Purchasing (Credit) Cards Procedure

Section 1 - Purpose / Objectives

(1) This Procedure:

a. Establishes processes that support the University's policy on University credit cards.
b. Establishes work directions that apply to the use, administration and management of University credit cards.
c. Establishes clear business rules that ensure integrity and adequate control over the use of University credit cards.

Section 2 - Scope / Application

(2) This Procedure applies to:

a. All University credit cardholders and to all other University employees involved in the use, administration and management of University credit cards.
b. This Procedure meets the requirements of the Standing Directions of the Minster for Finance issued under the Financial Management Act 1994 in regards to procedures for the use of credit cards.

Section 3 - Definitions

(3) Nil

Section 4 - Policy Statement

(4) Purchasing (Credit) Cards Policy

Section 5 - Procedures

Part A - Roles and Responsibilities

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Role	Responsibilities
Cardholder	Ensure compliance with the Purchasing (Credit) Cards Policy , this Procedure and all relevant legislation. Complete the monthly expense claim and submit the expense claim to the Approving officer within two (2) business days of credit card cycle date close. Fully cooperate with credit card compliance reviews and audit requests. Not to exceed or attempt to exceed the approved credit card transaction limit or the total monthly limit. Not to authorise own expenditure. The cardholder or any other person is not to claim reimbursement for purchased goods or services where the cardholders' credit card has been used in respect of the same expense. Provide sufficient supporting documentation in accordance with requirements as outlined in this Procedure. In exceptional circumstances where an invoice or receipt is unable to be obtained a CBA Declaration of Missing Tax Invoice/Receipt Form is to be completed, scanned and attached to the expense item in place of the missing invoice/receipt.
Approving Officer	Ensure compliance with the Purchasing (Credit) Cards Policy and this Procedure. Fully cooperate with credit card compliance reviews and audit requests. Complete an annual review of credit cards cardholder details, credit limits and requirements for the cardholder to retain their credit card. Notify the Finance Expense Management Administrator immediately, when it becomes known a cardholder's employment with the University is terminating. Retrieve the credit card from the terminating cardholder, cut it in half and return it to the Finance Expense Management Administrator. Approve credit card reports within seven (7) days from cycle end date. Ensure transactions have been coded and submitted prior to cardholder leaving the University.
Finance Expense Management Administrator	Check and process new credit card applications in accordance with this Procedure. Suspend credit cards in accordance with this Procedure. Cancel credit cards in accordance with this Procedure. Increase and decrease credit card limits in accordance with this Procedure. Notify the responsible officer of any new credit cards and changes in credit card spend limits. Distribute new and replacement credit cards to cardholders in accordance with this Procedure. Provide and monitor employee access to the Concur Expense Management System. Provide user training in the use of the Concur Expense Management System. Distribute non-compliance reminders on behalf of the responsible officer. Advise the responsible officer of any policy breaches requiring suspension or cancellation of a credit card, and refer all cases of unauthorised use to the responsible officer. Inform the responsible officer of any changes to cardholder particulars. Development of various expense management reports within the Concur system. Initiate an annual review of credit card requirements in accordance with these Procedures.
Responsible Officer	Monitor and ensure the effectiveness of this Procedure. Issue notices of non-compliance with this Procedure to the relevant cardholder and their Approving Officer. Nominate the Finance Expense Management Administrator.

Part B - General

(5) Employees provided with a University credit card (a cardholder) are only to use the University credit card in accordance with the rules set out in this Procedure. In addition, cardholders must only use the credit card in accordance with the terms and conditions set out in the University Purchasing (Credit) Cards Policy.

(6) The liability for any charges on a University credit card rests with the University and not the individual cardholder. Consequently, these procedures must be strictly adhered to and will be fully imposed as a means of limiting the risk of financial exposure of the University.

Part C - Steps and Requirements

(7) Each person involved in the issuing, use and monitoring of a credit card has obligations and requirements as part of their role. Procedures are outlined below for:

a. Credit Card Holders
b. Approving Officers
c. Finance Expense Management Administrator
d. Responsible Officer

Part D - Credit Cardholder Procedures

Application for Credit Cards

(8) Employees who wish to apply for a credit card must:

a. Ensure they have a financial authorisation equal to, or greater than the proposed credit card transaction limit (see Financial Delegations Schedule).
b. Read and complete a CBA MasterCard Application Form.
c. Copy appropriate, original documentation to provide a 100 points check (see 100 Points Guide).
d. Have the copy documentation certified as a true and correct copy of the original documents. Persons authorised to certify copies in Victoria are listed with the 100 Points Guide along with the appropriate wording to write on, and certify each copied document.
e. Complete an Agreement and Acknowledgment by Cardholder Form.
f. Contact the Finance Expense Management Administrator to arrange a suitable time to attend Concur training and undertake adequate training.
g. Where the CBA MasterCard Application Form refers to Line Manager Consent (Section 8a (1 of 2)), ensure the form is signed by the employee's Approving Officer.
h. Forward the CBA MasterCard Application Form , the Agreement and Acknowledgment by Cardholder Form, and the certified copies of the 100 point check documents to the Finance Expense Management Administrator.

Applications for temporary increase in Credit Card limits

(9) 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 Financial Delegations Schedule.

(10) Temporary increases up to 20% of the cardholders approving manager's limit, to a maximum $25,000 may be provided where adequately justified. Where cardholders seek a temporary increase to their credit card limit, the cardholder must provide the Finance Expense Management Administrator 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.

(11) A credit card limit is to be determined based on an applicant’s monthly expenditure activity and approved on a case by case basis by an Approving Officer with the appropriated financial delegation. The Associate Director, Strategic Financial Solutions – Finance Services has the final approval.

Create and Submit Expense Claim

(12) Credit card transactions are downloaded from the financial institution usually within a day or two after transacting. Therefore, transactions can be viewed in Concur within a day or two following the day of transacting.

(13) Cardholders are strongly advised not to wait until month end to process expenses as this can be done at any time, anywhere in the world, using a smartphone, iPad, laptop, or other device with web access.

(14) In any month where one or more credit card expenses are incurred:

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a. Create a monthly Expense Claim report within Concur.
b. Attach receipts to the expense items (see (15)b below).
c. Code the expenses.
d. Where an expense was incurred and is personal in nature, code the expense to CBA Personal Expense and contact the Finance Expense Management Administrator and arrange repayment as soon as possible.
e. Review the expense claim to ensure the validity and completeness of expense items (see below).
f. Submit the Expense Claim to the Approving Officer (preferably only one each month and within two days of month end).

Provide Expense Item Supporting Documentation

(15) All transactions charged to the credit card must be fully substantiated. There are no materiality thresholds in relation to this requirement. Cardholders must:

a. Obtain sufficient supporting documentation in relation to each credit card transaction including quotes, invoice/receipt. For purchases less than $10,000, a quote should be obtained where reasonably practical to do so.
b. Where the expense is incurred within Australia and is greater than $75, to ensure GST input tax credits can be claimed, the invoice or receipt must contain specific details as follows:
    i. The supplier's name and Australian Business Number.
    ii. The words "Tax Invoice".
    iii. Name and address of the University or the University's ABN (for purchases over $1,000).
    iv. Date of issue.
    v. Brief description of supplied items.
    vi. Quantity or volume.
    vii. Either the total amount payable or a statement that the amount includes GST or the amount charged for the supply, the amount of GST and the total amount payable.

(16) At the time of incurring the expense, photograph the invoice/receipt, or as soon as possible thereafter, scan the invoice/receipt.

(17) Attach the photograph or scanned copy to the expense item in the monthly expense claim.

(18) Retain the hard copy original receipt until the expense has been approved within Concur.

(19) In exceptional circumstances where an invoice or receipt is unable to be obtained, complete a CBA Declaration of Missing Tax Invoice/Receipt Form. Scan and attach it to the expense item in place of the missing invoice/receipt.

Review Credit Card Transactions

(20) Ensure each transaction in the monthly Expense Claim was incurred for University business purposes (see Purchasing (Credit) Card Policy Part B).

(21) If an expense is reimbursable to the University, refer to clauses 15 - 19 above.

(22) Follow up discrepancies/disputes in credit card transactions immediately with the financial institution and notify the Finance Expense Management Administrator.

(23) Ensure goods or services paid for using the credit card were actually delivered or will be delivered.

(24) Where goods or services were not delivered or not provided in accordance with original expectations, ensure a

reversal of the expense is processed by the provider as soon as possible.

(25) Ensure photographic or scanned evidence of original supporting documentation for each transaction is electronically attached to the expense item within the expense claim.

(26) Retain the hard copy original receipt until the expense has been approved within Concur.

(27) Forward the completed expense claim to the Approving Officer within five days after the month end close.

(28) Monitor the submitted monthly Expense Claim to ensure the Approving Officer reviews and processes the claim within five days of submitting.

Advise Changes in Particulars

(29) Advise the Finance Expense Management Administrator of any change in your details e.g. name, contact details, campus base, cost centre, financial authorisation level, Approving Officer, etc.

(30) Where a change in position occurs, request the new Approving Officer to assess and confirm with the Finance Expense Management Administrator, the ongoing requirement for the credit card.

Return Credit Card

(31) Cut in half and immediately return the credit card to the Finance Expense Management Administrator:

a. Two days before leaving the employment of the University,
b. Immediately when the responsible officer or Approving Officer request return of the credit card, or
c. Immediately when the credit card has been cancelled.

Destroy expired cards

(32) Expired cards should be cut in half and disposed of securely within the business unit. They do not need to be returned to the Finance Expense Management Administrator.

Part E - Approving Officer Procedures

Review of Credit Card Transactions

(33) When a cardholder submits an expense claim an electronic Concur system message will be sent advising an expense claim awaits approval.

(34) Review each expense item and ensure adequate and appropriate documentation is attached.

(35) Review and be certain each expense item has been incurred for legitimate University purposes.

(36) Where an expense appears not to have been incurred for legitimate University business purposes, reject the expense item and seek further information from the cardholder.

(37) Where an expense claim contains legitimate expense items, approve the legitimate expense claim items within five days of the cardholder submitting the claim.

Annual Review of Credit Cards

(38) The Finance Expense Management Administrator will initiate a review of the University's credit cards on an annual basis, usually by August of each year. The Finance Expense Management Administrator will write to all

Approving Officers, providing details of cardholders who submit claims to them.

(39) Approving Officers will:

a. Review the cardholder details, credit limits and requirements for the cardholder to retain their credit card.
b. Return the Annual Credit Card Holder Confirmation to the Finance Expense Management Administrator within two weeks advising any changes or if the credit card is to be retained by the cardholder as is.

Employee Terminations

(40) The Approving Officer and the Finance Expense Management Administrator are notified by People and Culture immediately, via online Exit Checklist of the employee termination date, and the Approving Officer must retrieve the credit card from the cardholder and return it to the Finance Expense Management Administrator.

Existing Cardholder Transferring in

(41) Where an existing University employee, with a University credit card, transfers into your area:

a. Determine the ongoing requirement for the cardholder to retain the credit card.
b. Assess the appropriate transaction limit. This must not exceed the cardholder's financial authorisation level.
c. Assess the total monthly spend limit.
d. Advise the Finance Expense management Administrator of any changes in requirements or limits, or if the credit card is to be retained as is.

Part F - Finance Expense Management Administrator Procedures

New Credit Card Applications

(42) Check the application to ensure all the required information has been completed correctly.

(43) Pass the CBA MasterCard Application Form to the responsible officer for review.

(44) After the responsible officer has signed the CBA MasterCard Application Form sign the form as the Verifying Officer.

(45) Send the completed and approved CBA Corporate Cardholder Request to the Finance Expense Management Administrator.

Suspend and/or Cancel Credit Cards

(46) Suspend credit cards as and when instructed.

(47) Remove credit card suspension as and when instructed.

(48) Instruct the financial institution to cancel credit cards as and when instructed.

(49) Notify cardholders and Approving Officers when credit cards have been suspended or cancelled.

(50) Develop and maintain a register of credit card suspensions and cancellations.

Increase and decrease credit card limits

(51) Increase or decrease credit card transaction and/or monthly spend limits as instructed.

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(52) Reduce temporary increases in credit card limits at the expiry of agreed periods.

(53) Notify cardholders and Approving Officers when credit card limits have been altered.

(54) Maintain a register of increases and decreases in credit card transaction and/or monthly spend limits.

Part G - Finance Expense Management Administrator Procedures

(55) Provide and monitor employee access to the Concur Expense Management System where approved in accordance with the Purchasing (Credit) Cards Policy .

(56) Provide user training in the use of the Concur Expense Management System.

(57) Advise all cardholders, Approving Officers and Delegates of month end close dates.

(58) Distribute non-compliance notices via bcc email on behalf of the responsible officer.

(59) Advise the Finance Expense Management Administrator of any policy breaches requiring suspension or cancellation of a credit card.

(60) Inform the Finance Expense Management Administrator of any changes to cardholder particulars.

(61) Develop and distribute various credit card expense management reports.

(62) Initiate an annual review of credit card requirements and make changes as required.

Part H - Responsible Finance Expense Management Administrator Procedures

(63) Instruct the Finance Expense Management Administrator to issue notices of non-compliance with this Procedure to the relevant cardholder and their Approving Officer (sent via bcc email on behalf of the responsible officer).

(64) Monitor and ensure the effectiveness of the Purchasing (Credit) Cards Policy and these Procedures.

(65) Nominate the Finance Expense Management Administrator.

Part I - Accountability Support

Training Plan

(66) The Concur Expense Management System Training, can be found at: http://intranet.vu.edu.au/Finance/ExpenseManagementSystem.asp.

Compliance Audits

(67) The Concur system is designed to perform invoice/receipt compliance checks on all expense items in accordance with the rules and regulations outlined in the Purchasing (Credit) Cards Policy and to meet the University's statutory obligations.

(68) Compliance reviews will be conducted periodically by Finance Services — Financial Compliance team to assess the level of compliance with this Procedure and the Purchasing (Credit) Cards Policy. Non-compliance will be reported to the responsible officer to implement the appropriate corrective actions to remedy the audit issues identified.

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Part J - Non compliance: expense claim submission and approvals

(69) Where non-compliance occurs, regarding submission and approval of expense claims, reminder notices will be sent via bcc email to the relevant cardholder and their Approving Officer, advising what action will be instigated.

1st Policy Breach Notice

(70) An auto email reminder notice will be sent from Concur to the cardholder on the 10th day of each month for:

a. Unassigned overdue card transaction(s) over 30 days old.
b. Assigned but unsubmitted overdue card transaction(s) for 30 days old.

(71) Email body message will read as per following:

a. It is a requirement of the Procedure that University's Purchasing (Credit) Cards Policy & Credit card expense claims be submitted and approved within 30 business days following month end close. According to our records you have not submitted or you have unapproved credit card expenditure that is greater than 30 days old and therefore you are non-compliant with University policy. Please follow up with your line manager for any submitted reports that are still not approved in their profile.

   Future non-compliance will result in suspension of credit card.

2nd Policy Breach Notice

(72) Where an expense claim has still not been submitted and approved (or rejected) within five (5) business days of the 1st Policy Breach Notice date, a follow-up reminder will be sent to the cardholder and their Approving Officer, requesting the expense claim be submitted and approved (or rejected) within the next five (5) business days from the date of that notice.

3rd Policy Breach Notice - Referral to the Responsible Officer

(73) Any cardholder or Approving Officer who does not respond to the 2nd Reminder Notice will be referred to the responsible officer who may apply either of the following conditions:

a. Grant a further five (5) business days for the expense claim to be submitted and approved (or rejected). If the expense claim is still not acquitted within the extended time frame due to:
   i. The cardholder, the credit card will be suspended for one month. If the expense claim is still not acquitted after this period the credit card will be cancelled.
   ii. The Approving Officer, the expense claim will be escalated to the Approving Officers manager to review and approve (or reject).

(74) Where the cardholder has a history of non-compliance with this Procedure, the responsible officer will immediately suspend the cardholders credit card. If the expense claim is not acquitted within one month the credit card will be cancelled.

(75) Where a cardholder has their credit card cancelled for breach of this Procedure they will not be afforded the privilege of a new card in the future.

Cancellation or Suspension of a Credit Card

(76) A credit card may be cancelled or suspended pursuant to clause (75) above. In addition, where as part of a review process it is deemed that the level of card usage is insufficient to warrant the holding of a credit card or that the

current level of the card limit is excessive, a credit card may be cancelled or suspended or have its credit limit reduced to an appropriate level.

(77) Where the issue of a credit card to an employee is considered likely to expose the University to unlawful financial loss, the credit card will be cancelled immediately.

(78) Where a cardholder becomes aware they have lost their credit card, they must notify the financial institution credit card provider, the Finance Expense Management Administration immediately

(79) Where a credit card has been lost (misplaced, destroyed or stolen), the credit card will be cancelled. Where suspected fraud appears on a credit card, the credit card will be suspended until the matter has been investigated. If fraudulent activity is confirmed the credit card will be cancelled.

Extenuating Circumstances

(80) Where a cardholder or their Approving Officer believe extenuating circumstances prevent them from finalising an expense claim they must advise the Finance Expense Management Administrator by email immediately stating the circumstances and committing to a date when the expense claim will be finalised.

(81) The Finance Expense Management Administrator will refer the matter to the responsible officer who will consider and advise accordingly on a case-by-case basis.

Part K - Non-Compliance: Credit Card Use

(82) Non-compliance with the Purchasing (Credit) Cards Policy regarding the approved use and prohibited use of a credit card will result in the following consequences:

a. Services: Where a cardholder uses a University credit card to pay for services which were not provided to undertake business purposes on behalf of the University, the cardholder will reimburse the full cost of those services to the University.
b. Goods: Where a cardholder uses a University credit card to purchase goods which were not acquired for business purposes on behalf of the University, the cardholder will reimburse the full cost of those goods to the University. The cardholder will be deemed the owner of the goods.
c. String Arrangement: Where a cardholder uses a University credit card to purchase goods or services under a string arrangement (by instalments) even if for business purposes on behalf of the University, the cardholder's credit card will be cancelled immediately and their financial delegation removed.
d. Any Other Non-Business Purpose: Where a cardholder uses a University credit card for any other non-business purpose not included in 82 a-c above, the employee will reimburse the University immediately. Where the prohibited acquisition was for goods, the goods will be deemed to belong to the cardholder.

Section 6 - Guidelines

(83) Nil

Status and Details

Status	Historic
Effective Date	7th April 2017
Review Date	7th April 2020
Approval Authority	Vice-President, Finance and Chief Financial Officer
Approval Date	23rd March 2017
Expiry Date	3rd July 2017
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