

Credit Card Procedures

Section 1 - Overview

- (1) These procedures apply to all employees and Council members of the University who hold a University Credit Card (UCC), and to their supervisors and/or expenditure approvers.
- (2) This document sets out UNE procedures for University Credit Cards (UCC) and outlines obligations to ensure consistent and appropriate use of University Credit Cards (UCCs). It defines the allocation and use of all UCCs issued by UNE.
- (3) A credit card provides a means for paying for purchased goods and services and as a result these procedures fall under the remit of the Procurement Policy. The use of a UNE UCC enables faster payment of suppliers. Benefits for UNE and its employees include:
- a. less paperwork
 - b. faster receipts of goods and services
 - c. increased flexibility
 - d. reduced purchase processing costs flowing from a reduction in requisitions, orders, invoices, cheques and EFT payments, and
 - e. prompt recording of financial transactions.
- (4) The primary safeguards for UCC use revolve around the integrity and ethical values of the cardholder. Key safeguards come from strong and effective internal controls for processing claims, including the verification of all transactions (with relevant documentation) by a person other than the cardholder, together with regular monitoring of expenditure patterns.

Section 2 - Scope

- (5) These procedures apply under the Procurement Policy.

Section 3 - Procedures

Eligibility

- (6) A senior manager may nominate employees to hold a University Credit Card (UCC). Nominated employees must apply to the Director of Finance using the application form.
- (7) To be eligible for a card, applicants must:
- a. be a member of staff or of the University Council, AND travel frequently in the course of their duties or regularly purchase minor goods or services for use by the University. Exceptions must be approved by the Chief Financial Officer (CFO)
 - b. complete user training on the University's expense management system ProMaster and therefore be able to

- account for and acquit all expenditure incurred
- c. establish their identity in accordance with the Financial Transactions Reports Act 1988 -100 Points Identification requirements, and
- d. agree to comply with the Procurement Policy and related procedures.

Authority levels and cardholder responsibility

- (8) Delegations for expenditure using a UCC originate from the University's [Schedule of Financial Delegations](#).
- (9) The issue of a corporate credit card gives the cardholder authority to incur expenditure up to the limit of the card. Even where the credit limit allows, each transaction must not exceed \$10,000. Exceptions must be approved in writing by Strategic Procurement and can only be agreed where the card holder's financial delegations is commensurate with the required transaction amount. Otherwise an alternative method of payment needs to be agreed.
- (10) Cardholders can only use their own corporate card to make purchases ie, employees who are not assigned a corporate credit card cannot purchase using a UCC belonging to someone else. A card holder is not authorised to loan their card to another person. However, a UCC holder can use their card to pay on behalf of a staff member for authorised expenditure.
- (11) Credit limits allocated to each cardholder by the Director of Finance will be enough for each cardholder to manage a normal month's transactions. Temporary increases can be authorised by Strategic Procurement.
- (12) Cardholders are responsible for adhering to the Procurement Policy and these UCC procedures.

University Credit Card Use

- (13) Purchasing principles established under UNE policies must be followed. The Procurement Policy and Procedures must be followed.
- (14) Before any purchase, you must ensure there is sufficient justification to demonstrate a genuine need for the goods and or services to be purchased.
- (15) A purchase requisition or purchase order is not required for credit card purchases.
- (16) The credit card can only be used for official UNE business, not personal expenses.
- (17) Corporate credit cards can be used for all transactions less than \$10, 000 where a facility is available to use a UCC and procurement procedures do not direct otherwise.
- (18) The majority of travel expenditure booked through the Travel Management Company (TMC) will be paid by UCC. Cash advances are strictly prohibited, as are cash equivalents such as bank cheques, traveller's cheques and electronic cash transfers.
- (19) The cardholder is responsible for the security of the card.
- (20) The University Credit Card can be used to purchase goods and services over the internet only when the merchant has Secure Socket Layer (SSL) security and the goods/services cannot be purchased competitively locally. A UCC can be used with Paypal only as described below:
 - a. Paypal account should be in the same name as the card holder.
 - b. You can associate the credit card from UNE with the Paypal account for the time it takes to transact.
 - c. Transacting should be via Paypal and not directly with the supplier.
 - d. Remove UNE credit card association from Paypal account after the transaction is completed.

(21) If two or more UNE employees are attending the same function or event, paid for with a University credit card, then the most senior manager must pay. This will ensure the separation of duties in the approving of transactions.

Authorised Use

(22) Acceptable use of credit cards are:

- a. accommodation where booked by traveller and managed via the University's nominated travel agent
- b. ground transport such as car hire, taxis, and train fares
- c. reasonable entertainment expenditure
- d. conference fees
- e. meals and incidental expenditure related to travel, provided a per diem has not been claimed)
- f. goods or services
- g. general consumables
- h. equipment (other than IT equipment) with a value of less than \$5,000
- i. IT equipment, consumables and peripherals with a value of less than \$5,000, provided approved by ITD (email confirmation from ITD must be attached when acquitting the transactions in ProMaster), and
- j. as approved by Strategic Procurement

Issue of corporate credit card

Corporate Credit Card Application Form

(23) Each corporate credit card applicant must complete a Card Application Form and have their identity verified by an authorising Officer. Strategic Procurement are required to authorise the completed UNE credit card application form, which will include the monthly card limit and transaction limits applicable to the cardholder.

Cardholder Information

(24) Information about UNE cardholders must be readily accessible to minimise the risk associated with the UNE card program and to facilitate its smooth and efficient operation. Information that Strategic Procurement should keep securely and confidentially about cardholders includes the following:

- a. cardholder name
- b. cardholder's card number (in truncated form)
- c. cardholder supervisor's name
- d. transaction and monthly limits
- e. details of relevant training
- f. any misuse of the card and the remedial action that was taken, and
- g. signed UNE condition of use.

Processing of Card Application

(25) Strategic Procurement will process and submit the completed and authorised UCC application form to the University's Banking Institution.

Card Issue

(26) Strategic Procurement will ensure that after the issue of the card by the banking institution, it is provided to the cardholder in a confidential, efficient and timely manner. Strategic Procurement must advise the cardholder:

- a. to sign the corporate purchasing card immediately upon receipt of the card
- b. the process of activating the corporate credit card
- c. information about the use of the card
- d. to use their PIN when transacting on the card (see next section)
- e. information about the card system
- f. emergency contact numbers, and
- g. help desk services provided by the card provider.

Use of Personal Identification Number

(27) Cardholders must use their Personal Identification Number (PIN) when they conduct transactions. The PIN is issued at the same time that the card is issued, although, separately. When a cardholder has forgotten their PIN they need to obtain a new one at the earliest opportunity by contacting the Credit Card Administrator- promaster@une.edu.au.

Responsibilities of Cardholders

(28) Cardholders must ensure:

- a. All transactions are for official purposes only.
- b. All transactions are conducted using their PIN.
- c. They obtain a tax invoice from the merchant for their transactions.
- d. All transactions on the cardholder monthly statement are accounted for and transaction slips, reconciled cardholder statements and any supporting documents are processed and stored appropriately.

Credit card acquittal

(29) Credit card expenditure must be acquitted promptly and no later than 30 days after the expenditure has been incurred:

- a. When acquitting or approving credit card expenditure via the expense management system (EMS), attach itemised tax receipts/invoices supporting the expenditure..
- b. The tax receipts/invoices, where applicable, should itemise the GST payable.
- c. EFTPOS receipts are not tax invoices.
- d. If a tax receipt/invoice is lost or misplaced then a statement detailing the nature of the expense, and the reason a receipt/invoice is not available, must be attached and submitted via the EMS.
- e. When acquitting entertainment related expenditure the names of the individuals being entertained must be recorded in the acquittal so that the appropriate Fringe Benefits Tax liability can be assessed.

Disputed transactions

(30) Cardholders should try and resolve any disputed transactions directly with the merchant in the first instance.

(31) If you are unable to resolve the dispute with the merchant then inform the University Credit Card Administrator who will advise you how to progress the dispute.

(32) Ensure that you dispute any transactions that you believe are invalid as soon as possible.

Lost, Stolen or Damaged Cards

(33) A cardholder is responsible for the safekeeping of their credit card and ensuring that it is well guarded against improper use.

(34) If a card is lost or stolen the Cardholder must report the loss immediately to the Lost and Stolen Cards Unit of the NAB on 1800 033 103 and also email the University Credit Card Administrator promaster@une.edu.au

(35) If you have a damaged credit card then please contact the UCC Administrator who will order you a replacement card.

(36) In an emergency the UCC Administrator can be contacted on 0408 867 462.

Conditions of Use Documentation

(37) The card provider will issue a [condition of use document](#) to each cardholder. All cardholders must familiarise themselves with this document and comply with its requirements. Each cardholder must ensure they understand and acknowledge the issuing conditions and are required to affirm their understanding by signing a Cardholder Conditions of Use.

(38) The completed "Conditions of Use" will be retained by Strategic Procurement.

Responsibilities of Cardholder Supervisors

(39) The relevant senior manager is the cardholder supervisor and is responsible for checking and reviewing all transactions conducted by their cardholders each and every month. This is an important control and risk mitigation process that minimises the incidence of external fraud, internal fraud and general misuse.

Cardholder Supervisor responsibilities

(40) As part of this process, the supervisor must ensure that:

- a. All cardholders' transactions were incurred for legitimate work related expenditure.
- b. The expenditure complies with the requirements of the credit card policy and this procedure and other relevant policies.
- c. All cardholders reconcile their transactions at least every month.
- d. All cardholders' transactions are allocated correct account codes, tax codes, cost centres, expense codes and other relevant information.
- e. All cardholders' disputed transactions (if applicable) are provided to the card provider each month.

Conditions of Use Documentation

(41) UNE will issue a [condition of use document](#) to each supervisor. All supervisors must familiarise themselves with this document and comply with its requirements. Each supervisor must ensure they understand and acknowledge the issuing conditions and are required to affirm their understanding by signing a Cardholder Supervisor Conditions of Use.

(42) The completed "Conditions of Use" will be retained by Strategic Procurement.

Internal controls over the card program

(43) Strategic Procurement manages internal controls that ensure:

- a. The cardholder is instructed to sign the card immediately.
- b. Lost or stolen cards are reported as soon as the loss is noticed.
- c. Card details are kept securely and reported if fraud or misuse is suspected.
- d. Cardholders reconcile their transactions in a timely manner each month.
- e. Cardholder supervisors conduct the review process of their cardholders' transactions in a timely manner each month.

- f. Upon cessation of a cardholder's employment in the current position or where the card is no longer required, the UCC is returned immediately to Strategic Procurement and cancelled and destroyed.
- g. Adequate documentation and guidelines about the card and its use is provided to all cardholders.
- h. Disputed transactions are reported immediately and subsequent action by the card provider is followed up and finalised.
- i. Appropriate financial delegations are in place.
- j. The CFO is provided regular reports on card usage including any inappropriate use of cards.
- k. Where the use of a UCC is not cost-effective, it is withdrawn.
- l. A framework is maintained for the responsible collection and handling of personal information.

Action to be taken when private use of the card occurs

Use appears to be accidental

(44) In instances where a reasonable excuse has been provided, it would normally be appropriate for the cardholder to repay the amount erroneously incurred on their corporate credit card. The cardholder will then be required to undertake training about the UNE card program and demonstrate their fully understanding of their card responsibilities. The breach and any relevant remedial action should also be recorded on the cardholder's personnel file, and reported to the person's supervisor and the Strategic Procurement Director.

Use appears to be intentional

(45) If the misuse of the corporate credit card appears intentional it is likely that the employee has contravened the Code of Conduct. This could be indicated by multiple transactions for personal use, a significant dollar value of transactions or transactions undertaken with merchants not normally associated with UNE spend (like toy stores, and betting agencies).

(46) If intentional misuse seems to have occurred, the card will be cancelled and UNE may take disciplinary action.

Section 4 - Definitions

(47) Relevant Senior Manager - This means the relevant Head of the Cost centre or their supervisor when the Head of Cost Centre is applying for a UCC. For members of University Council, the Relevant Senior Manager will be the University Secretary and for staff that report directly to the Vice-Chancellor, the Relevant Senior Manager will be the Vice-Chancellor.

(48) Head of Cost Centre - Normally the Director or Head of School of the Cost Centre.

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