



Australian Government

Australian Research Council

AUSTRALIAN RESEARCH COUNCIL

COMMONWEALTH CREDIT CARD GUIDELINES AND PROCEDURES

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THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
INSTRUCTIONS TO COMMONWEALTH CREDIT CARD HOLDERS:

(http://intranet/finman/ARC_Instructions_Commonwealth_Credit_Card_Holders.docx)

Should you have any enquiries or require any further clarification on the use of the Commonwealth Credit Card, please contact the Finance Section.

1 INTRODUCTION TO COMMONWEALTH CREDIT CARDS (CCC)

A Commonwealth Credit Card is a credit card issued to the Commonwealth to enable the Commonwealth to obtain goods or services on credit. It includes ANZ Visa cards, Diners Club cards and other specialised cards such as Cabcharge. The same general procedures apply to the administration of all Commonwealth Credit Cards.

A Commonwealth credit card essentially provides an alternative a method of purchasing or payment. When a credit card is used to “pay” a supplier, this is actually a conversion of the original commitment (to the supplier) into a new commitment (to the credit card company), in return for which the credit card company settles the supplier’s account on behalf of the ARC. The payment of the transferred liability will be made when the credit card company’s account is submitted.

The nature of a credit card transaction requires that the cardholder carries out some of the checks which would normally be the function of a Purchasing Officer or a Receiving Officer. When using a credit card, the holder must be satisfied that:

- An Financial Delegate has given prior approval of the expenditure involved;
- The goods and/or services to be charged to the credit card have been delivered and are satisfactory. An exception to this requirement is when the card is used to purchase goods and/or services for delivery at a future date;
- A Tax Invoice has been obtained; and
- The account has not previously been paid, and the merchant authorised to charge the credit card is the correct payee – both of these will be self-evident in point-of-sale (POS) transactions.

Users of all types of credit cards must record all transactions in sufficient detail to allow reconciliation with statements provided by the credit card company. Where transaction vouchers are issued, these will usually be sufficient. Where a voucher is not issued at the time of a transaction (e.g. a telephone transaction or when a credit card number is quoted in a written order) then the cardholder must record details of the transaction.

When a statement is received from a credit card company, it is provided to the cardholder for reconciliation with his or her record of use, and for verification as to its correctness or otherwise.

2 SECURITY OF COMMONWEALTH CREDIT CARDS

Cardholders are responsible for the safe custody of credit cards issued to them, including:

- ensuring that, at all times, the card is in their personal possession or otherwise secured;
- ensuring that no other person has access to the card. If another cardholder's card is to be used, a Request to Use Another Person's Credit Card form must be completed and signed by the cardholder prior to committing to any expenditure;
- if a PIN (Personal Identification Number, or password) is issued, ensuring that the PIN cannot be used by another person, for example by ensuring that the PIN:
 - is not disclosed to another person;
 - is not written down on the card; and
 - is not kept with the card.

If a credit card is lost or stolen, the cardholder must:

- promptly notify the credit card company by telephone;
- notify the ARC's Credit Card Coordinator (see Finance Section); and
- notify the credit card company by written confirmation of the initial telephone call.

3 RESPONSIBILITY FOR CORPORATE CREDIT CARDS

3.1 CABCHARGE CARDS

Cabcharge cards are:

- issued to ARC Committee members; and
- are issued in the name of the cardholder and the ARC.

Cabcharge cards are delivered to the Credit Card Coordinator, who then issues the Cabcharge card to the cardholder with a Conditions of Use form, which the cardholder signs and returns to the Credit Card Coordinator. A copy of this form is then to be sent to Cabcharge for signature verification.

At the end of the members' appointment, Cabcharge is contacted to have the card/s cancelled.

3.2 CREDIT CARDS

Currently the ARC has arrangements for the provision of credit card services with:

- ANZ (Visa);
- Diners Club; and
- Cabcharge.

4 CREDIT CARD – REQUIREMENTS COMMON TO ALL CREDIT CARD PROVIDERS

4.1 CREDIT CARD COORDINATOR

The Chief Financial Officer is authorised to appoint a Credit Card Coordinator, and to identify that person to the credit card companies by providing them with the Credit Card Coordinator's name and sample signature.

The Credit Card Coordinator must not hold a Commonwealth Credit Card.

The Credit Card Coordinator is responsible for:

- general liaison with the credit card companies;
- arranging, and maintaining registers and other records of, the issue and cancellation of credit cards;
- advising the credit card companies of organisational changes which affect billing arrangements for the credit card;
- receiving statements from the credit card companies, arranging their verification by cardholders and initiating payment of the statements; and
- monitoring and reporting on credit card usage throughout the ARC.

4.2 ISSUING A CREDIT CARD

Where a supervisor recommends that an official needs to have a Commonwealth Credit Card, the supervisor will advise the Credit Card Coordinator accordingly. The Credit Card Coordinator will then make arrangements to issue a card to the proposed cardholder. All requests for the issue of a card must be approved by the Chief Financial Officer.

The responsibility of a credit card holder to ensure the safekeeping and proper use of a credit card does not cease when the cardholder is off-duty or on leave. In view of this, a person may not be issued with a credit card against their wishes. Some positions however may require that the occupant be a credit cardholder.

The issue of each credit card must be subject to defined limits on its use. In considering what limits are appropriate, the person requesting issue should consider:

- what type(s) of payments it should be used for (i.e. travel only, purchasing only or both);
- the expected frequency and volume of transactions, and their individual and aggregate value, so as to determine the monthly transaction and funds limits;
- funds availability; and
- the number of other credit cardholders available to handle similar transactions.

On receipt of an approved request, the Credit Card Coordinator will:

- prepare an application form provided by the appropriate credit card company;
- arrange for the proposed cardholder to complete an application form provided by the appropriate credit card company and return it to the Credit Card Coordinator; and
- on receipt of the completed application from the proposed cardholder, forward it to the credit card company and request that a card be issued.

4.3 RECEIPT OF CREDIT CARD

The credit card company will send the credit card to the Credit Card Coordinator, usually within 5 working days. If delivery is delayed, or if the details on the card provided are incorrect, the Credit Card Coordinator should contact the credit card company to organise corrective action. On receipt of the credit card from the credit card company, if card details are correct, the Credit Card Coordinator must enter the credit card details in the credit card register and in GP (the ARC's Financial Management Information System) as a creditor for the purposes of paying the credit card balance each month

The credit card must be issued to the cardholder, personally, by the Credit Card Coordinator. The Credit Card Coordinator, or other person issuing a credit card on his or her behalf, must be satisfied that the person to whom the card is issued is the person nominated in the request for the card.

The cardholder must sign for receipt of the card, including:

- the Acknowledgement of Documents Received form;
- the ANZ Conditions of Use form;
- the ARC's Conditions of Use form;
- the Credit Card Guidelines (this document); and
- the Instructions to Credit Card Holder's.

These documents above include conditions such as that:

- they (cardholders) are aware of, and are bound by, the conditions of use detailed in the Conditions of Use forms and these procedures;
- they are personally responsible for the safe custody of the card and accountable for its use and any PIN issued for it;
- they will not give the credit card to another person, except if directed by their supervisor or the Credit Card Coordinator to surrender the card;
- if the credit card is lost or stolen they will report it immediately to the credit card company and the Credit Card Coordinator;
- they are aware of the penalties for misuse of the credit card; and
- their use of the credit card is subject to specific limits (which must be detailed in the acknowledgement), including:
 - goods and/or services for which the card may be used;
 - transaction limit; and
 - monthly spending limit.

The original copy of these documents must be retained on file by the Credit Card Coordinator, and copies provided, with the card, to the cardholder.

4.4 CREDIT CARD REGISTER

The issue of the card must be recorded in a register that contains the following information:

- date of issue and period for which it is issued / expiry date;
- card type and number;
- cardholder name;
- name and designation of person who requested issue;
- approved transaction limit and monthly limit;
- a reference to allow the acknowledgement of issue to be located; and

- date of return or cancellation of the card.

If the conditions of use of a particular card are varied (i.e. travel only, purchasing only or both), the person requesting the variation, generally the cardholder's supervisor, must submit a request to the Credit Card Coordinator. The Credit Card Coordinator must then arrange for the cardholder to complete a new ARC Conditions of Use form reflecting the change and update the register accordingly.

4.5 USING A CREDIT CARD

Most Commonwealth Credit Cards within the ARC are issued to officials for travel purposes only and must only be used to pay for expenses associated with official travel. The conditions governing the use of a credit card to pay for travel services are those described in this document, the conditions of use of a credit card of the ARC and of the ANZ, and the ARC's Travel Policy and Accountable Authority Instructions (AAIs).

Currently:

- ANZ Visa cards are issued to officials for travel purposes, and in some instances, for general purchasing; and
- A Diner's Club card is used for payment of the ARC's corporate travel account (airfares, accommodation and car rental) as required under the WoAG travel arrangements; and
- Cabcharge cards are issued to some committee members.

You must seek the approval of the appropriate Financial Delegate prior to committing funds on a Commonwealth Credit Card. If the Financial Delegate's approval has not been given in writing, it must be given in writing as soon as practicable after giving the verbal approval.

Where approval has been given by the Chief Financial Officer, cards may be used to order supplies or settle accounts, either by EFTPOS, telephone, mail, email or secure internet site.

The aim of procurement is to achieve the outcome that represents the best overall value for money for the Commonwealth. Even though using a credit card generally results in the instant acquisition of a good

or service, the principles of value for money still apply. Value for money is assessed taking into account all relevant costs and benefits and is not necessarily the lowest price.

Like all procurements, credit card purchases must be conducted in an efficient, effective, economical and ethical manner, within the context of accountability and transparency applicable to the expenditure of relevant money and to ensure that the transaction is fair, without bias and will stand up to public scrutiny.

You must obtain a Tax Invoice when a purchase price includes GST or a receipt if no GST is included. If it is a telephone transaction, the cardholder must request the supplier to forward a Tax Invoice or receipt as soon as possible.

The credit card should only be used to order or purchase goods or services via the internet or similar public-access online service when one or more of the following conditions are satisfied:

- orders are placed with known companies who regularly trade via the internet, e.g. popular book suppliers and computer software vendors;
- the supplier can be checked via contact details available on the internet. The supplier is then contacted to verify they are a legitimate business;
- delivery details and conditions are published on the internet and read before a purchase is attempted; and
- credit card details are passed using a secured protocol. This is indicated via https:// before the URL (e.g. <https://www.arc.gov.au>) in the browser address line.

A credit card **must not** be used to obtain cash advances or to deposit money, nor is it to be used for purchases with a value exceeding \$10,000 (GST inclusive), in which case a purchase order must be raised and a formal contract used. Payments for purchases over \$10,000 are made by the Finance Section upon the completion of a Request to Pay form. In special circumstances, the Chief Executive or the CFO may give prior approval for a purchase exceeding \$10,000 to be made on a credit card.

In addition, the following procurements **must not** be made on credit card, regardless of dollar value, unless written approval has been provided by the Chief Executive or the CFO:

- Purchase of an asset;
- Procurement of consultancy services;

- Venue hire. Credit cards may however be used for holding deposits on venue hire, although this is an interim measure only and must be followed by a formal contract;
- Procurement of market research services, print media advertising, or communication campaign development;
- Procurement of direct mail-out or polling services; or
- Any procurement that will result in the contractor collecting personal information or confidential information.

Cardholders must keep a Tax Invoice or receipt for every transaction made on the credit card.

4.6 RECONCILING CREDIT CARD STATEMENTS

On receipt of a credit card statement (whether by manual distribution or online download):

- Cardholders must match the supporting documentation (i.e. the Tax Invoice or receipt) to the statement and complete a Credit Card Reconciliation form. Each purchase on the statement needs to be coded to the appropriate general ledger account and cost centre codes;
- Any disputed transactions must be noted as such on the Credit Card Reconciliation and a Credit Card Transaction Dispute form must be completed and attached to the reconciliation; and
- Your supervisor must sign the Credit Card Reconciliation form prior to submission of a hardcopy of these documents, along with all Tax Invoices and receipts, to the Finance Section. An electronic copy of the reconciliation form must also be sent to the Finance email box (ARC-FinanceSection@arc.gov.au).

The Credit Card Coordinator should resolve any discrepancies, in consultation with the credit card company, as a separate activity. The identification of discrepancies or cardholders not providing endorsed statements by the due date should not delay payment to the credit card provider. It should also be noted that the ARC will not be able to claim all eligible input tax credits in the appropriate tax period (i.e. to offset the GST paid in that particular period) if cardholders do not obtain Tax Invoices or return endorsed statements promptly.

Cardholders who expect to be unavailable (e.g. on leave) at statement time should notify the Credit Card Coordinator and make suitable arrangements for statement verification with an alternative Financial Delegate.

4.7 CANCELLING A CREDIT CARD

Supervisors should consider requesting the cancellation of a credit card where the cardholder's duties are changed or where its level of usage no longer justifies its retention. Where the Credit Card Coordinator considers that a cardholder no longer requires a credit card, this should be brought to the attention of the cardholder's supervisor with a view to arranging cancellation.

A credit card must also be cancelled if the cardholder requests that this be done. No reasons need to be given by the cardholder. In this case, the Credit Card Coordinator must ensure that the cardholder's supervisor is aware of the situation so that, if necessary, alternative arrangements can be made.

Where a credit card is no longer required, a person authorised to request the issue of a credit card, generally the supervisor, should request the Credit Card Coordinator to arrange its cancellation. Where the credit card is cancelled, the former cardholder is required to cooperate in the verification of future statements and credit card reconciliations.

A cardholder may be directed by their supervisor or the Credit Card Coordinator to surrender the credit card. Where a cardholder persistently fails to comply with the procedures outlined in Section 4.6 - Reconciling Credit Card Statements, the Credit Card Coordinator or supervisor must direct the cardholder to surrender their credit card. In this context "persistently fails to comply" means that the cardholder continues not to comply with the relevant procedures in spite of written advice of the procedures and the requirement that they must be complied with. If the cardholder fails to surrender the card it must be cancelled immediately and the cardholder advised.

Surrender of the credit card would usually be followed by cancellation but there may be circumstances when cancellation is not appropriate. For example, a cardholder may receive training in purchasing procedures or give an undertaking to comply with the procedures outlined in Section 4.6 - Reconciling Credit Card Statements and then have the card returned to them.

Where a card is surrendered but not cancelled, and when the card is subsequently re-issued to the cardholder, this must be recorded in the register and acknowledged in writing by the cardholder and the Credit Card Coordinator.

Where a credit card is to be cancelled, the Credit Card Coordinator must:

- recover the credit card from the cardholder;
- issue an email confirmation to the cardholder for the receipt of the card. This should be done immediately upon receipt of the card;
- make the card unusable by cutting it in half;
- complete any written request for cancellation required by the credit card company;
- fax or email the cancellation request to the credit card company;
- retain a copy of all documents relating to the cancellation; and
- make arrangements for verification of any outstanding transaction/s made with the card, particularly if the cardholder is leaving the ARC.

The Credit Card Coordinator should monitor future statements from the credit card company until satisfied that the requested cancellation has taken effect.

5 CREDIT CARD – CREDIT CARD COMPANY-SPECIFIC REQUIREMENTS

5.1 ANZ VISA CREDIT CARD

Arrangements with ANZ include a 10 day settlement period, after which payment of the credit card statement needs to be made. ANZ will then debit the ARC's Departmental bank account for the amount owing on the statement/s. Due to this short settlement period, cardholders must perform the procedures outlined in Section 4.6 - Reconciling Credit Card Statements, as quickly as possible.

If there are any disputes, they must be notified to the Credit Card Coordinator as soon as possible. The Credit Card Coordinator will then notify ANZ and follow their requirements for disputes. ANZ will then apply a credit for the disputed amount until the issue is resolved.

5.2 DINERS CLUB CARD

The ARC has only one Diners Club card for the payment of the ARC's Travel Account. This card is managed by the Finance Section.

5.3 CABCHARGE CARDS

Cabcharge provides a statement to the ARC consolidating all Cabcharge cards monthly. The due date for payment of each monthly statement is 28 days from the issue date shown on the statement.

The ARC Finance Section arranges the reconciliation of the Cabcharge statement with the assistance of each Branch within the ARC.