

TREASURER'S INSTRUCTION 12

GOVERNMENT PURCHASE CARDS AND STORED VALUE CARDS

Reissued: 20 March 2016

Effective: 20 March 2016

Scope

- 12.1 This instruction:
- 12.1.1 applies to all public authorities;
 - 12.1.2 does not apply to persons to whom Treasurer's Instruction 13 *Expenditure Incurred by Ministers and Ministerial Staff* applies; and
 - 12.1.3 is to be read in conjunction with the requirements specified in Treasurer's Instruction 8 *Financial Authorisations*.

Objective

- 12.2 To prescribe a policy for the control and use of government purchase and stored value cards.

Interpretation and Definition

- 12.3 This instruction should be interpreted and applied in accordance with Treasurer's Instruction 1 *Interpretation and Application*.
- 12.4 For the purpose of this instruction:
- 12.4.1 a "contract authorisation" is a financial authorisation that relates to the approval for a public authority to enter into a contract, subject to the public authority's procurement policies. An instrument empowering an employee or the occupant of a position to grant a contract authorisation may distinguish different types of contracts (and/or purchases) that the employee or the occupant of the position is permitted to approve. (Refer to Treasurer's Instruction 8 *Financial Authorisations* for further information on financial authorisations).
 - 12.4.2 "employee" means a South Australian Government employee who is an employee of the Crown or a statutory authority or appointed to any office under an Act.
 - 12.4.3 "purchase card" means a purchase card available for the purchase of generic goods and services for use by public authorities, and their

employees, through any purchase card arrangement, including a whole of government arrangement¹.

- 12.4.4 “stored value card” means a card which has money ‘stored’ via prior deposits made by a public authority for the benefit of the cardholder. Unlike purchase cards which are issued in the name of an individual, stored value cards may be anonymous. Generally they are not linked to a bank account or credit facility. Stored value cards are available for the purchase of generic goods and services for use by the cardholder, through any stored value card arrangement.

Instruction

Controls on the Use of Purchase Cards

- 12.5 Each Chief Executive must ensure that:
- 12.5.1 purchase cards are only provided to employees who have a contract authorisation and are authorised to use a purchase card; and
 - 12.5.2 a purchase card transaction limit has been established for each card holder that is not in excess of the cardholder’s contract authorisation.
- 12.6 Each Chief Executive must ensure that appropriate controls and procedures are established to monitor and regulate the use of purchase cards, including for the withdrawal of cash advances where the Chief Executive has authorised the use of purchase cards for this purpose.
- 12.7 Each Chief Executive must ensure that:
- 12.7.1 purchase cards are only issued to employees;
 - 12.7.2 only one purchase card is issued to each employee approved as a cardholder;
 - 12.7.3 a record is maintained of each authorised purchase card user, showing particulars of the purchase card issued to that person sufficient to allow an effective level of internal control to be exercised in respect of that card;
 - 12.7.4 an individual monthly credit limit is imposed on each purchase card user and that limit is reviewed regularly;

¹ A CarsonWagonLit virtual travel card issued via the whole of government purchase card arrangement is not a purchase card for the purposes of TI 12. However TI 8 financial authorisation requirements do apply.

- 12.7.5 the transaction limit must not be in excess of the lower of the cardholder's contract authorisation or \$10,000 per transaction;
- 12.7.6 purchases of goods or services through a purchase card are only made by an employee with the authority to use a purchase card and are consistent with the cardholder's transaction limits;
- 12.7.7 the holder of each purchase card certifies the correctness of all charges against the purchase card they have been issued, and attaches all supporting documentation including such documentation as is required by the Australian Taxation Office (ATO) in order for GST input tax credits to be claimed. This will generally be a tax invoice if the GST exclusive value of the purchase exceeds \$75, except where otherwise determined by the ATO; and
- 12.7.8 each authorised purchase card holder signs an "*agreement and acknowledgment by cardholder*" substantially in the form of Schedule 1 to this instruction, which details appropriate responsibilities and limits on the use of the purchase card (for example, credit limits). The signed "*agreement and acknowledgement by cardholder*" must be approved by the Chief Executive (or employee of the public authority nominated by the Chief Executive) prior to the purchase card being issued to the relevant cardholder.

Use of Purchasing Cards

- 12.8 An employee, who is authorised to use a purchase card by a Chief Executive (or employee of the public authority nominated by the Chief Executive), must only use the purchase card for official purposes.
- 12.9 A Chief Executive may only authorise the use of purchase cards for the purpose of withdrawing cash advances for exceptional circumstances.

Whole of Government Agreement

- 12.10 Where a whole of government agreement entered into by the Government for the provision of whole of government purchase card services requires an administrative unit or Minister to comply with its terms, that administrative unit or Minister must establish appropriate policies and procedures to ensure that its operations are conducted in compliance with the terms of that agreement for the provision of whole of government purchase card services.
- 12.11 Where a whole of government agreement entered into by the Government for the provision of whole of government purchase card services
 - (a) requires a public authority that is not an administrative unit or Minister or public corporation to comply with its terms; or
 - (b) requires a public corporation that has elected to be a party to the agreement to comply with its terms,

that public authority will establish appropriate policies and procedures to ensure that its operations are conducted in compliance with the terms of that agreement for the provision of whole of government purchase card services.

Control and the use of Stored Value Cards

12.12 Each Chief Executive must develop, document, implement and maintain effective policies, procedures, systems and internal controls relating to the distribution, use and management of stored value cards. Management includes but is not limited to the operations, monitoring, transactional processing and account balances of stored value cards.

12.13 Each Chief Executive must ensure that:

12.13.1 the responsibility for the distribution, use and management of stored value cards is documented and assigned to appropriate senior officers:

12.13.2 stored value cards are only distributed for official purposes; and

12.13.3 appropriate arrangements are implemented to ensure he or she is informed on all relevant stored value card compliance and governance matters.

For queries contact:
Department of Treasury and Finance

Government Accounting, Reporting and Procurement Branch

Banking Contract Management Team
Telephone No. (08) 8226 9582

SCHEDULE 1 TO TREASURER'S INSTRUCTION 12

**(NAME OF AGENCY)
GOVERNMENT PURCHASE CARD**

AGREEMENT AND ACKNOWLEDGEMENT BY CARD HOLDER

Cardholder:.....

Cardholder Registration No

Position:

[For Office Use Only]

Division:

Branch:.....

Cost Centre Code

Section:

[For Office use Only]

I understand and agree that a Government Purchase Card is issued to me on the express conditions that I will, at all times, comply with the following conditions:

1. The Card is the property of [specify agency] and is in my possession and under my strict control.
2. I will not use the Card nor permit it to be used, for other than official agency use.
3. I may only use the Card to a limit of \$ _____ in any one transaction up to a monthly credit limit of \$_____.
4. I may only use the Card in accordance with the agency's established procurement policies and local management instructions.
5. If I resign, retire, cease employment or transfer to another agency, I will immediately hand my Card to the officer responsible for the administration of Purchase Cards in my agency for cancellation.

- 6. If I misuse the Card, I understand that the agency may take disciplinary action and proceedings may be instituted against me under law.

- 7. If the Card is lost or stolen I am to report it IMMEDIATELY to ANZ and the officer in my agency authorising the issue of the Card.

- 8. I have read and understand ANZ's Commercial Card Cardholder Conditions of Use.

I acknowledge that I have read and understood the conditions set out above which governs the issue and use of a Government Purchase Card in my name.

.....

Signature of Cardholder

Signature of Witness

Name:Name:

Title:Title:

Date:Date:.....