Corporate Purchasing Card Policy

INTRODUCTION

Staff members, who are responsible for purchasing high volume, but low value (less than $1,000) goods and services or those who travel regularly, may be issued with a Corporate Purchasing Card with the approval of the relevant Senior Executive and Chief Financial Officer. Cardholders, relevant Senior Managers and/or Supervisors must comply with this policy and any other relevant governing documents to ensure adequate controls are in place to prevent fraud and minimise risk. Misuse of Corporate Purchasing Cards will result in revocation and may result in disciplinary action against the cardholder.

STATEMENT OF AUTHORITY

The authority behind this policy is the Charles Darwin University Act 2003 part 3, section 15.

COMPLIANCE

This is a compliance requirement under the Charles Darwin University Act 2003 part 8, section 33.

INTENT

This document provides a framework for the use of Corporate Purchasing Cards. It applies to any staff member who is issued with a Corporate Purchasing Card who is responsible for purchases, supervising and managing cardholders and the administration of Corporate Purchasing Cards.

RELEVANT DEFINITIONS

In the context of this document

Cardholder means an authorised staff member who has been issued with a Corporate Purchasing Card for use in accordance with this policy;

Card Provider means the financial institution that issues the Corporate Purchasing Cards to the University’s cardholders for the payment of goods and services;

Corporate Purchasing Card means a corporate credit card that allows authorised goods and services to be procured without using a traditional purchasing process. Corporate Purchasing Cards may be issued to authorised staff members on behalf of the University, for approved business related purchases only. The card may be distinguishable by the imprinting of the Charles Darwin University livery on the face of the Corporate Purchasing Card;

Fringe Benefit Tax (FBT) means the Tax the University may be liable for on purchases paid by Corporate Purchasing Card, for example entertainment and alcohol;

Financial Delegate means the staff member with budgetary control over the cost centre assigned to the Corporate Purchasing Card;

Goods and Services Tax (GST) means the Tax the University is liable for on all purchases over $82.50, which must have a tax invoice that lists the amount of GST paid;
**Private Expense** means any expense that is not related to the University's business operations. A private expense is where:

- No reasonable connection can be established between the expenditure and the carriage of official University duties and responsibilities; and/or
- The expense gives rise to a liability under the *Fringe Benefits Tax Assessment Act 1986*; and
- The expense is not allowable as a deduction to the individual under the *Income Tax Assessment Act 1997*.

**Senior Executive** means a staff member of the University holding the position of Vice-Chancellor, Provost, Deputy Vice-Chancellor, Pro Vice-Chancellor or Chief Financial Officer or equivalent;

**Senior Manager** means a staff member of the University holding the position of Director or Head of School or equivalent; and

**Staff member** means anyone employed by the University and includes all continuing, fixed-term, casual, adjunct or honorary staff or those holding University offices or who are a member of a University committee.

**POLICY**

The University’s Corporate Purchasing Card may only be used for authorised University business that is in direct connection with, or as a direct consequence of, the cardholder’s functions and duties within an organisational unit, such as the payment of travel and/or low value consumables (less than $1,000), in accordance with:

- University Governance Documents;
- Corporate Purchasing Card Agreement;
- Financial delegations and card limits; and
- Approved funding allocations such as approved budget.

**Principles**

- The University’s procurement controls supports:
  - The use of the Corporate Purchasing Card to maximise administrative efficiencies and facilitate effective cash management;
  - The use of the Corporate Purchasing Card as a method of payment rather than a method of procurement; and
- The issuance and/or withdrawal of a Corporate Purchasing Card, is at the sole discretion of the Chief Financial Officer (or delegate) and driven by the University’s business needs;
- Use of Corporate Purchasing Cards will be subject to rigorous accountability and control arrangements by the University. All authorisations of expenditure need to be publicly defensible;
- Cardholders must be aware of, agree to, and strictly abide by the Corporate Purchasing Card conditions for use. Misuse may lead to disciplinary action;
- Corporate Purchasing Cardholders and those responsible for the administration, authorisation and approval of such Corporate Purchasing Card payments must undertake compulsory training, perform his or her duties honestly with skill and care; and always act in the best interests of the University as opposed to their own personal interests or convenience; and
- All documentation and records that support Corporate Purchasing Card transactions will be maintained in accordance with the University governing documents and relevant legislation.
Eligibility

To be eligible for a Corporate Purchasing Card, a staff member must:

- Be an ongoing or fixed-term staff member of the University (not a controlled entity). The University will not issue a Corporate Purchasing Card to adjunct, visiting or casual staff members; and
- Occupy a position that has a regular and demonstrated need to purchase goods and services for use; and/or
- Hold the delegation of authority to commit or incur expenditure; and/or
- Be required to travel on behalf of the University within Australia or Overseas; and
- Be willing to accept and abide by the conditions of use and comply with relevant University governing documents; and
- Complete Corporate Purchasing Card training.

Conditions of Use

- Corporate Purchasing Cards and numbers must be kept secure at all times, including restriction of its use by another person, and reported immediately in the case of loss or theft of the card to the Manager, Strategic Procurement in the first instance or card provider;
- All transactions must be completed in accordance with the Procurement governing documents;
- Authorisation from a financial delegate must be obtained for each transaction. In some instances, approval may be required prior to purchase. An approved Movement Requisition form must be sighted prior to making travel related payments;
- Purchase of consumable goods and services where the value is less than $1,000.00 and made through the University’s Service Providers, where applicable. This includes non-networked Tablets such as iPads, Microsoft Surface etc under $1,000 and related accessories;
- Purchase of travel related services such as airfares, accommodation, vehicle hire, or fuel. Bookings and payments are to be made following the approval of a Movement Requisition by the appropriate supervisor through the University’s Service Providers, where applicable;
- Purchases must be made in person, by post or facsimile to ensure an auditable paper trail. Facsimile or mailed purchases require the use of a template document to facilitate the process. Refer to the Procurement Office for assistance;
- Purchases made by telephone are not encouraged unless a receipt can be emailed or faxed through immediately;
- Purchases may be made via the internet, provided the supplier has an ABN and that the site is secure. Secure sites have a padlock icon at the bottom of the browser as an on-line indication that security protection is provided;
- Cardholders may not exclude a supplier from consideration, solely on the basis that they do not accept payment by Corporate Purchasing Card;
- Cash advances may only be permitted in emergency situations where the Corporate Purchasing Card is so enabled. Cardholders who obtain cash using a Corporate Purchasing Card must, as soon as practicable, notify the relevant Senior Manager and provide a full acquittal of the cash advance upon return from the trip;
- Expenditure for alcohol is only permitted when purchased in moderation and accompanied by an evening meal whilst on official University business or for official University functions;
- Expenditure must be coded on a regular basis and no less than once per month;
- Expenditure must be approved by the cardholder’s supervisor or relevant delegated authority holder. It is not permissible for the cardholder to approve or to have a more junior staff member than the cardholder, verify the cardholder’s transaction; and
Corporate Purchasing Cards must be returned to the University when the cardholder resigns, transfers to another Faculty or Division, or transfers to a position in which the use of the Corporate Purchasing Card is no longer required.

**Private Expenses**

Charging personal transactions to a Corporate Purchasing Card is not acceptable under any circumstance.

**Unauthorised Use**

Corporate Purchasing Cardholders must not:

- Tender personal “Fly Buy” cards to accumulate points for personal use;
- Photocopy Corporate Purchasing Cards and send the photocopy to a supplier;
- Use of Corporate Purchasing Cards to purchase capital items (refer to Procurement), mobile telephones, computers, printers and other networked equipment (refer to ITMS), although peripherals such as a mouse, a USB device, some software (refer ITMS) and furniture (refer to Procurement) may be acceptable; excluding non-networked wireless tablets such as iPads and Microsoft Surface etc under $1000. Note: Any non-networked Tablet under $1000 can be purchased on a Corporate Purchasing Card, however, bulk purchases should be referred to Procurement. SIM cards must obtained through the normal process through IT;
- Use of Corporate Purchasing Cards for internal purchases, for example, the Bookshop, UniPrint or for Course Fees;
- Make unauthorised transactions that do not have the required approval prior to payment;
- Split payments in order to negate credit limits or GST; or
- Make any other prohibited transactions.

**Liability**

Corporate Purchasing Cards are issued to individual staff member on behalf of the University and are not transferable. The liability for transactions rests with the University, however, cardholders may be held to be personally liable for any unauthorised use, unless the unauthorised use, is the result of the card being lost or stolen (provided the cardholder took adequate measures to prevent the card from being lost or stolen) or is otherwise the result of fraud on the part of some third party such as a supplier.

**Credit Limits**

Individual credit limits on Corporate Purchasing Cards should be determined by the anticipated monthly expenditure required by the position held within the organisational unit and approved by the Manager, Strategic Procurement. A Corporate Purchasing Card application may be rejected or the applicable credit limit reduced where the requested credit limit is not justified.

**Tax Invoices**

A GST compliant tax invoice or receipt must be obtained for every transaction made on a Corporate Purchasing Card.

**Audit**

The Manager, Strategic Procurement will maintain a register of all issued Corporate Purchasing Cards, cardholder’s details and Corporate Purchasing Card Agreement forms.
All cardholder transactions and supporting documentation concerning a Corporate Purchasing Card will be open to regular review by the Office of Financial Services and Internal Audit to ensure accurate coding and recording of expenditure; to enable the preparation of the University’s annual accounts and for Fringe Benefits Tax (FBT) reporting; and to ensure compliance with legislative obligations.

**Non-compliance**

The University may take disciplinary action against a cardholder for any misuse of a Corporate Purchasing Card. Failure to comply with the provisions of this policy and other relevant governing documents or the untimely acquittal of expenditure could result in the withdrawal of the Corporate Purchasing Card.

The Chief Financial Officer (or delegate) may authorise the cancellation and/or request the return of a Corporate Purchasing Card:

- Where it is believed the cardholder has misused the Corporate Purchasing Card; or
- The Corporate Purchasing Card is no longer required.

**ESSENTIAL SUPPORTING INFORMATION**

**Internal**

- Conflicts of Interest Policy
- Corporate Purchasing Card Procedures
- Delegations Policy
- Fraud, Bribery and Corrupt Conduct Prevention Policy
- Travel on Official University Business Procedures

**External**

- Fringe Benefits Tax Assessment Act 1986 (Commonwealth)
- Income Tax Assessment Act 1997 (Commonwealth)
## Document History and Version Control

<table>
<thead>
<tr>
<th>Version</th>
<th>Date Approved</th>
<th>Approved by</th>
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<tbody>
<tr>
<td>1.00</td>
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| 2.00    | 23 Sept 2015  | Vice-Chancellor | Review of document  
  - Updated title Manager, Procurement to Manager, Strategic Procurement throughout document  
  - Updated Finance and Asset Services, Procurement Office to The Office of Strategic Procurement Services  
  - Updated hyperlinks  
  - Added Note to third dot point under Unauthorised Use  
  - Update Fraud Control Policy to Fraud, Bribery and Corrupt Conduct Prevention Policy |
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  - Addition of definition for Private Expenses  
  - Amend dot point 3 under Principles to include  
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  - Conversion to new Governance template due to new University branding  
  - Updated definitions senior executive, senior manager and university community  
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