

# Purchasing (Credit) Cards Procedure

## Section 1 - Summary

(1) This Procedure establishes:

- a. processes that support the University's [Credit Cards Policy](#).
- b. the work directions that apply to the use, administration and management of University credit cards.
- c. clear business rules that ensure the integrity and adequate control over the use of University credit cards.

## Section 2 - HESF / AQSA / ESOS Alignment

(2) HESF: 6.2.1 Corporate Monitoring and Accountability

(3) Standards for RTOs: Standard 7

## Section 3 - Scope

(4) 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. The requirements of the Standing Directions of the Minister for Finance issued under the [Financial Management Act 1994 \(Vic\)](#) in regards to procedures for the use of credit cards.

## Section 4 - Definitions

(5) 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.

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

(7) Finance Expense Management Administrator: means the person 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 Procedure and maintenance of employee access to the Concur system, including support and training in the Concur system functionality.

(8) Employee: means a 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.

(9) Cardholder: An employee of VU issued with a University credit card.

(10) Expense Delegate: can only be an individual 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.

## Section 5 - Policy/Regulation

(11) See the [Credit Cards Policy](#).

## Section 6 - Procedures

### Part A - Roles and Responsibilities

Role	Responsibilities
Cardholder	<ol style="list-style-type: none"><li>1. Ensure compliance with the <a href="#">Credit Cards Policy</a>, this Procedure and relevant legislation.</li><li>2. Complete the monthly expense claim and submit the expense claim to the Approving Officer within two (2) business days from the closing of the credit card cycle date.</li><li>3. Fully cooperate with credit card compliance reviews and audit requests.</li><li>4. Not exceed or attempt to exceed the approved credit card transaction limit or the total monthly limit.</li><li>5. Not authorise own expenditure.</li><li>6. Not 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.</li><li>7. In exceptional circumstances where an invoice or receipt circumstances where an invoice or receipt under \$82.50 (including GST) is unable to be obtained a <a href="#">CBA Declaration of Missing Tax Invoice/Receipt Form</a> is to be completed, scanned and attached to the expense item in place of the missing invoice/receipt.</li></ol>
Approving Officer	<ol style="list-style-type: none"><li>1. Ensure compliance with the <a href="#">Credit Cards Policy</a> and this Procedure. Fully cooperate with credit card compliance reviews and audit requests.</li><li>2. Complete an annual review of credit cards cardholder details, credit limits and requirements for the cardholder to retain their credit card.</li><li>3. Notify the Finance Expense Management Administrator immediately, when it becomes known a cardholder's employment with the University is terminating.</li><li>4. Retrieve the credit card from the terminating cardholder, cut it in half and return it to the Finance Expense Management Administrator.</li><li>5. Approve credit card reports within seven (7) days from the cycle end date.</li><li>6. Ensure transactions have been coded and submitted before the cardholder, ceases employment with the University.</li><li>7. Submit the Expense Claim to the Approving Officer (preferably only one each month and within the first week of the following month).</li></ol>
Finance Expense Management Administrator	<ol style="list-style-type: none"><li>1. Check and process new Credit Card applications in accordance with this Procedure. Suspend credit cards in accordance with this Procedure.</li><li>2. Cancel credit cards in accordance with this Procedure.</li><li>3. Increase and decrease credit card limits in accordance with this Procedure.</li><li>4. Notify the Responsible Officer of any new credit cards and changes in credit card to spending limits. Distribute the new and replacement credit cards to cardholders in accordance with this Procedure.</li><li>5. Provide and monitor employee access to the Concur Expense Management System.</li><li>6. Provide user training in the use of the Concur Expense Management System.</li><li>7. Distribute non-compliance reminders on behalf of the Responsible Officer.</li><li>8. 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.</li><li>9. Inform the Responsible Officer of any changes to cardholder particulars. Development of various expense management reports within the Concur system.</li><li>10. Initiate an annual review of credit card requirements in accordance with these Procedures.</li></ol>
Responsible Officer	<ol style="list-style-type: none"><li>1. Monitor and ensure the effectiveness of this Procedure.</li><li>2. Issue notice of non-compliance in accordance with the Procedure to the relevant cardholder and the Approving Officer.</li><li>3. Nominate the Finance Expense Management Administrator-Concur.</li></ol>

## Part B - General

(12) 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 the University's [Credit Cards Policy](#) and this Procedure.

(13) 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.

(14) Each person involved in the issuing, use and monitoring of a credit card has obligations and requirements as part of their role. This Procedure outlines responsibilities for:

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

## Part C - Credit Cardholder Procedures and Responsibilities

### Application for Credit Cards

(15) 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 (for further information see [VU Delegations Schedules](#) or complete a [Financial Delegation/Authorisation Form](#)).
- b. Must complete the credit card compliance training before starting the application process. Please refer to VU Develop for details.
- c. Complete an [Agreement and Acknowledgement by Cardholder Form](#) and [Financial Delegation/Authorisation Form](#).
- d. Copy appropriate, original documentation to provide a 100 points check (see [100 Points Guide](#)).
- e. 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.
- f. Enter their Personal Postal Address entered on [CBA MasterCard Online Application](#).
- g. Read and Complete (Step 5) [CBA MasterCard Online Application](#).
- h. Submit the (Step 5) [CBA MasterCard Online Application](#), with the required [Agreement and Acknowledgement by Cardholder Form](#) and [Financial Delegation/Authorisation Form](#), and the certified copies of the 100 point check documents.
- i. Overseas Only: If the Cardholder travels, on a Business Trip, cardholder to notify CBA via email: [IBGOVT@cba.com.au](mailto:IBGOVT@cba.com.au) with following details. Destination, credit cardholder – full name (only), Date of Travel and Returning date. This is to avoid the block on your Corporate credit card due to Fraud while travelling overseas.
- j. Check the credit limit balance by contacting CBA on 13 1576.
- k. Contact the Security Group Team on 1800 023 919 option 1/1 if the cardholder has a block on a credit card.

### Applications for a temporary increase in Credit Card limits

(16) 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 [VU Delegations Schedules](#).

(17) Temporary increases up to 20% of the cardholders Approving Officer'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 present the Finance Expense Management Administrator with written evidence and endorsement from the cardholder's line manager recommending the temporary increase in the credit card spend limit and justifying why it is requested.

(18) 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 Director, Financial Systems and Services has the final approval.

## **Create and Submit Expense Claim**

(19) 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.

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

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

- a. Create a monthly Expense Claim Report within Concur.
- b. Attach receipts to the expense items, see clause (21d) below.
- c. Code the expenses.
- d. Where an expense was incurred and is personal, code the expense under Company Card used in Error and make the repayment thru VU Bank account: Account Name: Victoria University – Operating Account, BSB: 063-132, Account Number: 11435845. Save the repayment Receipt and attach to the expense 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 the first week of the following month).

## **Provide Expense Item Supporting Documentation**

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

- a. The supplier's name and Australian Business Number.
- b. The words "Tax Invoice".
- c. Name and address of the University or the University's ABN (for purchases over \$1,000).
- d. Date of issue.
- e. Brief description of supplied items.
- f. Quantity or volume.
- g. 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.

(23) At the time of incurring the expense, photograph the invoice/receipt, or as soon as possible after that, scan the invoice/receipt.

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

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

(26) In exceptional circumstances where an invoice or receipt under \$82.50 (including GST) is unable to be obtained, complete a [CBA Declaration of Missing Tax Invoice/Receipt Form](#), and if an invoice or receipt is over \$82.50 (excluding GST) is unable to be obtained complete [Statutory Declaration](#). Scan and attach it to the expense item in place of the missing invoice/receipt.

## **Review Credit Card Transactions**

(27) Ensure each transaction in the monthly Expense Claim was incurred for University business purposes (see [Credit Cards Policy](#), Part B).

(28) If an expense is reimbursable to the University, refer to clauses (19)-(23) above.

(29) Follow up discrepancies/disputes in credit card transactions immediately with the financial institution by completing the [Dispute Form](#) and email to [IBGOVT@cba.com.au](mailto:IBGOVT@cba.com.au) and cc on the email or notify the Finance Expense Management Administrator.

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

(31) 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.

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

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

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

(35) 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**

(36) 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.

(37) 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**

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

- a. 10 days before ceasing employment with the University,
- b. Immediately when the Responsible Officer or Approving Officer requests the return of the credit card, or
- c. Immediately when the credit card has been cancelled.

## **Destroy expired cards**

(39) 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 D - Approving Officer Procedures and Responsibilities**

### **Review of Credit Card Transactions**

(40) When a cardholder submits an expense claim, an electronic Concur system message will be sent advising that an expense claim awaits approval. If an expense claim remains unapproved, on the 10th day, it will be escalating to the Approver's Line Manager.

(41) An Approving Officer will review each expense item and ensure adequate and appropriate documentation is attached.

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

(43) Where an expense claim contains legitimate expense items, the Approving Officer will approve the legitimate expense claim items within five days of the cardholder submitting the claim.

### **Annual Review of Credit Cards**

(44) The Finance Expense Management Administrator will initiate a review of the University's credit cards every year, 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.

(45) 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.

## **Part E - Finance Expense Management Administrator Procedures and Responsibilities**

### **New Credit Card Applications**

(46) The Finance Expenses Management Administrator will:

- a. Check the application to ensure all the required information has been completed correctly.
- b. Submit the completed and approved CBA Corporate cardholder Request to the Commonwealth Bank.

### **Suspend and/or Cancel Credit Cards**

(47) Suspend credit cards as and when instructed.

(48) Remove credit card suspension 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.

(51) Increase and decrease credit card limits.

(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.
- (55) Provide and monitor employee access to the Concur Expense Management System, once approved in accordance with the [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 acquittals.
- (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 F - 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 this Procedure and the [Credit Cards Policy](#).
- (65) Nominate the Finance Expense Management Administrator.

## **Part G - Accountability Support**

### **Training Plan**

- (66) Cardholders, Expense Delegate and Approvers involved in the use, acquittal or approval of the expenses are advised to undertake Training – Concur Expense Management System, located on the [Finance Intranet site](#).

### **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 [Credit Cards Policy](#) and this Procedure to meet the University's statutory obligations.

## **Part H - Non-compliance: Expense Claim Approvals and Acquittals**

- (68) Compliance reviews will be conducted periodically by Finance Services – Financial Compliance Team to assess the level of compliance with this Procedure and the [Credit Cards Policy](#). Non-compliance will be reported to the Responsible Officer to implement the appropriate corrective actions to remedy the audit issues identified.
- (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 the following:

- a. The Procedure requires that University's [Credit Cards Policy](#) and 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.

(72) Future non-compliance will result in the suspension of the credit card.

## 2<sup>nd</sup> Policy Breach Notice

(73) 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

(74) 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).

(75) 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.

(76) 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

(77) A credit card may be cancelled or suspended pursuant to clause (75) above. In addition, whereas 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, and a credit card may be cancelled or suspended or have its credit limit reduced to an appropriate level.

(78) 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.



(79) Where a cardholder becomes aware they have lost their credit card, they must notify the financial institution credit card provider, by contacting them via the number on the back of the Corporate Card and notify the Finance Expense Management Administration immediately.

(80) 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**

(81) 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.

(82) 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 I - Non-Compliance: Credit Card Use**

(83) Non-compliance with the [Credit Cards Policy](#) and this Procedure regarding the approved use and prohibited use of a credit card will result in the following consequences under [Appropriate Workplace Behaviour Policy](#) and [Financial Code of Conduct Policy](#):

- 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 clauses (83) 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.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	2nd March 2021
<b>Review Date</b>	2nd March 2024
<b>Approval Authority</b>	Vice-Chancellor
<b>Approval Date</b>	1st March 2021
<b>Expiry Date</b>	Not Applicable
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