

Purchasing Card Policy



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1. Summary

The purpose of this policy is to articulate the State Library's policy on the administration, the provision and conditions of use of purchasing cards (P-Cards) issued to staff within the State Library of NSW.

This policy has been developed to enable the processing and payment of **high volume, low value and low risk transactions** in a cost-efficient manner while maintaining appropriate management controls.

2. Policy

2.1 Issue of P-Cards

- a. P-Cards are only to be used for official State Library expenditure.
- b. P-Cards will be issued to authorised staff for purchasing of goods and services up to an agreed amount for both individual transaction limits and an overall monthly limit (GST inclusive).
- c. Expenditure on the card will be the responsibility of the cardholder who will be accountable for all expenditure charged to it.

2.2 Induction

- a. Prior to being issued with a P-Card the applicant and their people leader will be inducted into understanding their obligations and responsibility in the use of the cards.
- b. Thereafter, the applicant will be required to sign a P-Card holder Declaration form with the Library.

2.3 Delegations

- a. Only staff with the appropriate financial delegation will be issued with a P-Card.
- b. The cardholder's people leader will be required to review and approve the purchases on the monthly P-Card bank statement.

2.4 Expenditure Limits

A Purchasing Card is issued to an **individual member of staff** and is not transferable.

Each Purchasing Card has both a transaction limit and a monthly limit:

- Transaction limit is the maximum value of a single transaction that a Cardholder may incur. The transaction limit must always be **within the financial delegation**.
- Monthly limit is the maximum value of all transactions that can be charged to a Cardholder's Purchasing Card within the monthly statement cycle.

2.5 Setting Expenditure Limits

A Purchasing Card is issued for one of the following standard limits:

- Manager's and those with financial delegation -Transaction limit of \$3,000 and total monthly credit limit of \$5,000
- Director's-Transaction limit of \$3,000 and total monthly credit limit of \$10,000
- State Librarian – Transaction limit of \$3,000 and total monthly credit limit of \$20,000

Exceptions to these structure transaction limits will be considered individually.

2.6 Applying for Higher Limits

A written request from the cardholder with their people leader's recommendation must be sent through to the Director of the division to be forwarded to the Director, Operations and CFO for approval.

2.7 Restrictions

Purchasing Card must not be used to purchase the following:

- Goods or services for the Cardholder's personal use, this is strictly prohibited. This is in breach of departmental policy and may result in disciplinary action.
- Alcohol not associated with a meal
- Automatic Direct Debit payments unless arranged with the Purchasing Card Administrator
- Goods or services from Suppliers with no A.B.N.
- Cash advances for non-approved overseas travellers.
- Infringements and Fines incurred personally by State Library staff, including Motor Vehicle Infringements incurred by the driver when on State Library business.
- Travel and accommodation bookings under the NSW Travel Management Services contract
- Expenditure in excess of the Cardholder's delegation (transaction limit) and expenditure beyond the Cardholder's monthly limit.

- Expenditure exceeding Cost Centre, Business Centre, work order, internal order or project budget.
- Personal rewards or benefits implicit at point of purchase, including Frequent Flyer Schemes, bonus point schemes or gifts designed as benefit for utilising the card.

Cardholders travelling at Government expense on State Library business are **not** to seek or accept **frequent flyer or rewards points or gifts** from any airline, and the choice of airline, particularly for overseas travel, must not be influenced by the availability of frequent flyer/Rewards points.

- Gratuities and tips of any nature, both domestically and overseas.
- Mobile phones (including accessories) or other communication devices, computer software or hardware (which must be referred to Technology Services branch).
- Infrastructure related equipment or fittings (which must be referred to the Facilities branch).

3. Cardholder's responsibilities

P-Card holders must ensure that:-

- 3.1 The P-Card is maintained in a secure manner and guarded against improper use. The cardholder is personally responsible and accountable for the safe keeping of the card.
- 3.2 in the event that a P-Card is lost or stolen, cardholders must report the loss immediately to:
 - a. the Financial Controller during normal business hours, and
 - b. the Westpac Commercial Cards Team on:
 - i. From within Australia: 1300 651 089 (24 hours a day, 7 days a week)
 - ii. From overseas: +61 2 9293 9270 (24 hours a day, 7 days a week).
 - iii. Refer to the Westpac website www.westpac.com.au for security guidelines.
 - c. Details of the cancellation (bank's reference number, name/designation of person contacted, date and time) must be notified to the Financial Controller.
- 3.3 PIN numbers, are not made available to, or known by, other persons;
- 3.4 the P-Card is used only for official business purposes. Cardholders may be held personally liable for expenditure which is not duly authorised and/ or is unsupported or undocumented;
- 3.5 the P-Card is only used by the person whose name appears on the card, or in exceptional circumstances, use of the card may be authorised by the person whose name appears on the card (authorisation by the card holder must be noted on the transaction receipt);

- 3.6 expenditure is approved by a staff with an authority to incur expenditure (Section 12 delegation). Note that staff holding delegation should not approve their own expenditure;
- 3.7 all documents (i.e. withdrawal slips, receipts, etc.) supporting transactions on the card are retained. If no supporting documentation is available then the staff should provide a declaration detailing the nature of the expense and must sign on the statement that "All Expenditure is of a business nature".
- 3.8 validated statement and documents should be submitted promptly. Any penalties imposed by the credit card company due to delay on the part of the staff in providing the required documentation may be passed on to the cardholder;
- 3.9 credit limits are **not exceeded** (purchases must not be split to negate credit limits);
- 3.10 the P-Card is returned to the Financial Controller upon ceasing of employment;
- 3.11 the P-Card is used within the guidelines set out by the Library and the provider
- 3.12 Settlement of account:
 - a. Cardholders must submit a Summary of Expenses form, including type and reason for expenditure, accompanied by supporting documentation, arranged in numerical order, to the nominated staff (checker) in their division **by the 5th business day after the receipt** of the P-Card bank statement.
 - b. The Summary of Expenses form must be signed by the cardholder stating, "I certify that all expenditure is of a Library related business nature" and be approved by their supervisor.
 - c. Supporting documentation should include the tax invoice, receipt, provider's transaction slip or equivalent, plus a detailed receipt itemising the account (e.g. a hotel bill providing a breakdown of charges). A credit card docket does not constitute a receipt and is not sufficient documentation.
 - d. Any unsupported transactions will be treated as a 'personal expense' unless accompanied by a written statement detailing the nature of the expense and confirming that it is a business expense and must be approved by their supervisor.
 - e. The Executive Assistant of each Division must check all Summary of Expenses forms and supporting documentation to ensure that they are complete and correct before passing to the Accounts Payable supervisor for processing.

4. Misuse of the P-Card

Suspected misuse of the P-Card by a cardholder will be subject to a detailed investigation.

The misuse of a P-Card will result in the cancellation of the card and may lead to disciplinary action. Staff issued with a P-Card are in a position of trust in regard to the use of public funds and improper use may render the cardholder liable to disciplinary/legal action and possible criminal prosecution.

5. Ceasing of Employment

Cardholders leaving the Library must:

- 5.1 hand over the P-Card to the Financial Controller for the card numbers to be cut through, on or before the cardholder's last day.
- 5.2 ensure that all outstanding transactions are cleared and must acquit all expenditure on the P-Card and lodge the Summary of Expenses form with the Financial Controller prior to their last day of duty.
 - a. Cardholders must complete the Summary of Expenses form and attach all supporting transaction documentation and make any explanatory notes and pass to the nominated divisional staff to check.
 - b. Any unsupported transaction form should be completed and sign by the cardholder and supervisor.

6. Procedures and Guidelines

- i. P-Cards - Procedures and Guidelines
- ii. P-Card Approval form
- iii. P- Card holder Declaration form
- iv. Summary of Expenses form.

7. Legislative and Policy Framework

- Public Authorities (Financial Arrangements) Act 1987
- A New Tax System (Goods and Services Tax) Act 1999 (the GST Act)
- Public Finance and Audit Act 1983
- Public Authorities (Financial Arrangements) Act 1987
- TPP 17-09 Use and Management of NSW Government Purchasing Cards

Related and/or most relevant State Library and government policies

- NSW Government Procurement laws
- NSW Government Procurement Policy Framework
- NSW Government Travel and Transport Policy
- State Records Act 1998
- State Library Code of Ethics and Conduct
- State Library Financial Delegations Policy and Instrument of Financial Delegation schedule
- State Library Procurement Policy.

Delegations

- Section 12 - Authority to incur expenditure
- Section 13 – Authority to approve expenditure

8. Definitions and acronyms

- "CE" is State Librarian
- "CFO" is Chief Financial Officer
- Financial delegation - Authority to incur expenditure (Section 12)
- "P-Card" is the purchasing cards issued to selected staff in the Library
- Performance of Service - Certifying that the goods have been received in good order or that the services have been performed satisfactorily
- Section 13 – Authority to approve expenditure
- "Staff" means State Library permanent and temporary

Document History and Version Control

Version	Date approved	Approved by	Brief description
1.0	23 Oct 2018	Executive	Purchasing Card Policy

P-Cards – Guidelines

1. Introduction

A purchasing card or P-Card is a credit card with set expenditure limits and are a cost-effective method of paying for appropriate low value and high volume goods and services whilst also maintaining visibility of transactions and enforcing controls over the use of public monies.

Only staff with the appropriate financial delegation will be issued with a P-Card.

P-Cards will be issued to authorised staff for purchasing of goods and services up to the value of \$3,000 (GST inclusive) per transaction, and a monthly limit of \$5,000 for both cost centre Managers and their direct reports with financial delegation and \$10,000 for Directors (GST inclusive). This transaction limit is in line with *TPP 17-09 Use and Management of NSW Government Purchasing Cards* and the monthly limit is subject to PAFA approval.

2. Conditions of use

P-Card holders must observe the following conditions:

- 2.1 Any purchases made using a P-Card must be necessary for State Library and represent best value for money.
- 2.2 A P-Card should be used for purchases up to \$3,000 (GST inclusive) per transaction, and up to a maximum of \$5,000 for both cost centre Managers and their direct reports with financial delegation and \$10,000 for Directors (GST inclusive) a month, in accordance with State Library purchasing guidelines.
- 2.3 Purchases which exceed the transaction limit cannot be split to reduce the transaction to \$3,000 (GST inclusive) or less. Instead, the Library's Procurement Policy will apply and the cardholder is required to complete a purchase requisition in SAP.
- 2.4 P-Cards are subject to a maximum monthly limit (GST inclusive).
- 2.5 A P-Card can only be used by the cardholder to whom it is issued.
- 2.6 A P-Card may be used to purchase goods and services, including conference registrations, training courses, office sundries, information media (on-line book stores), printing services, transport and logistics (couriers) over the internet or the phone, up to the transaction limit.
- 2.7 Tax invoices must be obtained where required which must be addressed to State Library of NSW to enable the department to claim the GST back from the Australian Taxation Office (ATO).
- 2.8 A P-Card must be kept secure in a safe location.
- 2.9 The cardholder's immediate supervisor is required to review and approve the purchases on the monthly P-Card statement.

- 2.10 Suspected misuse of a P-Card by a cardholder will be subject to detailed investigation.
- 2.11 The misuse of a P-Card will result in the cancellation of the card and may lead to disciplinary action.
- 2.12 Staff issued with a P-Card are in a position of trust in regard to the use of public funds and improper use may render the cardholder liable to disciplinary/legal action and possible criminal prosecution.

Purchasing Card must not be used to purchase the following:

- Goods or services for the Cardholder's personal use, this is strictly prohibited. This is in breach of departmental policy and may result in disciplinary action.
- Alcohol
- Automatic Direct Debit payments unless arranged with the Purchasing Card Administrator
- Goods or services from Suppliers with no A.B.N.
- Cash advances for non-approved overseas travellers.
- Infringements and Fines incurred personally by State Library, including Motor Vehicle Infringements incurred by the driver of a State Library vehicle. Refer to Fleet Management associated Policies & Procedures.
- Travel and accommodation bookings under the NSW Travel Management Services contract
- Expenditure in excess of the Cardholder's delegation (transaction limit) and expenditure beyond the Cardholder's monthly limit.
- Expenditure exceeding Cost Centre, Business Centre, work order, internal order or project budget.
- Personal rewards or benefits implicit at point of purchase, including Frequent Flyer Schemes, bonus point schemes or gifts designed as benefit for utilising the card.

Cardholders travelling at Government expense on State Library business are **not** to seek or accept **frequent flyer or rewards points or gifts** from any airline, and the choice of airline, particularly for overseas travel, must not be influenced by the availability of frequent flyer/Rewards points.

- Gratuities and tips of any nature, both domestically and overseas.
- Mobile phones (including accessories) or other communication devices, computer software or hardware (which must be referred to Technology Services branch).
- Infrastructure related equipment or fittings (which must be referred to the Facilities branch).

P-Cards – Procedures

3 Applying for a P-Card

- 3.1** Divisional Directors may nominate staff who have the appropriate financial delegation to be issued with a P-Card.
- 3.2** Nominated staff must have the support of their supervisor in regards to which merchants they may deal with and what categories of items they may buy.
- 3.3** Nominated staff are to complete the P-Card Approval form (which must be approved by their supervisor) and sign the P-Card Holder Declaration form as acknowledgement and acceptance of the conditions in the policy.
- 3.4** Divisional Directors will notify the Director, Operations and Infrastructure & CFO in writing (email will suffice), of the list of nominees and forward the approved P-Card Approval and P-Card Declaration forms as supporting documentation.
- 3.5** The Director, Operations and Infrastructure & CFO will forward the list of nominees and the approved P-Card Approval and P-Card Declaration forms to the Financial Controller for processing. The will ensure that the required registration documents are forwarded to the Library's bank (currently Westpac) for processing.
- 3.6** Processing of the card may take 15 days.

4 Issue of a P-Card

- 4.1** The card will be issued by Visa/MasterCard to the Westpac Bank. Westpac Bank will notify the Accounts Payable supervisor at the Library when the card is ready for collection.
- 4.2** Cardholders must collect the card in person from the nearest Westpac Bank branch, which is located at 60 Martin Place Sydney, (Tel: 9226 3171). The staff is to provide identification at the branch and sign for its receipt.

5 Receipt of a P-Card

- 5.1** Upon receipt of the P-Card, the card must be signed immediately.
- 5.2** A phone call to Westpac Bank will be required to activate the card. Details are provided upon the receipt of the card.
- 5.3** Notify the Accounts Payable supervisor that the card has been received.
- 5.4** The use of the P-Card facility does not eliminate the cardholder's responsibility for ensuring that all appropriate authorisations are received

prior to purchase and that all other purchasing procedures are complied with.

- 5.5 An itemised Tax invoice, receipt and other supporting documents must be obtained for every transaction. In the case of mail/fax/telephone orders, ask the supplier to mail the Tax invoice. Suppliers are required by law to provide a Tax Invoice within 28 days and is only valid if it contains the Supplier's ABN.

6 Making purchases with a P-Card

- 6.1 The cardholder must be satisfied that the purchase is necessary and the best value for money has been obtained.
- 6.2 Due to individual transactions being limited to \$3,000 or under (GST inclusive), verbal or written quotes are not required, however the cardholder should check with other suppliers to ensure that the company supplying the goods is competitive in all aspects of the purchase.
- 6.3 Refer to **Restrictions in section 2.7 in the P-Cards Policy**.
- 6.4 Cardholders can make purchase on behalf of other staff for work related activities.
- 6.5 Obtain and keep a tax invoice for each purchase, together with the accompanying receipt and transaction slip. Without a tax invoice, the Library cannot claim an input tax credit (i.e. GST refund) and your cost centre will be liable for the whole cost.
- 6.6 Purchases must be authorised using your PIN.
- 6.7 For goods or services over the transactional limit it is mandatory to complete a purchase requisition.

7 Exchanges, refunds, damaged goods, credits

Where it is necessary to return goods, the cardholder must ensure that the supplier prepares a credit transaction. The issue of a credit note or a cheque made payable to the State Library in reimbursement is not acceptable.

8 Disputed transactions

- 8.1 Any doubtful transactions must be advised to Westpac Commercial Cards Team on 1 300 650 107 within three months otherwise the transactions cannot be disputed. Refer to the Westpac website www.westpac.com.au for security guidelines.
- 8.2 The dispute will be registered on the Westpac's internal computer system and assigned an automatically generated reference number. Westpac Bank will advise the cardholder if a Dispute Notification Form is required to be completed and faxed to them at a fax number listed on the form. Disputes are investigated by Westpac Bank, which then informs the Library of the outcome usually within 7 days.

- 8.3 The cardholder should provide an explanatory note to indicate the disputed transaction and/ or attach a copy of the disputed transaction fax (if available) to the statement and Summary of Expenses form being submitted.
- 8.4 Any transactions being disputed by the cardholder are to be reported to the Finance branch who will pursue it with Westpac Bank.

9 Replacing a damaged P-Card

- 9.1 Staff must send an e-mail to the Financial Controller advising that their P-Card has been damaged and request a replacement.
- 9.2 Return the damaged P-Card to the Financial Controller.
- 9.3 The Financial Controller will arrange for the bank to re-issue a replacement P-Card.
- 9.4 The Accounts Payable supervisor will inform the staff when their replacement P-Card is ready for collection.

10 Reporting a lost or stolen P-Card

In the event that a P-Card is lost or stolen, cardholders must report the loss immediately to:

- a. the Financial Controller during normal business hours, and
- b. the Westpac Commercial Cards Team on:
 - i. From within Australia: 1300 651 089 (24 hours a day, 7 days a week)
 - ii. From overseas: +61 2 9293 9270 (24 hours a day, 7 days a week).
 - iii. Refer to the Westpac website www.westpac.com.au for security guidelines.
- c. Details of the cancellation (bank's reference number, name/designation of person contacted, date and time) must be notified to the Financial Controller.

11 Returning /surrendering a P-Card when leaving the Library

- 11.1 Staff must contact the Financial Controller to find out what the outstanding P-Card balance is.
- 11.2 Reconcile any outstanding transactions before your last day on duty.
- 11.3 Staff must return the P-Card to the Financial Controller in time for it to be in their possession before their last day on duty.

12 Reconciling P-Card transactions

- 12.1 It is the responsibility of the cardholder to adequately substantiate, verify, code to the correct account, authorise payment of these transactions and provide reconciled documents.
- 12.2 The Financial Controller receives monthly statements of cardholder activity from the credit card company, Westpac Bank. The Financial

Controller receives all credit card statements and issues respective statements to cardholders.

- 12.3** Cardholders must submit a Summary of Expenses form, including type and reason for expenditure, accompanied by supporting documentation, arranged in numerical order, to the nominated staff (checker) in their division by the 5th business day after the receipt of the P-Card bank statement.
- 12.4** The Summary of Expenses form must be signed by the cardholder stating, "I certify that all expenditure is of a Library related business nature" and be approved by their supervisor.
- 12.5** Supporting documentation should include the tax invoice, receipt, provider's transaction slip or equivalent, plus a detailed receipt itemising the account (e.g. a hotel bill providing a breakdown of charges). A credit card docket does not constitute a receipt and is not sufficient documentation.
- 12.6** Any unsupported transactions will be treated as a 'personal expense' unless accompanied by written statement detailing the nature of the expense and confirming that it is a business expense and must be approved by their supervisor.
- 12.7** The nominated staff (checker) in each Division must check all Summary of Expenses forms and supporting documentation to ensure that they are complete and correct before passing to the Accounts Payable supervisor for processing.
- 12.8** The approved and reconciled Summary of Expenses forms together with the supporting documents for the division, must be forwarded to Accounts Payable lead within 10 business days of the date in section 12.3 above.
- 12.9** Any personal expenditure charged to the P-Cards must be repaid immediately. The Finance branch must be notified before personal expenditure is repaid.
- 12.10** Accounts Payable supervisor will perform a final quality check of each division's submissions to ensure that they adequately document the month's transaction statements.
- 12.11** A monthly register of unsupported transactions will be presented to the CFO.

P-Card Approval Form

Name	
Position	
Telephone extension	
Branch	
Division	
Reasons for applying for a P-Card	
Transaction Limit (including GST)	\$3,000 per transaction
Monthly Limit (including GST)	\$5,000 per month
Applicant signature	
Date	

Approved by:

Supervisor name	
Position	
Telephone extension	
Supervisor signature	
Date	
Other comments	

Privacy Statement

Finance will collect your personal information as required by Westpac bank to process the P-Card application.

For Finance Use:

Applicant has Financial Delegation?	<input type="checkbox"/> Y / <input type="checkbox"/> N
Has Applicant completed the P-Card holder Declaration form?	<input type="checkbox"/> Y / <input type="checkbox"/> N

P-Card holder Declaration Form

Name	
Transaction Limit (including GST)	\$3,000 per transaction
Monthly Limit (including GST)	\$5,000 per month

State Library of New South Wales has approved the issue of a NSW Government purchasing card (PCard) to you (the Cardholder).

As a Cardholder you are required to read and comply with the following P-Card Holder Declaration Form which outlines your responsibilities with respect to the use and management of your PCard whilst employed by State Library of New South Wales.

I, [insert name], understand and agree to the following terms and conditions:

Safety and Security

- I have received and signed my PCard which is only to be used by me.
- I understand that I am the only authorised user of this PCard.
- I am personally responsible for the security and safe-keeping of my PCard and the relevant card account details, including my Personal Identification Number (PIN) and card number.
- If my card is stolen or lost, I will immediately report it to Westpac and the Financial Controller.

Official Business Use

- I will only use the P-Card for Business Purposes in accordance with the guidelines detailed in the P-Card policy and as per Westpac's conditions of use. "Business Purposes" means that the expenditure has been undertaken for a purpose that is in direct connection with, or as a direct consequence of, my role/position responsibilities within State Library of new South Wales.
- I will comply with State Library of New South Wales's policies, processes and procedures for authorised expenditure.
- I understand that all expenditure charged to my PCard is subject to examination and approval by a delegated member of staff of State Library of New South Wales.
- I understand the relevant expenditure categories which are authorised for PCard expenditure.
- I will collect and retain the required documentation to support all transactions made with the PCard. Where the required documentation to support a transaction has not been retained, I will detail the nature of the expense and confirming that the expense was for Business Purposes only.
- I understand that I must not make cash withdrawals or seek cash advances using the PCard.
- I will not exceed my credit limit on the PCard.
- I will not split transactions on the PCard to avoid exceeding transaction limits.
- I will not make deposits into the PCard account.

Disciplinary Sanctions

- I understand that if I use the PCard for purposes other than Business Purposes, or in a manner which is inconsistent with the conditions of use, I may have my PCard withdrawn, and/or suspended or cancelled.
- I understand that if I use the PCard for purposes other than Business Purposes, or otherwise engage in inappropriate use of the PCard, I may have my card withdrawn and be subjected to disciplinary action.

- I understand that in the event of loss or theft through negligence or non-compliance with the conditions of use, I may be responsible for any liability incurred.

Termination or Suspension of Employment

I agree to notify and return my PCard to the Financial Controller in the following circumstances:

- if I leave my employment of my own accord.
- if I have my employment terminated.
- if I am suspended pending an investigation into my conduct (whether related to PCard use or not).
- if I intend to go on extended leave for more than 12 weeks.
- if I am reassigned to a role or position where a PCard is not deemed necessary to the performance of my duties.

Privacy

- I am aware that my personal information has been collected and will be held by State Library of New South Wales on an ongoing basis to meet the various requirements in relation to the administration of PCards. I understand that State Library of New South Wales may need to disclose my personal information to any party that is legally entitled to access the information.
- I am aware that any personal information related to the administration of PCards will be collected, retained, protected and disposed of by State Library of New South Wales under the provisions of the Privacy and Personal Information Act 1998, and in line with State Library of New South Wales’s privacy management plan.

Acceptance of Conditions:

- I acknowledge that I have read and understand the conditions of use as detailed above and will comply with the requirements as stated.

Name of Cardholder:
Role/Position:
Signature of Cardholder:
Date:
Name of Witness:
Role/Position:
Signature of Witness:
Date:

Cardholder Signature: _____

Position: _____

Telephone extension: _____ Date: _____

For Finance Use:

Card number	
Expiry	
Date collected	