

Newry, Mourne and Down District Council

Credit Card Policy



Effective Date April 2017

Version 1.0

Policy Control

Policy Title	Credit Card Policy
Departmental Ownership	Corporate Services
Document Owner	Dorinnia Carville, Director of Corporate Services
Officer Responsible	Gerard Byrne, Audit Services Manager
Date of Approval	SP&R – Council -
Date of Last update	March 2017
Updated by	Gerard Byrne, Audit Services Manager
Date of next Review	March 2021
Location where document is held and referenced	Shared Drive and NMDDC Website

Contents

	Content	Page Number
1	Statement	3
2	Aims of the Policy	3
3	Scope of the Policy	3
4	Related Policies	3
5	Terms and Conditions of Use of Credit Cards	3
6	Authorised Users	5
7	Role of the Authorised User	5
8	Role of the Finance Function	6
9	Policy Review Date	7
10	Equality Screening	7
Appendix 1	NMDDC Credit Card Agreement - Acceptance and Undertaking	8
Appendix 2	Credit Card Transaction Record	9
Appendix 3	Credit Card Payment Authorisation Form	10

1. Statement

The Council is committed to the highest possible standards of openness, probity and accountability in the delivery of its services. The Council approves this policy to ensure that Credit Card use is appropriate.

2. Aims of this Policy

This policy aims to establish rules for the use and responsibilities of corporate Credit Cards by ensuring that operational and administrative costs and the risks associated with credit card use are minimised while providing cardholders with a convenient method of purchasing good and services on behalf of Newry Mourne and Down District Council (NMDDC). The purpose of this policy is to set out a framework for the use of Credit Cards including appropriate use and reporting of expenditure.

3. Scope of the Policy

This policy applies to all persons using credit cards including:

- Employees issued with a card in their name;
- Employees using a card held by another employee card holder.

4. Related Policies

This policy should be read in conjunction with the following Council Documents:

- Anti-Fraud policy and the Fraud Response plan;
- Purchasing Policy;
- Travel and Subsistence Policy; and
- Gifts and Hospitality Policy.

5. Terms and Conditions of Use of Credit Cards

Credit Card usage in the day to day business of the NMDDC is intended to facilitate transactions only in limited circumstances, chiefly to provide an easier means of booking and paying for travel and accommodation in connection with official business outside Northern Ireland, where it has not been possible to pre-book these by conventional means.

The use of credit cards is not a preferred purchasing method and is limited to purchasing of goods and services that cannot be purchased efficiently and cost effectively by other means.

The card may be used for:

- Accommodation bookings/payment;
- Payment of travel costs (air, train, taxi etc.) where it has not been possible to prebook prior to departure;

- Payment for meals and hospitality subject to the amounts being in accordance with the relevant codes and any other directions currently in force; and
- The purchase of goods which can either be obtained on-line or where the on-line price represents value for money and where credit card is the only available method of payment. Prior approval by the Director of Corporate Services is required in these circumstances.

The card must not be used for:

- Withdrawing cash or obtaining foreign currency (a normal imprest can be obtained if necessary);
- The purchase of goods (other than those outlined above); and
- Any type of personal expenditure - even if the intention is to repay such expenditure.

The requirements of the Purchasing Policy also apply to purchases using credit cards. Multiple Credit Card transactions (at the same time or over extended periods) must not be used to avoid the need to obtain quotations that would otherwise be required under the Purchasing Policy.

Credit card usage will be subject to management checks to ensure compliance with current policies for claiming travel and subsistence and to guard against fraud. The card must be kept in a safe place at all times. The Authorised User will be responsible for custody of the card, and, to guard against possible fraud, should not lose sight of it during a transaction. Loss of a card must be reported immediately to the Credit Card issuer (Danske Bank) and also to the Assistant Director of Finance.

The Authorised User will be responsible each month for completing the normal Credit Card Payment Authorisation (**Appendix 3**) form and ensuring that items charged to the credit card have been solely and necessarily incurred in the conduct of official business; for providing details of each occasion of use; and for submitting receipts or vouchers for all expenditure. Any expenditure for which supporting receipts/vouchers are not presented will become the liability of the user.

Before using the credit card, the Authorised User must sign the Acceptance and Undertaking document (**Appendix 1**). A copy should be retained for personal reference and the original held by the Assistant Director of Finance.

Breaches of this policy, or any related procedures, may result in the cancellations of this credit card and/or a range of administrative actions which depending on the nature and extent of the breach may be subject to the Councils Disciplinary Policy and/or civil/criminal proceedings. Cancellation of Credit Cards will be brought to the attention of Senior Management Team (SMT) meetings.

Unauthorised expenditure or expenditure of a private nature that is proved to be inappropriate will be recovered from deductions in an officer's salary.

The Audit Services Manager will provide a report, at least annually, on the control, use, viability and adherence to authorised policy and procedures to the Audit Committee and SMT.

6. Authorised Users

To ensure good financial management and sound corporate governance only four credit cards will be used by NMDDC. The Credit Card owners and their limits are as follows:

Job Title	Credit Card Limit	Purpose of the Credit Card
Chief Executive	£5,000	Miscellaneous activities associated with the Chief Executives role.
Director of Corporate Services	£5,000	Nonstandard IT equipment purchases or other nonstandard payments in accordance with Section 5.
Assistant Director of Finance	£5,000	All NMDDC travel costs, including meals.
Head of Procurement	£3,000	For purchasing items when the normal procurement method is not viable.

The Credit Card can only be used by the Authorised Users after they have signed the Acceptance and Undertaking agreeing to abide by the Terms and Conditions of Use as detailed in **Appendix 1**. The card will be terminated immediately if the authorised holder ceases to have responsibilities that require it.

An up to date record of Authorised Users including date of issue/termination, card limit etc. will be maintained and held by the Assistant Director of Finance. The Authorised Users should familiarise themselves with the regulations for Travel and Subsistence and must ensure that the Credit Card is not used for transactions which are not appropriate.

7. Role of the Authorised User

Payment Authorisation Forms

As stated in the Acceptance and Undertaking it is the responsibility of the Authorised User to complete the Credit Card Transaction Record (CCTR) (**Appendix 2**) form for each item of expenditure on the Credit Card and to have this expenditure approved retrospectively by the Assistant Director of Finance via the Credit Card Payment Authorisation (CCPA) (**Appendix 3**) form. Any disputes regarding the Credit Card statements must be noted and relevant documents regarding the outcome of the dispute must be kept for audit purposes.

Payment and Updating Accounts

- Each month a statement will be received from the Credit Card issuer detailing charges.
- This must be checked immediately upon receipt and associated with the CCPA form and copies of the relevant receipts or vouchers.

- c. Where a receipt is not available, the Authorised User will be asked to provide verification of the transaction. A receipt should follow as soon as possible.
- d. The Authorised User must ensure that any items appearing on the statement also appear on their normal CCPA form.
- e. Any item appearing on the statement which is not recognised and would not have been authorised for payment by the Authorised User should be investigated immediately with the Credit Card Company by the appropriate Authorised User.
- f. The CCPA form must then be signed by the Authorised User.
- g. A original CCPA form and original Credit Card statement must then be passed to the Finance Assistant for checking and verification no more than 5 days from the date of receipt of the statement. The Assistant Director of Finance will then approve the CCPA and will retain the vouchers in a secure location and forward the CCPA and credit card statement to Accounts Payable for payment via debit card within 5 days of receipt of the documentation.
- h. Should a dispute arise the CCPA form and Credit Card statement must still be signed and sent to Accounts Payable to facilitate the transfer of funds.
- i. The balance on the statement must be cleared each month by the specified date to ensure that no interest charges are incurred.
- j. In exceptional circumstances when a receipt was unable to be obtained, the NMDDC Chief Executive will authorise that the expenditure was incurred on business related activity.

It is the responsibility of the Authorised User, to pursue any disputed items with the Credit Card issuer/vendor. As stated in the 'Acceptance and Undertaking' any expenditure for which supporting receipts/vouchers are not presented will become the liability of the Authorised User.

8. Role of the Finance Function

To guard against fraud it is essential that finance maintain strict financial control of credit card usage and implement procedures to ensure that a full reconciliation of all transactions is completed each month.

Immediately upon receipt of the CCPA forms and the Credit Card statements, an independent officer must check and verify that the expenditure incurred complies with the terms and conditions for usage and also with the relevant codes and any other directions for payment of travel and/or subsistence in operation.

If, during the check, any discrepancies are found they should be referred back to the NMDDC Authorised User via the officer who authorised the payment. Payment should not, however, be delayed. To ensure no interest charges are incurred, payment of the balance on the credit card statement should not be delayed pending outcome of the investigation of any discrepancy.

If finance believes that a suspected fraud has occurred they should contact the Audit Services Manager as soon as possible.

9. Policy Review Date

The policy will be reviewed in line with the Council's agreed policy review cycle i.e. every 4 years (as per Council's Equality Scheme commitment 4.31), or sooner to ensure it remains reflective of legislative developments."

Staff wishing to receive clarification on this policy and/or suggest improvements should contact the Audit Services Manager.

10. Equality Screening

Having screened the Credit Card Policy the decision is that it should not be subject to an Equality Impact Assessment (EQIA) with no mitigating measures required. A copy of the equality screening is available from the Head of Corporate Policy.

Version 1.0

NMDDC Credit Card Agreement

Acceptance and Undertaking

I have read and understood the Newry Mourne and Down District Council Credit Card policy, and agree to abide by its Terms and Conditions of use.

I understand that I am personally liable for any expenditure charged to the card that does not comply with the above Terms and Conditions.

I undertake to repay any such sums to Newry Mourne and Down District Council immediately.

Signed: _____
Authorised Credit Card User

Date: _____

Name: _____

Credit Card Transaction Record

Transaction Date	
Name of person raising the transaction	
Credit Card being used (name)	
Transaction of Behalf of Department /Officer	
Minute approval reference if applicable	
Reason for Purchase	
Why was purchase made via Credit Card	
Supplier Name	
Transaction Amount (state Currency - £,€, \$)	
VAT Amount	
Total Amount	
Cost Code	
Authorisation Signature	

Any further comments or justification for use of credit card

Appendix 3

Credit Card Payment Authorisation Form

Dates from __/__/__ to __/__/__

Item No.	Date	Nature of Transaction	Supplier	Value	Sterling Value	Date item appear on statement	Disputed item (✓/×)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							

All Expenditure listed relates to expenditure incurred in the course of business and in accordance with the terms and conditions of the use of the card

Signature of Credit Card User Date.....

All expenditure listed is necessary for the business use of the organisation and is in accordance with the conditions of use of the card

Signature of Finance Officer Date

Signature of AD of Finance Date