FOR USE

- Cardholders must comply with the Gallery's purchasing policy, particularly in regard to the need to ensure value for money, promote open and effective competition, and to obtain competitive prices.
- Cardholders must follow the Gallery's Finance Policy 44 "Use of Credit Cards".
- Cardholders are to collect their card from the Finance Section and must sign the Cardholder Agreement which sets out the terms and conditions of use of the Credit Card.
- Appropriate documentation must be kept and provided for the acquittal of the cardholder's monthly Australian Government Credit Card (AGCC) account. Documentation should include:
 - A tax invoice or cash register docket showing;
 - . number of items purchased
 - . description of items purchased
 - . cost per item
 - . total cost
 - . place and date of purchase
 - Cardholders using AGCC over the telephone must keep a log of all transactions, with a date of purchase, description of item, cost and if supplied record a receipt number.
 - In the event of lost documentation, if the charge is less than AUD\$20.00 cardholders must provide sufficient explanation in the comment section of the acquittal form (no statutory declaration is required), if the charge is more than AUD\$20.00, a full statutory declaration must be provided. One statutory declaration would be sufficient per statement acquittal.
- After receiving the monthly AGCC account from Finance, the cardholder must verify and code each line, have it approved by the relevant Manager and returned with all appropriate and supporting documentation within 5 working days to Finance.
- Lost or stolen cards must be reported to Visa Emergency Assistance Centre on toll free number 1800 033 844 (within Australia) or (area code for Australia) 9643 7043 (reverse charge) from overseas as soon as possible. Cardholders must also notify the NGA Finance section.

Fraud

Fraud may be facilitated if AGCC is lost or stolen, or if AGCC holders exceed the credit limit on AGCC or use AGCC for the unauthorised purchase of goods. In the event of misuse or non-compliance, the Gallery reserves the right to confiscate or cancel any officer's AGCC. Please Advise the Head of Finance if you are aware of any situation of misuse or non-compliance.

Delegations

There will be tier card system based on the following dollar values:

- A. \$1000 limit per purchase with a monthly limit of \$5,000
- B. \$5,000 limit per purchase with a monthly limit of \$10,000
- C. \$10,000 limit per purchase with a monthly limit of \$20,000

Attachment A

Cardholder Agreement

The AGCC is issued to you on the express condition that you will, at all times, take strict care of the card and use it according to the guidelines issued.

I understand and agree that:

Date

• I will not use the AGCC or allow it to be used other than for official purposes.
• I will not exceed the established card limit for my card. The transaction limit is
\$ with a credit limit of \$
• I may only use the AGCC for purchasing goods and services.
• I am not permitted to withdraw cash under any circumstances.
• I am only permitted to use the AGCC for purchases over the Internet where there is a direct benefit to the Gallery.
 I will keep complete records in a timely manner in accordance with the policies and guidelines issued.
• If I misuse the card (ie. Use it otherwise than in accordance with the guidelines issued), I am aware that proceedings will be initiated against me under the Commonwealth law and if found guilty, I will be liable for fine, imprisonment or both.
 If the AGCC is lost or stolen cards must be reported to Visa Emergency Assistance Centre on toll free number 1800 033 844 (within Australia) or (area code for Australia) 9643 7043 (reverse charge) from overseas as soon as possible. Cardholders must also notify the NGA Finance section. I will comply with NGA guidelines in acquitting my credit card within 5 working
days of the receipt of the statement from finance.
I acknowledge that I have read and understood the conditions set out above which gives the use of the AGCC in my name. I have also read the Guidelines for Using the AGCC and agree to adhere to all requirements set out in it.
Cardholder Name
Cardholder Signature

3. Purchase Cards (AGPC)

3.1 Requests for Australian Government Purchase Cards

Requests for employee to be issued with Australian Government Purchase Cards (AGPC) are to be directed to the Assistant-Director, Finance Branch after being approved by the relevant Division Head. The request should specify the employees name; their position number; identify the business need that will be addressed through the issuing of a purchase card; and specify the monthly total card expenditure limit, which would be linked to the business need being addressed and the individual transaction limit. Transaction limits would generally not exceed the delegation limit for the position holding the expenditure delegation, unless the cardholder is required to process transactions having the prior approval of another delegate (e.g. overseas travel). For advice, please contact the Assistant Director, Finance (Ext 1443) or Director, Finance (Ext 1612).

To be issued an AGPC it is necessary that the cardholder be a National Library employee and held against a position holding the delegation to approve the expenditure (either Delegations 2 to approve expenditure for Library supplies and services or Delegation 3 to approve expenditure on Library collections) and to authorise the funds available (Delegation 5). If the position requires a new delegation or an amendment to an existing delegation, it will be necessary for the division to request an amendment to the Financial Delegation Manual. All requests for amendments are required to be approved by the relevant division head, be forwarded to the Assistant-Director, Finance and include the following details:

- the position number and level;
- the delegation being requested or amended;
- financial limits, where applicable; and
- justification for the request.

Finance Branch will arrange for the request to amend the Financial Delegation Manual to be appropriately documented and forwarded to the Director General, and provided it is approved will arrange for the Financial Delegation Manual to be revised.

Requests for new cards will be forwarded to the ANZ using the bank's prescribed form. This will necessitate the proposed cardholder to provide 100 point identity check. After the bank has advised that the AGPC has been issued, Finance Branch will arrange for the card to be collected from the bank and advise the cardholder that the card is ready to be issued.

3.2 Issuing the AGPC

An AGPC will only be issued once the cardholder has attended appropriate procurement training. Finance Branch staff will rely upon advice provided by the Director, Contracts and Legal Support Branch as to whether this requirement has been met.

At the time the AGPC is issued the cardholder will be required to sign an AGPC Agreement and Acknowledgement form. This form, in summary documents the requirements for the use of the card and requires the cardholder to agree to the conditions governing its use. All completed forms are to be appropriately filed.

The Assistant-Director, Finance will arrange to have the AGPC account created in the Finance One Purchase Card Module and request the Finance One Systems Administrator to provide data entry training to the cardholder.

The listing of active purchase cards is maintained in Finance One using the Chart PCCHART and for each active card, the individual transaction amounts and monthly credit limits are recorded. When a purchase card is cancelled after the last monthly reconciliation is finalised the purchase card account within Finance One will be made inactive. The Assistant Director, Finance is responsible to ensure that the Purchase Card Chart within Finance One is current.

3.3 Annual Card Renewal

Unless otherwise advised, purchase cards are generally subject to automatic renewal. The ANZ purchase cards are valid for a three-year period unless cancelled on advice from either the Division or the individual (e.g. leaving the Library or changing positions).

3.4 Closing Accounts and Returning the AGPC

It is the cardholder's responsibility to return the AGPC to the Assistant Director-Finance in situations where either the cardholder is planning to commence on extended leave (e.g. long service leave, leave without pay etc) or are no longer held against a position number holding the relevant delegations. The cardholder and the relevant DSU are responsible for putting in place appropriate arrangements to ensure that the last purchase card statement is appropriately reconciled. The Assistant-Director Finance will determine whether the card should be held in safekecping or have the cardholder's account closed.

If the account is to be closed the Assistant-Director Finance is required to complete the necessary ANZ bank form; physically disable the card (i.e. partially cut the card); and the completed and forward the relevant form to the bank. Copies of this documentation are to be filed. In addition, the account within the Finance One Purchase Card Module is to be made inactive once the last statement has been reconciled.

3.5 Processing Australian Government Purchase Card Transactions

Purchases made with the AGPC must be in accordance with Library Procurement Guidelines. The Library's procurement policies and procedures may be found at https://my.nla.gov.au/procurement.

To ensure compliance with GST and Pay As You Go legislation any transactions greater than \$75 excluding GST or \$82.50 inclusive of GST must have a corresponding GST compliant invoice. The requirements for GST compliant invoices are detailed in Chapter 2, Section 4.2 Tax Invoices, [note there are additional requirements if the invoice amount is greater than \$1,000]. In summary, a tax invoice is required to allow the Library to claim back the value of any GST paid, without a tax invoice it is not possible to claim back the GST. In addition, the existence of a tax invoice means that the Library also complies with Pay As You Go legislation that requires the Library to withhold 49% of the value of the total invoice if the supplier has not provided their Australian Business Number.

3.6 Transactions Made Over the Telephone

The requirement to ensure that transactions greater than \$75 excluding GST or greater than \$82.50 inclusive of GST have a corresponding compliant tax invoice requires cardholders ordering goods over the telephone to request the supplier to fax a tax compliant invoice prior to finalising the transaction. It is recommended that the invoice be faxed, the invoice checked to ensure it is GST compliant and then the card details be faxed to the supplier on the invoice. In this way, the cardholder can be confident that they have a corresponding compliant tax invoice.

3.7 Cardholder's Responsibilities

The cardholder is to ensure that any expenditure is in accordance with the Library's Procurement Guidelines and that the expenditure is only for the official purposes of the Library.

If the cardholder is no longer authorised to have a purchase card or if they leave the Library the purchase card is to be returned to the Assistant Director, Finance Branch and in conjunction with the Divisional Support Unit arrangement put in place to allow the final monthly reconciliation to be finalised.

Each cardholder is required to process transactions into Finance One on a monthly basis. Within Finance One, there is a purchase card module and on a monthly basis, the transactions from the statement will be loaded into the module by Finance Branch staff to allow cardholders to reconcile their transactions. There is also the functionality to accrue (i.e. recognise) transactions that have yet to appear on the statement.

3.8 Monthly Reconciliations

The cardholder is required to provide all the necessary information to allow Finance Branch to finalise the monthly transactions into Finance One. This will include providing corresponding tax invoices and any other required documentation.

Each month the cardholder will be required to reconcile the monthly statement and this requires the cardholder to:

- On receipt of the monthly statement to reconcile the statement and provide copies of the relevant transaction records and tax invoices.
- Request their supervisor review the statement and sign the purchase card form to signify that they
 have reviewed the transactions.
- The reconciled statement and supporting documentation is to be supplied to Finance Branch within four working days after receiving the statement. The cardholder's signature in the transaction record form signifies that the account has been certified and that 'payment may be properly made'.
- The onus at all times is on the cardholder to reconcile the monthly statement and accordingly the cardholder must make the necessary administrative arrangement to take account for periods of leave.

Finance Branch staff have responsibility to coordinate and finalise the monthly statement reconciliation process and this is documented under the heading 3.10 Authorising Officer's Responsibilities, page 149.

3.9 Cardholder's Supervisor's Responsibilities

The cardholder's supervisor has an important role to ensure that the transactions are valid and that the data entry has been completed correctly. The supervisor reviewing the transactions of the cardholder is an important control and assists in discouraging and detecting errors or fraud by the cardholder.

To effectively undertake the review of the cardholder's transactions the reviewer should have an understanding of Purchase Card Procedures, the Library's Procurement Guidelines and the types of

goods and services that are likely to be procured by the cardholder. In undertaking this responsibility, the following matters should be considered:

- The expenditure is supported by appropriate documentation (e.g. tax invoices supporting the amounts and descriptions).
- The expenditure has been charged to the correct account and cost centre codes.
- Transactions do not indicate that the cardholder has inappropriately split purchases to overcome transaction limits on their purchase cards.
- Expenditure appears to be reasonable and for the purposes of the Library (i.e. no evidence of personal use of the purchase card).
- Where expenditure has been charged to hospitality a completed "Request for Approval of Official Hospitality form" must be attached.
- Expenditure is consistent with the Library's Procurement Guidelines, which are available through https://my.nla.gov.au/procurement.

3.10 Authorising Officer's Responsibilities

The Authorising Officer's responsibilities include:

• Arranging to have the monthly statements uploaded into Finance One and advising the cardholders that the statements are ready to be reconciled to cardholders. A paper copy of the statement will also be received and the master statement lists all cardholders and their total purchase for the period. The master statement is to be used as a control check to ensure that individual cardholders have acquitted and returned their monthly statement. The Authorising Officer is to encourage all cardholders to reconcile their statements within the prescribed period.

On receipt of the reconciled statement, the Authorising Officer will undertake the following action:

- Ensure that the supporting documentation is complete and in particular that the associated invoices are GST compliant. This involves completing a consolidated quality assurance for the monthly reconciliations:
 - Check that the credit card transactions recorded in Finance One has been completed by the cardholders.
 - o Quality assure each transaction (i.e. GL coding, narration and GST classification) with particular emphasis on the GST coding.
 - o Ensure that the expenditure delegations have been complied with.
- After the appropriate checks described in the previous dot points have been performed, the
 purchase card transactions are posted. The balance on the master statement is the value, which
 will be debited to the Number One Drawing Account. After the bank has debited to the bank
 account it is necessary to ensure that the amount agrees with the master statement.

3.11 Disputed claims

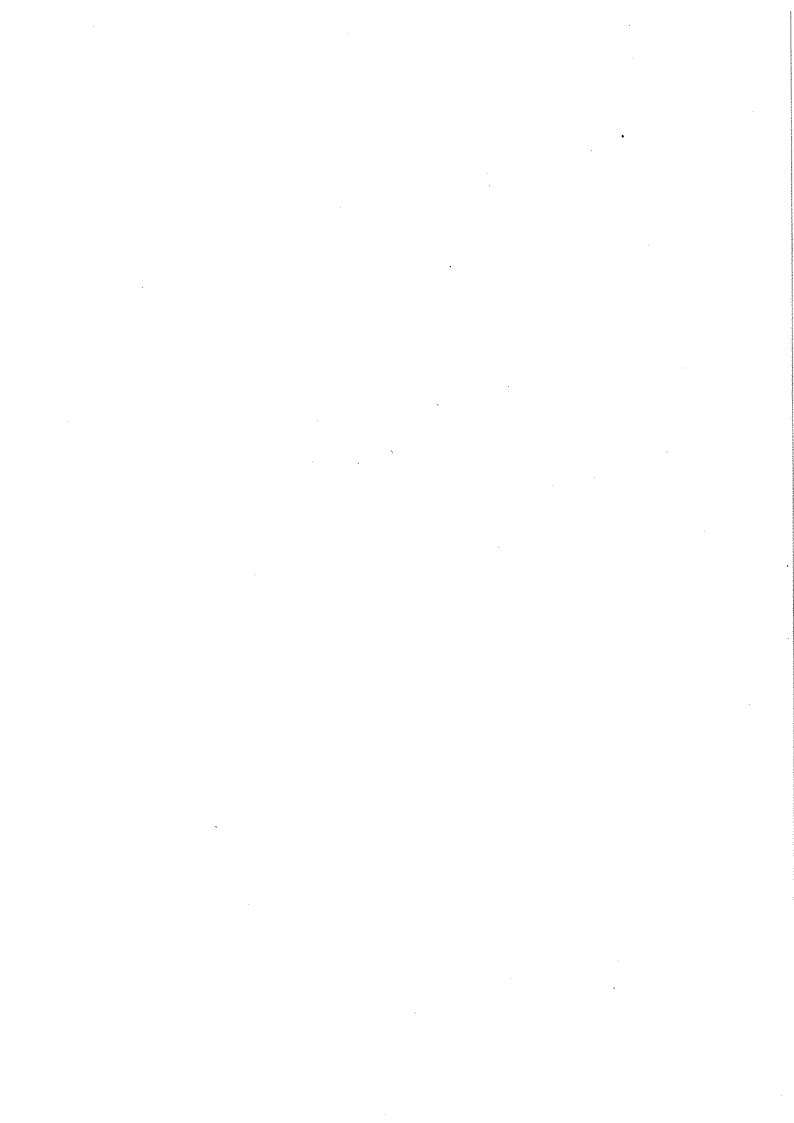
Disputed claims require the cardholder to resolve the matter with either the ANZ Bank and or the vendor and inform Finance Branch in writing of the action being taken. For further details, refer to the Library's Procurement Guidelines.

3.12 Misuse of Purchase Cards

All cardholders are to be aware that the AGPC must not be used for private purposes regardless of the circumstances, unwittingly or otherwise. The private use of the AGPC is tantamount to borrowing money from the Library. Any identified instances of misuse are to be reported to the Director Accountability and Reform. The Director of Accountability and Reform is required to recommend to the Assistant Director General — Corporate Services whether the matter should be referred to the Australian Federal Police or the Director of Public Prosecutions.

3.13 Relevant Legislation

The Public Governance, Performance and Accountability Rule 2014, Division 3, Section 21 A provides that the borrowing of money by a corporate Commonwealth entity is authorised if the borrowing is by the use of a credit card, credit voucher or similar credit facility provided the associated agreement requires that the amount borrowed in repaid by the entity within 90 days.



Section 6: Guidelines for using the Australian Government Purchase Card

6.1 Introduction

The purpose of the Australian Government Purchase Card (AGPC) is to improve efficiency in payment of accounts. Use of the card is expected to:

- reduce the amount of paperwork to be processed;
- reduce the number of small claims received by the Library as card purchases will be consolidated on a single monthly account and therefore reduce cheque issues;
- ensure faster payment to suppliers; and
- · improve the Library's cash management.

6.2 Coverage

Purchase Cards can be used for potentially any type of purchase where the supplier accepts Card payments. Purchase Cards are suited for small, low value purchases, hence reducing the number of purchase order invoices associated with these kind of purchases. They are not issued to the Library as a corporate body but to individuals and staff are therefore personally responsible for their safekeeping.

ANZ Banking Group is the current supplier of the facility to the Library. Purchase Cards can be used with any supplier who has ANZ VISA Card facilities. Finance Branch is responsible for liaising with ANZ for issuing and updating all AGPCs within the Library.

Officers will have little difficulty following these procedures if they regard the AGPC as a means of payment rather than as a means of purchase.

6.3 AGPC Conditions of Use:

The AGPC is to be used for:

- expenditure only on those goods and services that are necessary for or connected with, the performance of the Library's functions under its Act and the triennial Strategic Directions;
- spending, including the GST component, which is within the individual expenditure limit (of your delegation) and the Card limit. Each transaction must not exceed \$2 000 GST inclusive, without approval of a Division Head. AGPC cardholders should note that their expenditure limitation should not be exceeded for individual transactions;
- payment of small claims typically for purchases from suppliers with whom the Library has an infrequent and irregular relationship*;
- official purposes where Division Heads may have issued directions to cardholder's to restrict the use of the Card to particular supplies or account codes. These directions *must* be observed; and

National Library of Australia Procurement and Contract Guidelines

 purchase decisions that still comply with the concepts of the Library's Procurement and Contract Guidelines, especially those concerning Value for Money.

*Where purchases are made from suppliers located in Australia and greater than \$75.00 excluding GST, the AGPC is only to be used to purchase material from businesses that have an Australian Business Number (ABN). If the supplier is registered and charging GST it is a requirement for cardholders to obtain a compliant Tax Invoice prior to the approval of any AGPC transaction. The reason for this is the Library is required to withhold tax at the rate of 48.5% where a business is not registered and this is not possible if payment is made via the AGPC.

The AGPC is not to be used:

- for expenditures when the cardholder is already paid an allowance for the expenditure, e.g. accommodation expenses when the cardholder is paid a travel allowance;
- for the purchase of assets. Capital item payments are processed instead through the Library's accounting system. The exception is for IT Internet purchases by IT Division itself, in which case the items still require Receipting Officer acquittal and registration;
- for purchases over \$2 000, GST inclusive, unless a higher amount has been approved by your Division Head;
- for recurring payments to the same suppliers on a daily, weekly or monthly basis. For the purposes of efficiency such purchases require a normal procurement process with consequent payments being processed through the Library's accounting systems. If however supplier requirements, especially those associated with Internet providers, dictate such an approach, recurrent transactions are acceptable by necessity; and
- to pay contractors or consultants where a formal contract and monitoring regime exists between the Library and the contractor or the consultant. In addition some individual contractors are eligible for superannuation support payments from the Library hence payments cannot be made using the AGPC.

It is important to remember that:

- cards are only provided to staff who have received training from both Finance and Contracts and Legal Support Branches;
- the loss, theft and unauthorised use (i.e. by someone other than the cardholder) of the Card must be reported immediately to ANZ Cards Retail telephone 1800 636 359 and Finance Branch on extension 1443.
- before using the Card, always check funds available through the use of Finance One. Training on the system can be provided by the System Administrator, Finance Branch extension 1658; and
- any decision to use the AGPC on the Internet should take into careful
 consideration the security offered by the suppliers and the viability of the
 supplier involved. Whenever possible, purchases on the Internet should be
 made from merchants, who offer highly developed security levels and
 facilities to accommodate any GST requirements (where applicable).

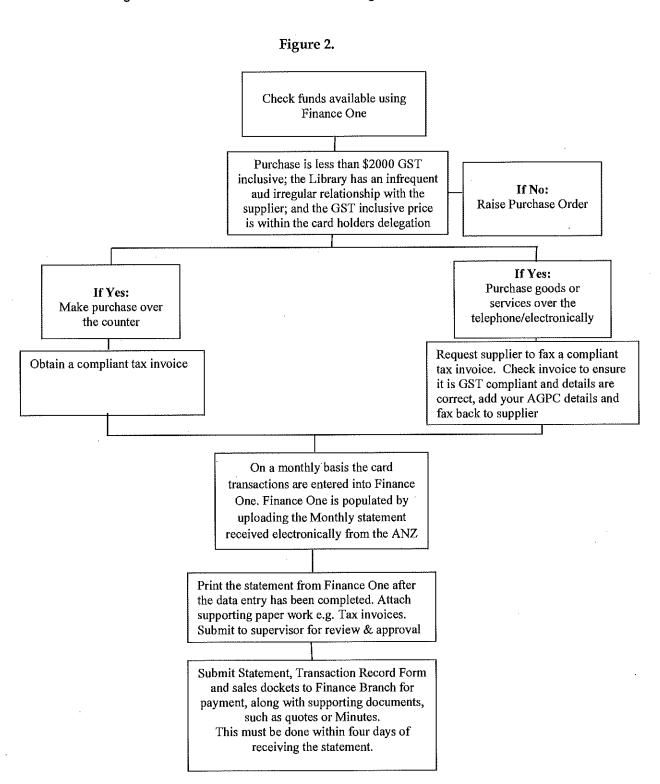
National Library of Australia Procurement and Contract Guidelines

6.4 Misuse of Purchase Cards

Where the facts point to staff having used an AGPC for private purposes, it constitutes misuse. A person who uses a Government Purchase Card with the intention of obtaining cash, goods or services otherwise than for the Library, is guilty of an offence. Matters regarding fraud are covered in the Library's Fraud Policy, which is available on MyNLA. Further information is available from the Director Accountability and Governance Branch on ext. 1798.

6.5 Procedures for Using the AGPC

The following chart outlines the procedures for the procurement of goods and services using the Australian Government Purchasing Card.



Making Purchases Using the AGPC

Several methods can be used for making AGPC purchases:

Purchases over the counter

Using the AGPC in this manner involves going to the supplier to purchase and collect the goods. Given the Library's location, this option might not always prove cost effective. Cardholders should ensure the supplier records an itemised description of goods or services on the sales docket. Descriptions such as "goods" are inadequate. The sales docket functions as a defacto requisition and purchase order and the details recorded must be sufficient for the purposes of these documents.

To ensure compliance with GST and Pay As You Go (PAYG), purchases equal to or greater than \$75.00 (excluding GST), must have a corresponding compliant Tax Invoice.

Purchases other than over the counter

To obtain maximum benefit in using the card, most purchases should be made electronically or over the phone. This saves staff from having to physically collect purchased items.

One method of ensuring compliance with GST and PAYG, cardholders are required to have a compliant Tax Invoice faxed or emailed to them by the supplier. The invoice must be checked for GST compliance, and correctness. The cardholder should then write his/her AGPC details including card number, type of card (VISA) and expiry date, on the invoice and fax/email back to the supplier. It should be stressed with the supplier that the goods are to be delivered prior to the sales docket being banked. As cardholders are required to obtain faxed copies of tax invoices prior to placement of AGPC orders the use of substitute sales dockets will not be required.

It is recognized that for Internet purchases, suppliers prefer payment via their secure website. Cardholders should try to ensure that to facilitate the electronic placement of orders, the supplier does provide a secure, accessible and reliable interface to ensure the integrity and confidentiality for all information exchanged. Issues of interoperability and security determine the effectiveness and efficiency of any e-procurement. When cardholders order supplies over the Internet for purchases under \$2,000, they should therefore be careful of the terms and conditions of the purchase and the general security of the transaction.

In general where goods are being delivered to the Library they should be addressed and delivered to the cardholder. Always check when the supplier is intending to deliver the goods. If lengthy delays are anticipated it may be more practical and cost effective to raise a Purchase Order.

Note: With purchases that are made over the phone or electronically it is understood that use of the AGPC by an unauthorised person (i.e. other than the cardholder) is a risk carried by the merchant - no liability will attach to the Library unless staff fail to notify the ANZ in a reasonable timeframe. Reports of stolen, lost or unauthorized transaction use should be reported as soon as possible on 1800 636 359. Care should be taken by the cardholder nevertheless to minimise the likelihood of such an occurrence.

Transaction Records

Each cardholder needs to keep a temporary record of purchases made throughout the month. This record should ensure that you remain within your credit limit and will facilitate the formal reconciliation undertaken through Finance One at the start of each month. It is this reconciliation which becomes the formal accounting record of purchase and payments made by Library purchase cards.

Delivery of Goods

As there is no Purchase Order to be receipted, nor is the purchase an asset (as these are not to be purchased on AGPC) the goods should be addressed and delivered to the cardholder at the Library.

6.6 Processing Responsibilities

Cardholders

Each month cardholders will be advised electronically that they are required to reconcile their ANZ Statement directly into Finance One. Cardholders responsibilities for monthly reconciliation are detailed in Section 3 of the Finance Manual to which cardholders should refer.

Responsibilities of Supervisors

It is the responsibility of the cardholder's supervisor to check the monthly statement reconciliation. Cardholders are to ensure that supervisors provide this action. Supervisors should check that the purchase is legitimate and meets the Library's procurement practices, including financial Delegate limits. The Delegation Manual details these limits and is available from https://my.nla.gov.au/node/12743.

Annual reviews of purchase card delegations, card usage and card limits should be undertaken by the respective Branch or Section Head. This will assist in establishing the appropriate card numbers within work areas.

Finance Branch

AGPC monthly statements will be electronically imported into Finance One. Finance One will generate emails to advise cardholders of the need to reconcile their monthly transactions. On receipt of the reconciled account, the Accounts Payable Supervisor undertakes the following action:

- ensures documentation is complete and distributions are valid; and
- ensures that the delegations are being complied with.

On a monthly basis, the Accounts Payable Supervisor will select several reconciled AGPC Accounts to examine. This is done to ensure correct procedures are being complied with and to maintain the integrity of the system.

6.7 Disputed Claims

Where transactions in the ANZ Statement are in doubt, it is the cardholder's responsibility to contact either ANZ or the supplier to seek clarification. Disputed claims may arise when the Library is billed for:

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- goods or services that have not been received;
 In this situation the cardholder should contact the supplier to set a delivery date.
- goods which have been returned;
 The cardholder is to contact the supplier seeking a refund for the returned goods. The Library is still required to pay the transaction amount shown on the ANZ Statement. When the refund is received it will be credited to the appropriate account.
- the correct goods but the price is incorrect;
 The cardholder will be responsible for liaising with ANZ Bank to establish the validity of the claim i.e. obtain a copy of their sales docket. If the bank cannot validate the transaction then the Bank will be required to provide a refund.
- transactions appear on the statement for which there is no record;
 The cardholder should complete an ANZ AGPC Disputed Transaction
 Advice form and send or fax this to the bank.

Finance Branch is to be given full details of outstanding disputed claims with the reconciled forms. They should be informed of the action being undertaken to obtain either delivery of the goods or a refund.

NATIONAL PDRTRAIT GALLERY

FINANCE POLICY

Policy Name:	Policy Outline:
2.0 Approval and commitment of relevant money	Proper management of approving and committing relevant money in accordance with section 20A of the PGPA Act
Date of Issue: 19 February 2016	Date of Effect: 19 February 2016
Approved By: National Portrait Gallery	Board
Staff Affected: NPGA Board members,	All staff, contractors, volunteers and interns
Contact Officer(s): Chief Operating Of	ficer (COO)
Revision:	

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	AND COMMITMENT OF RELEVANT MONEY management Officials and Financial Authorisations tions applicable for all uses of relevant money al travel al hospitality or business catering. cards, fuel cards, cab charge ement 1 – NPGA Financial Authorisations

APPROVAL AND COMMITMENT OF RELEVANT MONEY

1. Policy management

NPGA Act s14, PGPA Act s15, s16, s20A Only the National Portrait Gallery of Australia (NPGA) Board may approve changes to this policy on recommendation from the Chief Finance Officer (CFO). This policy revokes the previous policy 2.0 Managing Expenditure and will be reviewed annually.

This policy is applicable to all Officials of the NPGA, inclusive of the NPGA Board. Sanctions may apply to persons found to be non-compliant with this policy.

The CFO may issue or amend procedures in relation to this policy as required. Officials must ensure those procedures are applied as instructed.

2. NPGA Officials and Financial Authorisations

PGPA Act s13, PGPA Rule 9 An Official is a person who is in, or forms part of, the NPGA. This includes, but is not limited to:

- members of the NPGA Board,
- NPGA employees,
- a person prescribed by legislation,
- the following persons in connection with the performance of the NPGA's functions:
 - an Official of another Commonwealth entity
 - an employee of a Commonwealth company
 - an officer or employee of a State or Territory
 - an officer or employee of an authority of a State or Territory.

A consultant or independent contractor of the NPGA is NOT an Official of the NPGA.

PGPA Rule 18

Before making a commitment you must ensure it is within the scope of your authorisation. An Official must not approve a commitment of relevant money, unless you have been authorised to do so.

Commitments of relevant money must be approved consistently with any written requirements specified in these instructions or the terms of the authorisation <u>Schedule 1</u>. When required, you must seek approval for a commitment of relevant money from an Official authorised to do so, or the NPGA Board.

Approvals for commitments of relevant money must be recorded. The approval must be recorded in writing as soon as practicable after giving it. An Official may approve a commitment of relevant money subject to conditions.

To avoid doubt, the NPGA considers the following as the *maximum* time limit allowed to mean 'as soon as practicable' per category of commitment:

- travel approval prior to the travel being booked.
- hospitality approval prior to the hospitality order being booked.
- procurement without purchase order within 21 days of receipt of a valid tax invoice.
- procurement on purchase order signing date of the arrangement on a purchase order request form.

See the NPGA procurement procedure 2.0(f) to ensure appropriate categorisation of each commitment.

Guidance: RMG 400 Relevant money is money the NPGA holds as cash or in bank accounts. Relevant money becomes committed when the NPGA undertakes an activity that results in an obligation to pay relevant money. This includes obligations such as indemnities, guarantees and warranties.

3. Conditions applicable for all uses of relevant money

PGPA Act s8, s15 An Official must ensure the proper use of public resources when making decisions regarding the commitment of relevant money. Proper meaning all use of public resources is efficient, effective, economical and ethical.

Further instruction on the meaning of proper is contained in procedure 2.0(a).

PGPA Act s25 - 29, PS Act s13 An Official must ensure compliance with the legal general duties with regard to their management and use of public resources. There are five general duties, which are:

A duty of care and diligence

Guidance: RMG 203

- A duty to act in good faith and for a proper purpose
- A duty in relation to use of position
- A duty in relation to use of information
- A duty to disclose interests

For detailed guidance on the general duties of officials see Resource Management Guide (RMG): 203 General Duties of officials.

NPGA Act s46

An Official must only apply money of the Gallery:

- in payment or discharge of the costs, expenses and other obligations incurred or undertaken by the Gallery in the performance of its functions and the exercise of its powers; and
- in payment of any remuneration or allowances payable under the NPGA Act.

NPGA Act s47

An Official must not, without the written approval of the Minister:

- acquire any property, right or privilege for a consideration exceeding \$1,000,000;
- enter into a contract for the construction of a building for the NPGA, being a contract under which the NPGA is to pay an amount exceeding \$1,000,000; or
- enter into a lease of land for a period exceeding 10 years.

Australian Taxation Law

Taxation obligations:

- You must maintain appropriate records and provide information as requested to enable the NPGA to meet its taxation obligations.
- Before seeking approval for a proposed commitment of relevant money, you must:
 - consider the potential fringe benefits tax implications of the proposed commitment;
 - ensure that the price to be charged for the goods and/or services is inclusive of goods and services tax (GST), where applicable.
- You must ensure that a valid tax invoice is obtained for each purchase to enable the NPGA to claim input tax credits for the purposes of GST, where applicable.
- You must ensure that all contracts for the acquisition of sale of goods and services by the NPGA appropriately address taxation issues.

PGPA Act s15, s16, s61 PGPA Rule s18

Contingent liabilities (indemnities, guarantees, warranties):

- You must not enter into an arrangement that includes a contingent liability (indemnities, guarantees, warranties) unless you have been authorised to grant a contingent liability on behalf of the NPGA.
- Officials authorised to provide a guarantee, indemnity or warranty must comply

with directions in the authorisation Schedule 1.

Further instruction on conditions applicable for all uses of relevant money is contained in procedure 2.0(b).

4. Official travel

PGPA Act s15

Official travel is any travel where the NPGA is responsible for any of the direct or indirect costs associated with that travel. This includes travel by Officials, contractors and consultants to undertake work duties to achieve one or more NPGA objectives.

Official travel should only be undertaken where there is a demonstrated business need and where other communication tools, such as teleconferencing and videoconferencing, are an ineffective option.

When undertaking official travel, domestic or international, officials must ensure value for money. Value for money requires the use of Commonwealth resources in an efficient, effective, economical and ethical manner that is not inconsistent with policies of the Commonwealth.

PGPA Rule 18 Before you enter into an arrangement for official travel you must be authorised to exercise power to enter into an arrangement of this type.

PGPA Rule 18 You must not enter into an arrangement for official travel unless the requirements in this policy and supporting procedures have been met.

Further instruction on official travel is contained in procedure 2.0(c).

5. Official hospitality or business catering

PGPA Act s15

Official hospitality generally involves the use of public resources to provide hospitality to persons other than NPGA officials to facilitate the achievement of one or more NPGA objectives, thus has an external focus for the NPGA, for example all launch/openings of exhibitions. This includes the provision of refreshments, entertainment, gifts, wreaths/flowers or other benefits.

Business catering generally involves catering for activities which assist the business to function, thus has an internal focus in the NPGA. This may include the provision of light refreshments and meals where appropriate.

Any decision to spend relevant money on official hospitality or business catering must be publicly defensible. The primary purpose of the official hospitality or business catering must be work-related, it must be conducted to facilitate the delivery of the NPGA objectives, and the costs are reasonable and appropriate for the situation.

<u>No</u> gift of relevant money, inclusive of gift vouchers is permitted. Any gifts of relevant property must have been acquired or produced to use as a gift, or an authorised official has given written authorisation to the gift being made. If you make a gift of public resources you must personally pay the NPGA the value of the relevant property.

You must not enter into an arrangement to provide official hospitality or business catering, unless you have been authorised to exercise the power to enter into such an arrangement.

PGPA Rule 18 You must not enter into an arrangement for official hospitality or business catering unless the requirements in this policy and supporting procedures have been met.

Further instruction on official hospitality or business catering is contained in procedure 2.0(d).

6. Credit cards, fuel cards, cab charge

PGPA Act s15, PGPA Rule 21A

The use of a corporate credit card (charge or vendor cards) or credit voucher (cabcharge vouchers) is a borrowing by the NPGA. All borrowed amounts must be repaid within 90 days.

PGPA Rule 18

Guidance: RMG 203 Only the person issued with a corporate credit card or credit voucher, or someone specifically authorised by that person, may use that credit card, credit card number or credit voucher.

You must consider whether using a corporate credit card or credit voucher would be a proper use of public resources. For example, whether it would be the most cost-effective payment option in the circumstances.

You must ensure that your use of a corporate credit card or credit voucher is consistent with any approval given, including any conditions of the approval.

You must ensure that any corporate credit cards and credit vouchers issued to you are stored safely and securely.

Corporate credit cards or credit vouchers are not to be used for:

- personal expenses
- cash withdrawals without prior approval by the COO or NPGA Director.

Before using a corporate credit card or credit voucher, you must ensure that the requirements in this policy and supporting procedures have been met.

Further instruction on corporate credit cards or credit vouchers is contained in procedure 2.0(e).

7. Procurement

PGPA Rule 18

Guidance: RMG 400 Procurement includes the whole process of acquiring goods or services. It begins when the NPGA has identified a need to procure a good or service, continues through to the signing of the procurement contract and its ongoing management, including expiry, termination and/or consideration of disposal. All stages of procurement must be consistent with NPGA policies and procedures.

A contract is any arrangement for the procurement of goods and services under which relevant money is payable or may become payable. Note this includes a contract, agreement, deed, understanding, standing offers and panels.

A good is every type of right, interest or thing which is legally capable of being owned. This includes, by is not restricted to, physical items and real property as well as intangibles such as intellectual property, contract options and goodwill.

You must not conduct procurement unless you have been properly authorised to do so, or have received approval to do so from a properly authorised official. You must

comply with any terms and conditions attached to your authorisation to make a procurement.

You should ensure any procurement is a proper use (efficient, effective, economical and ethical) of public resources.

You must act in accordance with the general duties of officials detailed under conditions applicable for all uses of relevant money.

You should treat all potential suppliers equitably.

You should ensure that any decisions regarding procurement are documented and publicly defensible.

You should not seek to obtain benefit from supplier practices that may be dishonest, unethical or unsafe.

You should actively manage the risks associated with a procurement, including by:

- identifying, assessing, allocating and treating the risks, proportionate to the scale and scope of the procurement;
- generally not accepting risks which another party is best placed to manage; and
- generally not accepting risks where the potential cost of the risk outweighs the benefit of accepting the risk.

You must not conduct a procurement unless the requirements in this policy and supporting procedures have been met.

Further instruction on procurement is contained in procedure 2.0(f).

Schedule 1 - NPGA Financial Authorisations

Position Restriction		Restrictions		Maxim	Maximum Amount (GST inclusive)	ST inclusive)		
			Operational " (excluding official hospitality, business catering, official travel)	Capital" (excluding official hospitality, business catering, official travel)	Official Hospitality	Business Catering*	Domestic Official Travel	International Official Travel
Responsible Minister			≥ \$ 1,000,000	≥ \$ 1,000,000	*	>	^	^
NPGA Board Chairman		Official international travel for employees excluding the NPGA	666'666 \$	666'666 \$	>	>	>	\$ 19,999
NPGA Director	SES1		\$ 999,999	\$ 999,999	\$ 20,000	\$ 20,000	>	\$ 19,999
Chief Operating Officer	EL2	Term - deliberation accounts in money and additional rivery	\$ 500,000	\$ 500,000	\$ 5,000	\$ 5,000	>	īž
Section Managers	EL2	Commitments to the limit of the Section's approved budget	\$ 50,000	ZZ	ij	\$ 300	>	ij
Executive Level 1	E	Commitments to the limit of the Section's approved budget	\$ 10,000	Z	īž	ii.	Ę	ΪΞ̈́
Exhibitions Coordinator	APS6	Commitments to the limit of the Section's approved budget	\$ 10,000	ΞZ	IIZ	Z.Z.	Ϊ̈́Ξ	Nii
Facilities Officer	APS5	Commitments to the limit of the Section's approved budget	\$ 5,000	IZ.	NII	IZ.	N. I.I.	Nii
Credit Card Holder	Various	Commitments to the limit of the Section's approved budget	Limit of credit card	Ϊ́Ζ	Zil	ΞΞ	EL2 cardholder or above	ij
		Cash withdrawals require prior approval by the COO or NPGA Director					only	
		Credit card limits listing maintained by the Finance Section.						

^{**} Business catering with alcohol restricted to the NPGA Director and Chief Operating Officer.
** Financial authorisations involving contingent liabilities with an assessment of greater than remote OR probable expenditure, if the event occurred, is significant restricted to the NPGA Board Chairman.

NATIONAL PURTRAIT GALLERY

FINANCE PROCEDURE

Procedure Number:	Subject:
2.0 (e)	Corporate credit cards, fuel cards or cabcharge
Date of Issue: 19 February 2016	Date of Effect: 19 February 2016
Approved By: CFO	
Staff Affected: NPGA Board members	, all staff, contractors, volunteers and interns
Contact Officer(s): CFO, Finance Sec	tion
Revision:	
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CORPORATE CREDIT CARDS, FUEL CARDS or CABCHARGE

You must comply with the policy supporting the provision of this procedure. This procedure provides additional requirements you must apply for the specified topic.

1. Conditions applicable for all corporate credit cards or credit vouchers

All corporate credit cards or credit vouchers must be acquitted as follows:

- Corporate credit cards within 3 working days of receipt the itemised statement issued the 28th calendar day of each month.
- Credit vouchers (cabcharge) within 14 days of return from travel.
- Fuel cards as per supplier tax invoice.

As soon as practicable, report any suspected misuse, loss or theft of a corporate credit card or credit voucher to the Finance Section.

If a corporate credit card or credit voucher is no longer required cards/vouchers are to be returned as soon as practicable to the Finance Section.

2. Corporate credit cards

All cardholders must comply with the terms and conditions as set out in the cardholder's agreement form and any complimentary instructions by the NPGA or the credit card provider. Policy regarding card issue is contained in the cash management policy and associated procedures.

NPGA officials must, to the extent practicable, provide suppliers an opportunity to request payment via a payment card for amounts below \$5,000 (inclusive of GST and merchant service fees). Exceptions to this include where:

- incremental or milestone payments, irrespective of the collective value of the payments is below \$5,000 may reasonably seek to pay via an invoicing arrangement.
- merchant fees (surcharges) are not reasonable and not prominently displayed by the supplier prior to payment being required.
- the supplier requests payment via an invoicing arrangement.
- the supplier seeks payment through cards not accessed by the NPGA.
- paying other Commonwealth entities.
- paying third-parties.

Where practicable, payment should be made at the point of sale. A tax invoice (receipt) must be provided by the supplier for the payment.

Where an amount is disputed:

- request to make payment after receiving an invoice and the goods/services value is resolved, or
- if paid report the dispute immediately through Flexipurchase for corporate credit cards, and complete and provide the National Australia Bank dispute form to the Finance Section.

All corporate credit cards must be acquitted, as part of this acquittal process all documentation supporting the expenditure must be scanned into the Flexipurchase system.

3. Fuel cards

A fuel card is issued per NPGA vehicle. This fuel card is available to purchase fuel and associated products for that vehicle, for example oil.

All fuel cards must be acquitted, as part of this acquittal all receipts must be attached.

4. Cabcharge cards or vouchers

Cabcharge vouchers are obtained from the NPGA Corporate Service Support Officer. You must obtain prior approval to travel by an authorised official for domestic travel see Finance Policy 2.0 - Approval & Commitment of Relevant Money, <u>Schedule 1</u>.

On return from travel, all cabcharge vouchers must be acquitted, as part of this acquittal all receipts and stubs must be attached and submitted to the Finance Section for acquittal.

A cabcharge register of issued, returned and used vouchers must be maintained by the Business, Governance and HR section.

If requested by NPGA Management to work additional hours taxi services can be used when approval is provided by an authorised official. This situation may occur where travelling on public transport would either take unreasonable time or could compromise safety.



5. Corporate Credit Card and Credit Vouchers

5.1 Introduction

This CI provides instruction about the use of corporate credit cards and credit vouchers. Charge cards and vendor cards issued to the Museum are both a form of credit card for the purposes of the PGPA Act.

- Charge cards authorise the holder to buy goods or services on credit, with payment in full required to be made at a later date (e.g. Diners card and AMEX).
- Vendor cards (sometimes called "limited-purpose purchase cards") are charge cards provided by specific retailers (e.g. Cabcharge cards, travel cards and fuel cards).

5.2 **Borrowing Agreements for Corporate Credit Cards and Credit Vouchers**

When entering into a borrowing agreement for the issue to, and use by, the Museum of credit cards or credit vouchers, officials must:

- ensure that the requirements in Cls Approval and commitment of relevant money have been met:
- ensure that the procurement of the credit card and/or credit voucher services is in accordance with the CPRs; and
- not enter into an arrangement for a borrowing agreement unless they have been delegated, or authorised to exercise the power to enter into an arrangement of this type.

5.3 **Use of Corporate Credit Cards and Credit Vouchers**

The Director approves the issue of a corporate credit card.

Officials must:

- only use a corporate credit card, credit card number or credit voucher if they have been issued with it, or have been specifically authorised by a person issued with the card or voucher to use it;
- only use a corporate credit card or credit voucher to obtain goods or services for the Museum;
- not use a corporate credit card or credit voucher solely for private expenditure;
- consider whether payment by corporate credit card or credit voucher would be the most cost-effective payment option in the circumstances;
- ensure that the requirements in these Cls, particularly relating to approval and commitment of relevant money and procurement, have been met;
- ensure that their use of a corporate credit card or credit voucher is consistent with any approval given, including any conditions of the approval
- ensure that any corporate credit cards and credit vouchers issued to them are stored safely and securely; and
- not make any cash withdrawals from corporate credit cards.

Officials must keep records for each payment made on the corporate credit card. Where tax invoices, receipts or other supporting evidence are not available at the time of the acquittal, a statutory declaration is required. The declaration must specify the description of the expenditure incurred and confirm that the expenditure was for official purposes.

Key References and Guidance 5.4

PGPA Act: s57 PGPA Rules 21A Commonwealth Procurement Rules Relevant Commonwealth or Museum procurement related policies Procurement guidance material National Museum of Australia Act s7, s22