	Credit Card Policy
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Related Policies or Documents:	Kangaroo Island Council Kangaroo Island Council Employee Behavioural Standard Policy Kangaroo Island Council Budget Reporting and Management Policy Kangaroo Island Council Privacy Policy Kangaroo Island Council Fraud and Corruption Policy – Kangaroo Island Council Internal Control Policy
Associated Forms:	Appendixes A, B and C
Responsible Manager:	Director Corporate Services
Approved by Council:	10 November 2026
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Credit Card Policy

1. Preamble

1.1. The issue and use of Kangaroo Island Council credit cards needs to be well managed and involve open and accountable processes.

1.2. The Kangaroo Island Council has a legal and moral obligation to apply appropriate standards and procedures in the use of Credit Cards.

2. Purpose

2.1. This policy sets out the conditions and requirements that must be followed with the issue and use of a Kangaroo Island Council credit card.

3. Scope

3.1. All Kangaroo Island Council credit cards are covered by this policy with the exception of fuel and cabcharge.

4. Definitions

4.1. **CEO** means the Chief Executive Officer of the Kangaroo Island Council.

4.2. **Cardholder** refers to the staff member whose name appears on the council credit card.

4.3. **Credit Card Authorisation Form** means the form found in Appendix A to this policy.

4.4. **Credit Cardholder Agreement** means the form found in Appendix B to this policy.

4.5. **Employee** means permanent full-time and part-time staff only.

4.6. **GST** refers to Goods and Services Tax. Council is liable for GST. To enable tax credits, all purchases require a tax invoice/receipt.

4.7. **FBT** refers to Fringe Benefits Tax. Fringe Benefits Tax may be applicable to expenses paid by Council Credit Card. Cardholders are required to note on the reconciliation the number of staff and the number of non-staff attending any function regarded as entertainment.

4.8. **Private Expenditure** refers to any expenses that are in relation to non-business activities, such as personal holiday accommodation which, if undertaken, should be repaid immediately.

5. Policy Statement

5.1. Issue of Cards

5.1.1. New cards are only to be issued when proposed users are authorised by the CEO, or in the case of the CEO, the Mayor.

5.1.2. Credit cards can only be issued to employees of the Kangaroo Island Council that have been delegated authority to purchase on behalf of Council.

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5.1.3. A Credit Card Authorisation Form must be completed as follows:

a. The proposed cardholder's manager is to complete the form; and

b. The form is to be recommended by the relevant Director; and

c. The form is to be approved by the CEO.

d. If the proposed cardholder's manager is a Director, the form must be completed by the Director, and be signed by the Director and the CEO.

e. If the proposed cardholder's manager is the CEO, the form must be completed by the CEO, and be signed by the CEO and the Mayor.

5.1.4. The Credit Card Authorisation Form must include the:

a. Type of special transactions permitted, and

b. Total card limit; and

c. Individual transaction limit.

5.1.5. All forms must be sent to finance for processing.

5.1.6. When finance staff have received a completed Credit Card Authorisation form they will facilitate the application process with the bank.

5.1.7. A bank cardholder application form and a Kangaroo Island Council Credit Cardholder Agreement form (Appendix B) will be forwarded to the proposed cardholder for signing.

5.1.8. No credit cards will be issued without a signed cardholder agreement in place.

5.1.9. Finance will maintain a credit card register containing the following information:

a. Cardholder name

b. Card number

c. Date Credit Card Authorisation form received

d. Date Credit Cardholder Agreement received

e. Card Limit

f. Transaction limit

g. Special Transaction Types allowed

5.1.10. Cardholders must sign the back of the card in the appropriate place immediately upon receipt.

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5.2. Card Security

5.2.1. Cardholders are personally responsible for the security and confidentiality of their cards and for the observance of the 'Bank Card Conditions of Use.'

5.2.2. If a PIN is issued by the bank, the cardholder will be responsible for keeping it secure and maintaining its integrity

5.3. Return of Card

5.3.1. The cardholder must immediately return the card to the Finance Department or CEO for cancellation on cessation of their employment, transfer to another position of employment, or upon request from the CEO or other responsible officer.

5.3.2. Finance will immediately contact the bank and ensure the card is cancelled. The card can then be destroyed.

5.4. Use of Credit Cards

5.4.1. Card users must adhere strictly to the requirements of this policy in respect of the use and management of credit cards.

5.4.2. Credit cards will only be used for the purchase of goods and services on behalf of the Kangaroo Island Council, Additionally:

a. All purchase values must be within the limits authorised by the CEO via the Cardholder Authorisation form.

b. Any permanent changes to card limits will require written authorisation by the CEO

c. To support the cost-effective use of credit cards where the business use dictates a one -off transaction employees may be given a temporary increase in the maximum single transaction limit by the Director

5.4.3. Cards must only be used for business purposes. The use of a Kangaroo Island Council credit card for the provision of cash and/or to pay traffic infringements or fines and/or any other personal expense is strictly prohibited.

5.4.4. The following special transaction types are also prohibited unless stated otherwise in the Credit Card Authorisation form.

a. Airlines

b. Hotels/Motels

c. Travel Agencies

d. Vehicle Rentals

e. Restaurants

f. Liquor Outlets

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g. Entertainment Establishments

Any changes to the cardholder's requirements of the above special transaction types will require written authorisation by the CEO or delegate.

5.4.5. A credit card holder must certify the correctness of all charges against the credit card and attach all supporting documentation including documentation required by the Australian Tax Office for claiming GST input tax credits.

5.4.6. A tax invoice/receipt must include the ABN of the supplier, and either state that the price includes GST or show the GST amount separately.

5.4.7. Credit card information must be available for Kangaroo Island Council audit and tax office scrutiny.

5.5. **Authorisation**

5.5.1. Cardholders need to declare that the credit card expenditure is a valid organisational expense and this documentation is then referred to the CEO for review, or in the case of the CEO, the Mayor.

5.5.2. Monthly credit card usage and documentation must be reported to the responsible manager for independent scrutiny, review and authorisation. The Mayor will review and authorise the CEO's credit card.

5.6. **Misuse of Credit Cards**

5.6.1. The misuse of credit cards, or any breach of this policy, may result in forfeiture of the card and disciplinary action being taken, which may include termination of the employment of an employee and the commencement of legal proceedings.

5.6.2. A Council Credit Card may be withdrawn and cancelled for any of the following reasons:

- Misuse of the credit card by the cardholder including unacceptable or inappropriate expenditure;
- Non-compliance with the conditions governing the issuing of Council credit cards;
- The position currently held within the Council no longer requires a credit card purchasing facility or the card has not been used for twelve (12) months;
- Termination of employment.
- Where a Council credit card is withdrawn or cancelled, Council will require the cardholder to:
    a) Destroy the card for security purposes by cutting through the card number;
    b) Return the destroyed card to the Finance Department or CEO a minimum of two weeks prior to cessation of employment; and
    c) Undertake a reconciliation of their final statement, or if leaving Council, provide the Manager of Finance and Administration with all relevant documentation, receipts, invoices and the like so that reconciliation may be undertaken on receipt of the final statement.

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5.6.3. Where the intended cessation of employment with Council is known the Manager responsible for People, Culture and Workforce Capability (HR Department) shall notify the Director Corporate Services and Manager of Finance and Administration as soon as possible prior to the date of cessation of employment. The Finance Department will notify the cardholder of the requirement to collect all the relevant tax invoices / receipts.

5.6.4. It is the Cardholder's responsibility to submit the final statement reconciliation including all receipts / tax invoices for outstanding expenditure to the Finance Manager /Accountant prior to their departure. A Credit Card Termination Form is required to be completed and signed off.

5.7. **Lost cards**

5.7.1. If the card is lost, the cardholder must:

a) Notify the bank's Card Services Department as soon as the loss is discovered;

b) Notify their immediate manager/ Director as soon as practically possible; and

c) Notify the Financial Services Department.

5.8. **Card and Transaction Limits**

5.8.1. Monthly card limits and individual transaction limits will be as approved by the CEO in the Cardholder Authorisation form.

5.8.2. The limits will also be documented in a 'Cardholder Agreement' form that must be signed by the cardholder and his/her immediate manager. Finance will maintain a register of cardholder agreements, and will review card and transaction limits on an ongoing basis.

5.9. **Card User Requirements**

5.9.1. The cardholder will ensure that a detailed description of the goods/services is recorded on the tax invoice/receipt.

a. If the description is inadequate, the cardholder will write a more descriptive entry on the reverse side of the receipt.

b. Details must be provided to Finance if expenditure is incurred that commits Kangaroo Island Council to a Fringe Benefit Tax (FBT) liability.

5.9.2. Sales vouchers and tax invoices/receipts are the responsibility of the cardholder and must be retained in a secure place until the purchase order has been completed and signed.

5.9.3. Upon receipt of a credit card statement and the creation of the purchase order, the cardholder will:

a) Check that for each transaction on the statement there is a voucher or receipt or compliant tax invoice as required;

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b) Check that the statement amounts and the tax invoice/receipt amounts agree;

c) Highlight and report any unauthorised transactions or amounts including transactions that can be characterised as non-business use;

d) Record the appropriate ledger account codes for each purchase on the Cardholder Expenditure Summary;

e) Attach all vouchers, receipts and FBT details to the Cardholder Expenditure Summary form;

f) Sign the purchase order form and have it approved by their immediate manager;

g) Return the form and statement to Accounts Payable within ten days of receipt of the paperwork.

5.10. **Monitoring and Review of Credit Cards**

5.10.1. On an annual basis, the Finance Department will review the credit card limit, usage patterns, internal controls and risk management relating to credit card usage. A summary of the review will be documented and referred to the Chief Executive Officer for discussion / approval.

6. Measure

Council Corporate Credit Cardholders meet the eligibility requirements.

All Council Corporate Credit Cardholders have a completed and authorised Application / Amendments and Authorisation Credit Card Form.

Purchase / expenditure documentation, tax invoices are retained and reconciled with bank statements at the end of each month.

All completed monthly Council Credit Card reconciliation purchase order forms are returned to the Chief Executive Officer, or in the case of the CEO, the Mayor, by the 15th of each month for authorisation.

All Council Credit Card Reconciliation purchase orders upon the signature of the Chief Executive Officer or Mayor are to be received by the Creditor Officer by the 15th of each month.

Withdrawn or cancelled Council credit cards are reconciled and destroyed within the noted timeframes.

7. Review

This procedure shall be reviewed by the Kangaroo Island Council administration bi-annually and may be subject of spot audits.

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8. Availability and Grievances

This procedure will be available for inspection at the Council's Offices 43 Dauncey Street, Kingscote during ordinary business hours Copies will also be provided to the public upon request, and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.

Any grievances in relation to this procedure or its application should be forwarded in writing addressed to the Chief Executive Officer, Kangaroo Island Council, PO Box 121, Kingscote SA 5223.

SIGNED: 

Chief Executive Officer

Date: 11 November 2026

History:		
Date Reviewed:	Version:	Reason for Amendment:
August 2009	Version 1	Adopted and Issued
May 2013	Version 2	Change of credit card process due to the application of the new purchase order system.
30 April 2015	Version 2	Review and new logo incorporated
12 April 2016	Version 3	Minor changes to formatting
13 August 2018	Version 4	Minor changes and Biennial review
12 May 2020	Version 5	Review following Auditor General's report in to Council's credit card. C232:2020
10 May 2022	Version 6	Policy Review – no change
10 November 2026	Version 7	Policy Review – Update on Legislative Framework, Minor Changes to formatting,

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9. APPENDIXES

APPENDIX A - CREDIT CARD AUTHORISATION FORM

Approval is recommended for {Insert Name}, {Insert Title}, {Insert Work Location}, to be issued with a credit card, subject to the following conditions:

- Strict compliance with the policy of the Kangaroo Island Council that deals with purchasing and the use of credit cards;
- Completion of the credit card cardholder agreement prior the card being issued;
- Access being allowed to the following special transaction types (please tick to allow access)

  - ☐ Airlines;
  - ☐ Hotels / Motels;
  - ☐ Travel agencies;
  - ☐ Vehicle rentals;
  - ☐ Restaurants;
  - ☐ Liquor Outlets; and
  - ☐ Entertainment establishments;

- The card limit will be ${Insert Amount};
- The maximum card transaction limit will be ${Insert Amount};
- It is understood misuse the card or any breach of procedures may result in forfeiture of the card and disciplinary action may be taken, including termination of employment and the commencement of legal proceedings.

Proposed By: ……. ……../……../……..
Responsible Manager

Recommended By: ……. ……../……../……..
Director

Approved By: ……. ……../……../……..
Chief Executive Officer / Mayor

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WHAT IS A VALID TAX INVOICE?

A valid tax invoice is a document that meets all of the following requirements:

1. For all purchases:
    - The supplier's name and ABN must be incorporated.
    - The date of issue of the tax invoice must be included.
    - The invoice must have a brief description of the invoiced items.
    - The price must be shown.
    - The invoice must show either the GST amount or a statement that "the price includes GST".
    - Where possible, this must be the original copy.

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APPENDIX B – CREDIT CARDHOLDER AGREEMENT

Card Number:	
Cardholder Name:	
Position:	
Department/Section:	

I acknowledge that I am to be issued a Credit Card ("the Card") and:

I hereby acknowledge the following conditions for the use of a Council Corporate Credit Card.

1. Ensure corporate credit cards are maintained in a secure manner against improper use.
2. Credit cards can only be used in accordance with approved expenditure and delegated financial authority.
3. Council credit cards are to be used only for Kangaroo Island Council business activities. Under no circumstances should credit cards be used for cash advances.
4. No expense is to be incurred on a credit card until the requirements of relevant procedures have been fulfilled and authorised approval given. All purchases made via the purchase order form and over the phone require the approval of the cardholder.
5. All documentation (Tax Invoice/Receipt) regarding a council credit card transaction must be provided as part of the reconciliation procedure.
6. Credit limits are not to be exceeded.
7. All signed Reconciliation Forms/ Purchase Orders and attached documents should be returned to your direct manager for approval. All approved reconciliation purchase orders including documentation must be prepared with adequate time to be received by the Accounts Officer no later than the 15th of each month. If it is a weekend, it will be the Last Friday before 15th of the month.
8. Council credit cards are to be returned to the Finance Department or CEO a minimum of two weeks prior to cession of employment; and
9. Any failure to comply with the conditions and procedures of use of Council Credit Cards may result in the withdrawal of the credit card.

…… …../…../…… ……/…../……

Cardholder's signature Manager's signature

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APPENDIX C – CREDIT CARD CANCELLATION CHECKLIST

CREDIT CARD
CANCELLATION CHECKLIST

Card Holder Name	
Position	
Date of Card Termination	

I hereby terminate Council's Business Credit card for the person listed above.

Chief Executive Officer	Date / /

To be completed by the cardholder
☐ The final monthly credit card reconciliation is completed and the purchase order is signed by Direct Manager and forwarded to Accounts Officer
☐ Tax invoices/receipts for outstanding transactions have been forwarded to Finance Department
☐ The credit card is returned to Manager Finance and Administration

Card Holder Name…….....	Date / /
Signed …….....	

To be completed by Finance Department
☐ The credit card is returned by the cardholder and all requested documents above are received
☐ The Financial Institution is informed of the termination of credit card & the card is destroyed.

Name	
Position	Date / /

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