

# Corporate Purchasing Card Procedures

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## INTRODUCTION

The University is committed to maximising administrative efficiencies and facilitating effective cash management through the use of Corporate Purchasing Cards where there is an identified business need. Corporate Purchasing Cards provide an efficient and effective payment method that eliminates paper-based purchase orders and invoice processing and improves payment performance while providing efficiencies in cash management. Corporate Purchasing Cards are specifically designed for, but not restricted to, high volume low value (less than \$1,000) transactions and to assist staff members who travel on behalf of the University.

The Office of Financial Services ensures adequate best practice controls are in place to minimise the risks associated with Corporate Purchasing Cards such as security, unauthorised or inappropriate use and failure to report a lost or stolen card promptly, while allowing the University to ensure expenditure is legitimate.

## COMPLIANCE

This is a compliance requirement under the [Charles Darwin University Act 2003](#) part 8, section 33.

## INTENT

This document outlines the procedures for the application, and administration of Corporate Purchasing Cards by approved University staff members.

## 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 the Corporate Purchasing Card 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;

**FBT** means the Fringe Benefit Tax. The University may be liable for FBT 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;

**GST** means the Goods and Services Tax. The University is liable for the GST on all purchases over \$82.50 which must have a tax invoice that lists the amount of GST paid;

**iExpenses** means the University's electronic expense management system used for the processing and accounting of Corporate Purchasing Card and staff payment transactions;

**Organisational unit** means school, centre or other academic unit; a department, or other administrative unit within the University;

**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](#);

**Procurement Thresholds** means the dollar value at which a particular procurement method is to be followed to purchase goods and services;

**Proxy** means a person nominated on behalf of the cardholder to code transactions should the cardholder be unable to do so. A Proxy is mandatory to cover periods of absence and has identical responsibilities when coding transactions for the cardholder;

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

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

## PROCEDURES

### Application

The Senior Executive is responsible for ensuring that there is a valid business need for a Corporate Purchasing Card. A business case must be endorsed by the relevant Senior Manager, prior to proceeding to application.

Staff members who meet eligibility requirements and accept the conditions of use outlined in the [Corporate Purchasing Card Policy](#) and Corporate Purchasing Card Agreement form and complete the Application for/or Amendment to Corporate Purchasing Card form.

Applicants should not complete and sign the application or agreement if they are unwilling to comply with the stated terms and conditions of use. In the event that the applicant does not understand any of the conditions of use, they should seek clarification from the Manager, Strategic Procurement.

Authorised applications and agreements should then be sent to the Procurement Office for assessment.

### Assessment

The Manager, Strategic Procurement is responsible for the management of all Corporate Purchasing Card services and will assess all applications to ensure clear demonstration of the following prerequisites:

- Type, frequency, location and volume of payments to be made;
- Justification for the Corporate Purchasing Card and the transaction limits, that must be as small as possible, but adequate to cover monthly travel and expenditure for the Organisational Unit. Where applicable the Manager, Strategic Procurement may reduce card and transaction limits requested;
- Evidence that the applicant has completed Oracle iExpenses Training or a proxy has been identified with the skills and knowledge to be responsible for the Corporate Purchasing Card;
- Receipt of an Application for/or Amendment to Corporate Purchasing Card form that is signed by the applicant accepting the terms and conditions of holding a Corporate Purchasing Card; and
- Authorisation by the relevant Senior Manager.

In circumstances where the Corporate Purchasing Card is to be renewed, evidence is required to ensure that the cardholder has updated knowledge and training, including system or procedural changes, where relevant.

### Personal Credit Standing

Use of the University Corporate Purchasing Card does not affect the cardholder's personal credit standing. Liability for valid charges debited to the Corporate Purchasing Card is attached solely to the University.

### iExpenses Training

iExpenses Training must be completed by the applicant, prior to receiving a Corporate Purchasing Card. Applicants should submit an approved eVIS (Oracle) Registration and Confidentiality Statement to the Finance Helpdesk to arrange a suitable time for training.

The Manager, Strategic Procurement will maintain a register of all issued Corporate Purchasing Cards, cardholder's details and Corporate Purchasing Card Agreement forms.

### Collection

The Procurement Office will notify cardholders by email that new and replacement Corporate Purchasing Cards are available for collection.

All Corporate Purchasing Cards, with the exception of cardholders in remote locations, must be collected in person by the cardholder from the Procurement Office where the Corporate Purchasing Card Register is maintained.

In Alice Springs, the Corporate Purchasing Card should be collected from the Finance Officer, where the Corporate Purchasing Card Register is maintained.

In remote areas, the Procurement Office will post the Corporate Purchasing Card via registered mail, to the cardholder. The cardholder must sign a Corporate Purchasing Card Acknowledgement and Undertaking Form and return it to the Procurement Office within five (5) working days.

On receipt of the Corporate Purchasing Card, a cardholder must:

- Sign the reverse of the card immediately; and
- Sign and return the Corporate Purchasing Card Acknowledgement and Undertaking Form to the Manager, Strategic Procurement;

Where a cardholder receives a replacement card, the old card should be cut in half and returned to the Procurement Office, together with the signed acknowledgement form acknowledging the receipt of the new card.

### Procurement Checks

Cardholders must ensure all purchases comply with the relevant Procurement governing documents prior to use and where necessary:

- Obtain prior written approval by an authorised financial delegate;
- Obtain quotation/s where required and determined by the procurement thresholds;
- Observe any restrictions in respect of approved suppliers and/ or categories of expenditure; and
- Ascertain whether a supplier will apply a credit card surcharge to goods and services, verifying the percentage or dollar amount.

### Private Expenses

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

On occasions, a cardholder may incur coincidental official and private expenditure recorded on a single billing system. For example, a cardholder may make private telephone calls or purchase goods for private consumption that are subsequently charged to a hotel account. Cardholders must settle all such private expenses prior to charging the balance on the purchasing card.

### Documentation

Cardholders are responsible for obtaining tax invoices or receipts and all supporting documentation for Corporate Purchasing Card transactions. Required documentation includes:

- All GST compliant tax invoices for each transaction that appears on the Expense Report;
- Movement requisition reference (for example MR# XY010109), if the expense is related to travel;
- Written approvals, authorisations or other supporting documentations, such as screen prints of internet orders, letter/memos explaining approving the expenditure, email correspondence or file notes for each transaction; and
- Any other relevant documentation that substantiates the transaction at the point of purchase.

### Lost or Misplaced Documentation

Where tax invoices or receipts have not been obtained or lost (and are not replaceable) the cardholder must complete and attach a Statuary Declaration form, detailing the transaction and reasons for the expenditure, and declaring that the expense was incurred for official University business purposes only.

### Dispute Notification

Where a transaction charged to a Corporate Purchasing Card is in dispute, for example, not recognised or charged in error, the cardholder should, where possible, attempt to resolve the dispute directly with the supplier.

Where a transaction remains in dispute after five (5) working days, cardholders must

- Immediately report disputed transactions to the Manager, Procurement;
- Complete the relevant Corporate Purchasing Card Westpac Dispute Form with as much detail as possible and forward to the Manager, Strategic Procurement; and

- Record the disputed transaction and relevant code in iExpenses.

Cardholders have ninety (90) days from the date of the transaction date to lodge a Westpac Dispute Form. After this period expires, the transaction can no longer be investigated through the bank and the charges will remain. The transaction must then be coded back to the organisational unit.

A resolution to the dispute can take up to six (6) weeks. When the dispute is resolved and results in a credit to the Corporate Purchasing Card, the credit will be reflected on the next statement.

### **Return of Goods for Credit**

A credit/adjustment or voucher note must be obtained from suppliers upon the return of any goods that were paid for by Corporate Purchasing Card. This documentation is required to substantiate the transaction.

### **Acquittal**

Cardholders must ensure the validity of all Corporate Purchasing Card transactions in iExpenses on a regular basis. All transactions must be verified and cardholders must ensure all documentation is in order with particular emphasis on evidence of authorisation for expenditure.

Cardholders or nominated proxy's must allocate an appropriate tax code, such as FBT, general ledger cost code and standard classification code as well as an explanation as to the purpose of each transaction that is accurate and sufficiently detailed. For example, cardholder name, transaction date and line description. Further information on coding can be found in the iExpenses training manual.

Transactions that have not been verified or coded will remain in iExpenses for verification the following month.

All verified and coded transactions are then forwarded to the relevant authorised financial delegate to ensure the following information is included in the expense report:

- Financial delegations have not been exceeded;
- Invoices are tax compliant;
- An appropriate tax code, general ledger cost code and standard classification code has been applied to each transaction;
- All relevant documentation is attached; and
- There is an accurate and detailed explanation to the appropriate cost centre.

Expense reports are electronically generated for approval through iExpenses and must be completed by no later than the 25th of each month.

Accounts Payable conduct regular audit sampling checks and ensure restricted purchases are reported via the Chief Financial Officer or delegate for review.

Cardholders must ensure that a separate acquittal for an emergency cash advance is made to the verifying financial delegate upon return from the trip during which the cash advance was taken. The approved acquittal should be included in the monthly expense reports.

### **Lost or Stolen Cards**

Lost or stolen Corporate Purchasing Cards must be reported immediately to the card provider and the Manager, Strategic Procurement. Contact details of the issuing card provider Westpac Bank are 1300 650

107 during business hours, or 1300 651 089 after hours or overseas operator assist on 61 2 9374 7082. These can also be found in the Corporate Purchasing Card Agreement and Undertaking form.

Any notification number or acknowledgement provided by the card provider must be retained by the cardholder as evidence of the date and time of notification.

Once cancelled, a new card will be issued by the card provider and the cardholder will be notified in accordance with the Collection procedure above.

Damaged Corporate Purchasing Card must be returned to the Procurement Office for destruction. A replacement card will be requested from the card provider and the cardholder will be notified in accordance with the Collection procedure above.

### **Cancellation and Return of Corporate Purchasing Cards**

Corporate Purchasing Cards must be returned immediately to the Manager, Strategic Procurement when a cardholder:

- Resigns from the University;
- Retires from the University;
- Is instructed to do so by the Manager, Strategic Procurement; or
- Is transferred or is promoted to another position within the University.

Cardholders who are transferred or promoted to another organisational unit may retain Corporate Purchasing Cards on approval from the relevant Senior Manager. The Cost Centre Manager must complete the relevant Application for/or Amendment to Corporate Purchasing Card form and submit to the Manager, Strategic Procurement who will make changes to the default cost codes.

Cardholders who are transferred or promoted to another position within the same organisational unit may retain Corporate Purchasing Cards as determined by the relevant Senior Manager, in consultation with the Manager, Strategic Procurement.

Cardholders who will be absent from work for any period longer than four (4) weeks must surrender the Corporate Purchasing Card to the Manager, Strategic Procurement or relevant Cost Centre Manager who will place the Corporate Purchasing Card in a secure place until the cardholder's return. For periods of absence that are six (6) months or longer, the Manager, Strategic Procurement will cancel the Corporate Purchasing Card.

### **Reporting and Monitoring**

The Manager Strategic Procurement will monitor the activities of card users including card limits, appropriate usage and timeliness of submitted reconciliations on a regular basis and report as necessary to the Chief Financial Officer and/or the relevant cardholder supervisor.

## **ESSENTIAL SUPPORTING INFORMATION**

### **Internal**

Application for/or Amendment to Corporate Purchasing Card form

[Conflicts of Interest Policy](#)

[Corporate Purchasing Card Acknowledgement and Undertaking Form](#)

[Corporate Purchasing Card Policy](#)

[Delegations Policy](#)

[e/VIS \(Oracle\) Registration and Confidentiality Statement](#)

[Fraud, Bribery and Corrupt Conduct Prevention Policy](#)

Procurement Procedures

Procurement Policy

[Travel on Official University Business Procedures](#)

## External

[Fringe Benefits Tax Assessment Act 1986](#) (Commonwealth)

[Income Tax Assessment Act 1997](#) (Commonwealth)

[Westpac Dispute Form](#)

## Document History and Version Control

<b>Last amendment:</b>	15 Dec 2017	<b>Next Review:</b>	Sept 2017
<b>Sponsor:</b>	Chief Financial Officer		
<b>Contact Officer:</b>	Manager, Strategic Procurement Services		

Version	Date Approved	Approved by	Brief Description
1.00	3 Oct 2013	Vice Chancellor	Creation of original document and upload to CDU website.
2.00	23 Sep 2015	Vice-Chancellor	<p>Document reviewed</p> <ul style="list-style-type: none"> <li>• Updated title Manager, Procurement to Manager, Strategic Procurement throughout document</li> <li>• Updated Finance and Asset Services, Procurement Office to The Office of Strategic Procurement Services</li> <li>• Updated hyperlinks</li> <li>• Updated ProMaster to iExpenses throughout document</li> <li>• Added new definition for iExpenses</li> <li>• Removed definition for ProMaster</li> <li>• Updated Dispute Form to Westpac Dispute Form Update Fraud Control Policy to Fraud, Bribery and Corrupt Conduct</li> </ul>
2.01	10 Feb 2016	Vice-Chancellor	Update the definition for Private Expense – removed ‘The purchase of gifts, food and related items in relation to non-business activities, such as birthday celebrations and the like is a private expense which, if undertaken, should be covered by way of voluntary donations; and replaced with 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 payment gives rise to a liability under the Fringe Benefits Tax Assessment Act 1986; and the payment is not allowable as a deduction to the individual under the Income Tax Assessment Act 1997
2.02	15 Dec 2017	Governance	<ul style="list-style-type: none"> <li>• Converted document into new template</li> <li>• Updated definitions</li> <li>• Updated hyperlinks</li> <li>• Amended Contact Officer from Manager, Strategic Procurement, Office of Strategic Procurement Services to Manger, Strategic Procurement Services</li> </ul>