



## University Payment Card Procedures Manual

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In developing this procedure the University had regard to the provisions of section 40B(1)(b) of the Human Rights Act 2004 (ACT).

### PURPOSE:

This document sets out the procedure for all:

- University payment card schemes as introduced by the Director Finance from time to time;
- All **Cardholders** as nominated by the cost centre delegate, from time to time; and
- All delegates authorising the issue of cards (Director Finance, Senior Manager 3 and above); and
- All delegates 'authorising' (in arrears) payment card transactions, hereafter called '**authorisation delegates**'.

### Objective

1. The primary objective of the **University's Payment Card** is to ensure the University:
  - a. provides a fast and effective method of procuring goods and services for endorsed University activities; and
  - b. provides a widely accepted payment method for staff and students travelling on University business.
2. The primary objective of the **University Payment Card Procedures Manual** is to clearly outline the obligations of the:
  - a. Cardholder;
  - b. Card Issuing delegate; and
  - c. Card Transaction 'authorisation' delegate.

### SCOPE:

This document applies to all 'cardholders' of the University, namely:

1. MasterCard credit cardholders;
2. Travelex Cash Passport Cardholders (also a Visa / MasterCard); and

3. Any other payment card schemes as nominated by the Director Finance from time to time.

## PROCEDURE:

### Issuing of Cards

1. University payment cards are issued on a needs basis to individual staff, affiliates and students.
2. A University payment card should be held by the person undertaking the actual expenditure whenever possible.
3. The Cardholder must complete a University Payment Card Agreement (Schedule 1) when being issued with a University Payment Card.
4. By being issued with a University Payment card, the Cardholder effectively holds Financial Delegation 12 of the Financial Delegations Policy 'Authority to operate a corporate credit card'.
5. Existing Cardholders will be sent a copy of the University Payment Card Agreement (Schedule 1) and be required to abide by the procedures outlined therein or to return their University payment card.
6. The need for a University payment card is determined primarily by the Senior Manager 2 or above in the respective Portfolio cost centre.
7. The Director Finance, the Registrar or the Vice-Chancellor can approve the issuing of University Payment Cards across any University portfolio.

### Revoking a Card/ Reducing the Monthly transaction limit

1. The Director Finance, the Registrar or the Vice-Chancellor can:
  - a. revoke a University Payment Card; or
  - b. reduce the monthly transaction limit of a University Payment Card to \$1 if the Cardholder:
    - i. Leaves the University;
    - ii. Goes on leave from the University for greater than three months (ie annual leave, or LSL, or OSP, or maternity leave, or);
    - iii. Does not acquit their card transactions in a timely manner (ie within 30 days of the transaction being incurred or a correctly rendered tax invoice being available of five days from the date of return from their travel.);
    - iv. Fails to provide appropriate supporting documentation (tax invoice or receipt) on a regular basis; and/or
    - v. Undertakes inappropriate expenditure on their University Payment Card.

*{Card limits are managed online and are effective overnight. Requests for variation to card limits are to be sent to [card.travel.expense@canberra.edu.au](mailto:card.travel.expense@canberra.edu.au) Limit increase requests may require additional delegate approval}.*

### Monthly Credit Card Limits

1. The University payment card(s) will be the primary method of payment for:
  - Minor procurement up to \$3,000;
  - Airfares, other transport costs and accommodation incurred when travelling on approved University business; and
  - Approved business entertainment.

2. When determining the monthly limit of the Card regard must be had to:
  - the financial delegation for card limit amounts is per transaction and gst exclusive;
  - a Corporate credit card scheme is only 'cleared' once a month and has no provision for payment of ad hoc card balances during the statement month; and
  - the checks and balances that are in place to assist the University and the issuing bank to manage credit card transactions and refunds if and when appropriate.
3. Recommended card limits and monthly transaction limits are as follows:

Monthly Card Limit	Underpinned by a transaction limit of
\$5,000 for general procurement activities	\$2,000 per transaction
\$5,000 when some domestic travel is undertaken	\$3,000 per transaction
\$10,000 when 1 or 2 international trips per year are taken	\$5,000 per transaction
\$20,000 if booking travel for others or when more than 2 / 3 international trips per year are taken or when the Cardholder has a significant procurement role within the cost centre.	\$10,000 per transaction

#### **Travelex Card Limit (cash out and Visa/ Master Card)**

1. Travelex Cards do not have monthly limits nor do they have the checks and balances against fraudulent transactions that a Corporate Credit MasterCard or Visa Card scheme have.
2. A travelex card is a preloaded card that can function as an ATM card, a Visa card and an EFTPOS card. The amount to be loaded to the Card will depend on the business purpose for which the card is being issued.
3. The University will be reducing its use of the Travelex Card scheme significantly during 2012 as it moves to an expanded use of the University Corporate Credit Card (MasterCard) and the prepaid MasterCard debit card (UC1 card) available to all staff.
4. Detailed Travelex Card procedures are available from the [Financial Services](#) web page.

*Note: That the University's Procurement Procedures Manual states that where possible a credit card should be used for purchases up to and including \$3,000 (noting that multiple \$3,000 transactions may be undertaken in any card statement month if the transaction limit and the card limit allow).*

#### **Diners Charge Card**

Diners card are a charge card and do not have transaction or monthly expenditure limits and other checks and balances that credit card schemes have. The University is closing its Diners Facility. Diner card holders will have the opportunity to move to a University Credit Card.

#### **Reasonable Expenditure**

1. In all instances of expenditure claimed for reimbursement or expenditure made via the University

card program, the staff member, student or affiliate, should be comfortable in disclosing the expense and be able to identify the benefit for the University.

2. Whilst it is not possible to precisely define reasonability for the myriad of transactions that can be incurred the **Approving Officer** must determine whether the claim is reasonable and represents value for money to the University. Due consideration also needs to be given to factors such as custom, geographical cost of living (overseas, domestic) and accepted community practices or standards.

### **Entertainment and Hospitality**

1. Public accountability, as well as limited budgets, requires faculty and divisional staff to exercise particular care when incurring and/or authorising hospitality expenses.
2. Entertainment (or expenditure for official hospitality) should only be incurred where it is considered essential to facilitate the conduct of University activities through persons who are able to do so, either by advice or because of their position or business needs and represents value for money to the University.

### **Prohibited Expenses**

1. Are those purchases that do not have a legitimate University purpose or result in a personal benefit to the Cardholder. Detailed guidelines on approved and non approved Cardholder expenditure can be found at Schedule 1 and Schedule 2.
2. The University has a range of **preferred supplier arrangements** and some of these may specify, from time to time preferred payment methods. These services should not be procured through the University Payment Card if an alternative payment method is clearly stated (refer to [University Procurement](#)).
3. Significant expenditure (ie something that would result in an **FBT expense** being incurred by the University) on Christmas functions, morning teas or other social functions of a personal nature should not be put on the University Payment Card *unless the exception outlined below* has been complied with.
4. The purchase of gifts and flowers for staff in relation to farewells or significant events when above \$100 (the amount to which FBT will apply unless the occasion is for 'long service') should not be purchased using the University Payment Card *unless the exception outlined below* has been complied with.

***Note: Exception – pre-authorised (eg via email) by a Senior Manager 1, 2 or 3 (or above) with approval evidence supplied as part of transaction supporting documents).***

### **Audit and Error**

1. All payment card expenditure will be subject to audit by Financial Services and or Internal /External Audit.
2. Any errors or omissions detected by the Cardholder or authoriser should be reported as soon as possible after they are known to the Director Finance (or nominee).
3. Any personal expenses paid in error by the Cardholder will be reimbursed immediately to Financial Services through the procedures outlined at Schedule 4.
4. Lost and stolen cards must be reported to the card issuing authority and to [Financial Services](#) as soon as possible.
5. Transactions that are determined to be fraudulent must be [disputed](#) within 90 days of the transaction occurring to the card issuing authority with a view to obtaining a full refund of monies.

## **ROLES AND RESPONSIBILITIES:**

Who	Definitions
The Cardholder	<ul style="list-style-type: none"> <li>• Cardholder responsibilities are outlined in the University of Canberra Cardholder Agreement (Staff/Student/Affiliates).</li> <li>• This agreement must be agreed and signed by the Cardholder before a University card can be issued.</li> <li>• Existing Cardholders will be sent a copy of the University Payment Card Agreement (Schedule 1) to their official University email address.</li> <li>• Existing cardholders will be required to abide by the procedures outlined therein or to return their University approved payment card.</li> <li>• Existing Cardholders may be required to complete, sign and return the Cardholder Agreement upon request of the Director Financial Services.</li> <li>• The Cardholder agreement may be varied from time to time by the Director Finance, or the Registrar or the Vice-Chancellor. Advice of updated Cardholder agreements will be sent via email and all Cardholders will be expected to comply with the revised agreements from time of email notification.</li> </ul>

<p>Authorisation Delegate</p>	<ul style="list-style-type: none"> <li>• Monitor and satisfy themselves of the appropriateness of all expenditures incurred by the Cardholders under their supervision prior to authorising all transactions either online or on hard copy.</li> <li>• Ensure appropriate pre-approvals have been obtained if appropriate eg international travel, entertainment with a significant FBT benefit, before authorising the transaction.</li> <li>• Ensure timeliness of all approvals submitted to them (within 30 days of the transaction).</li> <li>• Provide the Director Finance (or nominee) with details of any suspected inappropriate card transaction activity.</li> <li>• To not undertake approvals to an employee within the same financial delegation band as you.</li> <li>• Delegation of authorisation action within the University's Expense Management system (ICMS) should only occur when an authoriser is on leave and or unable to fulfil their authorisation responsibilities.</li> <li>• To not use the "Approve All" function within the University's Expense Management System (ICMS) without first fully reviewing and satisfying themselves of the nature and appropriateness of all transactions.</li> <li>• Must not request a Cardholder to purchase goods on one's behalf when the delegate (authorisation officer) making the request has the authority to approve the transaction and the normal cause of action would be for the authorisation officer to incur such expense directly on to his or her's University Payment Card <i>unless the exception below is met.</i></li> </ul> <p><b>Note:</b> <i>Exception is where the transaction is incurred for a senior officer (SM1, 2, 3 or above) by a designated personal or administrative assistant or executive officer and where the transaction is made for the general functioning of the office, faculty or administrative unit, the Cardholder may utilise their card to incur this expense.</i></p>
<p>Financial Services / Card Controller</p>	<ul style="list-style-type: none"> <li>• Financial Services must nominate a Card Controller who provides support to the University payment card holders.</li> <li>• The Card Controller will be responsible for liaising with the Bank and senior Financial Services staff on: <ul style="list-style-type: none"> <li>a. Card transaction limits and queries;</li> <li>b. Problem transactions and or cards;</li> <li>c. Issuing of new cards and replacement cards; and</li> <li>d. Maintaining an electronic credit card register which is PCI (payment card industry) compliant.</li> </ul> </li> </ul>

## SUPPORTING INFORMATION:

### A. SCHEDULES

Schedule 1 Cardholder Agreement

Schedule 2 Guide to Reasonable Travel & Entertainment Expenses

### Schedule 3 [University Card Portal](#)

- Card application & process
- Card acquittal
- Lost cards
- Disputed Transaction
- Reimbursement of a Personal Expense (made in Error)

### DEFINITIONS:

Terms	Definitions
Authorisation Delegates	The University delegate (or entity delegate) who holds the delegation/ responsibility for authorising expenditure undertaken by approved Cardholders.
Business Activity	An activity undertaken by an employee (e.g. attendance at a meeting, at a conference, field research, speaking at a lecture) that relates to their work as a University of Canberra employee.
Business Entertainment	This is entertainment that is considered essential for the facilitation of University business. The amount spent on business entertainment should meet the principles contained in Schedule 5 of the Travel Procedures Manual.
Cardholder	This is a staff member or approved affiliate (member of council, student or visitor) that has been approved to hold a University Payment Card issued under a University card facility.
Diners Card	This is a charge card facility that the University is phasing out in 2011/2012.
Evidence of Expenses	This is in the form of detailed invoices and receipts of all expenses incurred prior, during and after travel. If unavailable the traveller must complete the missing receipts form or the minor receipts form.
Expense Management System	The University's online expense management system is called iCMS. This system is used for the acquittal, claiming and processing of payment card transactions and cash expenses
Expenses of a personal or private nature	Expenses of a personal or private nature are generally not payable by the University. The ATO views these expenses as 'expenses' that would have been incurred when at home. Whilst an exception (in accordance with Section E of the University travel policy) can be made to approve these expenses from time to time, a fringe benefit liability will most likely be incurred. For examples of expenses of a personal or private nature refer to Schedule 6 of the Travel Procedures Manual.
FBT	Fringe benefits tax (FBT) is a tax paid on certain benefits employers provide to their staff or their staffs' associates (typically family members). FBT is separate from income tax and is based on the taxable value of the various fringe benefits provided.

GST Compliant Receipt/Invoice	<p><a href="#">Tax Invoice requirements</a> vary, depending on the total \$ value of the tax invoice. For transactions greater than \$1000, the tax invoice must include:</p> <ul style="list-style-type: none"> <li>• The name of the recipient (i.e. University of Canberra);</li> <li>• The address or ABN of the recipient, i.e. University of Canberra's Bruce address or ABN Number).</li> </ul>
<a href="#">iCMS</a>	The University's online Expense Management System. This system is used for the acquittal and approval of processing of credit card charges and reimbursement (and approval) of cash expenses
iCMS Delegate	Is the financial delegate for an employees' payroll cost centre.
Preferred supplier agreements	Preferred supplier agreements are value for money arrangements backed by specific contractual obligations designed specifically for the University and must be used when undertaking University approval travel or procurement activities.
Reasonable Costs/ Expenses	Legitimate work related costs/expenses which are incurred to conduct official business effectively up to the reasonable levels as determined by Financial Services from time to time.
Senior Manager 2 or 3	These are a series of <a href="#">delegation</a> categories introduced by the University in 2009 (as amended from time to time).
UC1 Card Pre-Paid Purse	This is the card holders' pre-paid debit facility available on the University Staff and Student cards with full cash out option.
University Business	Activity of a business, educational or professional nature approved by the University.
University Payment Cards	University issued corporate credit card (MasterCard), or cash card (Travelex MasterCard Cash Passport) and any other University payment related card, issued by the University from time to time.
University Payment Cardholder Agreement	This is the agreement detailed at Schedule 1 of the University Card procedures (as updated from time to time). It must be signed by all new University Cardholders and outlines their obligations in respect of holding a University payment card.
<a href="#">University Payment Card Portal</a>	A payment card home page designed to provide the Cardholder with a single entry point to information pertaining to the University payment card policies and procedures.
<a href="#">University Payment Card Procedures Manual</a>	This manual provides a comprehensive set of information and support around the management of the University payment card schemes and the obligations of the Cardholders, Delegates and Financial Services.