Purchasing (Credit) Cards Policy

Section 1 - Purpose / Objectives

(1) The purpose of this policy is to:

a. Establish clear rules and conditions on the use, administration and management of Victoria University credit cards; and
b. Establish clear understanding of what credit cards must not be used for..

Section 2 - Scope / Application

(2) This policy applies across the University to everyone involved in the use, administration and management of University credit cards.

(3) This policy complies with the Standing Directions of the Minster for Finance issued under the Financial Management Act 1994 on policies for the use of credit cards.

Section 3 - Definitions

(4) Approving Officer: usually means the cardholder's supervisor but may refer to another person nominated by the supervisor or the responsible officer to review and approve the cardholders' expenses.

(5) Credit Card Liaison Officer: means the person(s) nominated by the responsible officer, responsible for processing credit card applications, suspension of credit cards and cancellation of credit cards as required in accordance with this policy.

(6) Employee: means an individual person who is employed by the University and paid by the University through the University payroll. This does not include students, casual staff, sessional staff, or external contractors or Victoria University Council Members, but does include the Chancellor and Vice Chancellor of the University.

(7) Finance Systems Analyst: means the person nominated by the responsible officer for the provision and maintenance of employee access to the Concur system, including support and training in the Concur system functionality.

(8) Responsible Officer: refers to the employee nominated by the Policy Owner with overall management responsibility for credit cards and the Concur system.

Section 4 - Policy Statement

(9) This policy establishes the rules for the use, administration and management of Victoria University Credit Cards.

(10) Any employee provided with a University credit card (a cardholder) must only use the credit card in accordance with the terms and conditions set out in this Policy and its associated Procedures.

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(11) The University is liable for any charges on the credit card and not the cardholder.

(12) Furthermore, good governance requires that the University be able to track, account for and manage its expenditure in a systematic and robust fashion. Consequently, the terms and conditions of this Policy must be strictly adhered to.

Part A - Who may be issued with a Credit Card?

(13) Provision of a University credit card is a privilege, not a right. The responsible officer on behalf of the Policy Owner has discretion to determine if the University will issue a credit card to an employee.

(14) An employee will not be issued with more than one credit card.

(15) A credit card will only be provided where;

a. the employee has a financial delegation of authority equal to or greater than the proposed credit card transaction limit. If the employee does not have sufficient financial delegation of authority they must apply for and be approved with one first
b. it is demonstrated the employee, from time to time, has a legitimate requirement to purchase minor items or incur minor expenditure on behalf of the University, and provision of a University credit card will facilitate greater efficiency for the performance of their duties.

Part B - Credit Card to be used for Business Purposes Only.

(16) A University credit card must only be used for legitimate University business, and where the University does not have a contract with a preferred service provider, as listed on the Procurement Intranet site, for the provision of the goods or services being purchased.

(17) If in doubt about whether the expense can be incurred on a University credit card, the cardholder should seek advice from their Approving Officer or the Procurement department before they incur a University credit card expense.

(18) These conditions apply regardless of:

a. the amount of the transaction involved, or
b. the transaction method e.g. purchases by mail, telephone order, internet, etc.

(19) The cardholder will be held personally liable for any unauthorised use of the credit card unless the unauthorised use is the result of a lost or stolen the credit card (provided the cardholder took adequate measures to prevent the credit card from being lost or stolen) or is otherwise the result of fraud on the part of some third party.

Part C - Prohibited Credit Card Use.

(20) A University credit card must not be used for the following:

a. To purchase items which require a specific process and approval in accordance with the Purchasing Policy ;
b. To purchase goods or services where the University already has a contract with a preferred or secondary service provider;
c. To acquire gifts for employees or third parties, except as permitted within the Gifts Benefits and Hospitality Policy and with supporting documentation specifying the name of the recipients;
d. The payment of tips and gratuities within Australia is not permitted and accordingly if paid on University credit cards are considered to be personal expenditure and must be reimbursed to the University;

e. To purchase alcohol except with preapproval from a member of the Senior Leadership team or a Senior Leaders' direct report;
f. To pay fines which are personal in nature and the payment of which is the responsibility of the individual;
g. To purchase items using a "stringing arrangement" that is, splitting one transaction into many to avoid exceeding card and financial delegation limits;
h. To obtain cash.

Part D - Personal expenditure.

(21) In the event that a cardholder inadvertently charges a personal expense to a University credit card, such credit card charge must be immediately reimbursed by the cardholder to the University together with any fringe benefits tax (FBT) liability which may have been incurred by the University as a result of the personal expense.

(22) Any FBT will be passed on to the cardholder for full reimbursement.

(23) Where coincidental University business and personal expenditure are recorded on a single credit card account, cardholders must settle all such personal expenses prior to charging the balance on the University credit card. For example, when a cardholder makes private telephone calls or purchases goods for private consumption that are subsequently charged to a hotel account.

Part E - Credit Card Limits

(24) When required and approved, a credit card will be issued with a specific spend limit. The credit card limit must not exceed $2,000 or 20% of the limit of the cardholders assigned Financial Delegation Band (before any exceptions), whichever is the greater, to a maximum $25,000. Refer to the Schedule of Financial Delegations.

(25) Temporary increases up to 20% of the cardholders approving manager's limit, to a maximum $25,000 may be provided where adequately justified.

(26) Where cardholders seek a temporary increase to their credit card limit, the cardholder must provide the Credit Card Liaison Officer with written evidence from the cardholder's line manager recommending the temporary increase in the credit card spend limit and justifying why it is requested.

Part F - Submission and approval of expenses

(27) Cardholders must retain evidence of an expense being incurred on the University Credit card. Cardholders must submit for approval their expenses as outlined in the Credit Card Procedures.

(28) The Procedures to this policy outline the consequences of non-compliance with this principle.

Part G - Loss, Theft or Credit Card Fraud.

(29) The cardholder must take adequate measures to protect the credit card from being lost, stolen or misused.

(30) The cardholder must immediately notify any loss, theft or credit card fraud to the financial institution who issued the University credit card. This could be done by using the 24-hour emergency number provided when the card was issued.

(31) A cardholder must retain any notification number or other acknowledgment provided by the financial institution as evidence of the date and time of the notification.

(32) A cardholder must also, as soon as possible, report the loss, theft or fraud of the cardholder's credit card to the

Credit Card Liaison Officer.

Part H - Advise Changes in Cardholder Particulars.

(33) The cardholder must keep up to date all information about the cardholder, including name, contact details, campus base, cost center, delegate, Approving Officer. Any changes should be notified to the Credit Card Liaison Officer

(34) When the cardholder changes position within the University, it is the responsibility of the cardholder to advise their new supervisor to assess the requirement for ongoing issue of the credit card to the cardholder.

Part I - Return of Credit Card when Required or Requested.

(35) The cardholder must cut their credit card in half and immediately return the credit card to the Credit Card Liaison Officer:

a. At least two days before the cardholder ceases employment with the University;
b. When the responsible officer or Approving Officer determine that the cardholder no longer requires a credit card; or
c. When the credit card has been cancelled.

Section 5 - Procedures

(36) Purchasing (Credit) Cards Procedure

Section 6 - Guidelines

(37) Nil

Status and Details

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Accountable Officer	Trish Roberts Chief Financial Officer trish.roberts@vu.edu.au
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