

# **THE RICE MARKETING BOARD FOR THE STATE OF NEW SOUTH WALES**



## **CREDIT CARD POLICY**

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### **Background**

This policy provides the framework for managing credit cards to ensure sound ethical practice, good governance and appropriate corruption prevention principles. The purpose of this policy is to ensure credit cards are issued and used appropriately for RMB related business and that all expenses incurred are properly approved and acquitted.

### **Policy**

Credit Cards must be used appropriately within relevant delegations and in accordance with the Board's policies and legislation. Credit Cards must be used for RMB business only. The approval process must be followed. Card holders are accountable for the responsible use of the credit card. Credit Cards are issued to the RMB Chair and RMB Secretary only. No cash withdrawals are permitted.

### **Legislation**

The key drivers of this Policy update include:

- the *Government Sector Finance Act 2018* (GSF Act) with regard to entering financial arrangements and the introduction of new terminology;
- a whole-of-government Banking, Financial and Related Services Agreement (Master Agreement) to provide credit card products and services by a single service provider for use by GSF agencies; and
- *A New Tax System (GST) Act 1999*.

### **Purpose of RMB Credit Cards**

RMB provides a credit card facility to enable the secure purchase of goods and services in support of legitimate RMB business. The cards are intended to provide an efficient method of purchasing ad hoc travel and accommodation and low value goods and services.

## Definitions

Card holder	The person issued with the Credit Card
Card Issuer Administration System	The software online platform called CitiManager provided by the card issuer
Card Issuer Administration System User Security Requirements	Person identification, user password, user security questions and credit card PIN (only used by credit card holders) within the platform provided
Card Issuer	Citibank
Credit Card	A financial arrangement in the <i>Government Sector Finance Act 2018 (GSF Act)</i> defined as a borrowing. A credit card issued by Citibank.
Credit Limit	The total value of purchases that may be made in a month, currently \$10,000 for all RMB credit cards.
GSF Act	<i>The Government Sector Finance Act 2018</i>
Program Administrator	A person nominated by the RMB with the responsibility for administration of credit cards. This is currently the Secretary for the Board Chair and the RMB Administration Officer for the Secretary.
System Access	Access to the card issuer administration system and expense management system

### Roles and Responsibilities in relation to credit cards

Responsibilities	CardHolder	Secretary/Admin Officer	Chair/Deputy Chair
Using credit card for appropriate purposes	✓		
Maintaining original receipts for all Credit Card purchases	✓		
Reconciling the credit card transactions within 30 days from the end of the calendar month		✓	
Approving the credit card expenditure within 30 days of submission of the credit card reconciliation			✓
Monitoring credit card expenditure	✓	✓	
Ensuring Credit Card compliance with this policy and terms and conditions of the card issuer	✓	✓	✓
Safety and Security of the Card, knowing limits, thresholds and restrictions of the card	✓	✓	
Notify the card issuer on the loss or theft of the card and when an unauthorised transaction has occurred	✓	✓	
Notify the Program Administrator of cessation of employment, change in the cardholder's role, a change in responsibilities or financial delegation or prolonged leave of absence	✓		
Credit Card Disputes	✓		

### **Eligibility to obtain a Credit Card**

RMB may issue a credit card to an applicant who:

- Is a permanent employee of the RMB or the Chair of the RMB
- Has financial delegation approved by the Board
- Is required to make purchases as part of their role and responsibilities and
- Agrees to abide by the conditions stated in the credit card application form and to comply with this credit card policy and all other RMB policies and procedures.

RMB will not issue a credit card to contractors or casual staff. All exceptions to the above requires pre-approval from the Board.

### **Requirements for Approval, Issuance of Cards and Closure of Accounts**

Eligible RMB employees and Board Members must be approved by the Board before applying for an RMB credit card. Once approved by the Board, an application is made with CitiManager who will issue a credit card. This can also be done by using a signed application form.

The Program Administrator may need to close an account because the employee or Board Chair no longer needs a credit card. All outstanding balances must be reconciled, approved and paid first. The card holder must destroy the card immediately.

### **Credit Limits, Thresholds and Restrictions**

Credit card limits are set to minimise risk to the RMB from mis-use of cards. The RMB credit line was established during implementation and approved by the Board. The maximum number of cards that the RMB will allow to be active at any one time is two.

The maximum amount the RMB can spend in one month is \$10,000. The limit is currently set to \$2,000 per month for the Chair and \$8,000 per month for the Board Secretary. If a higher credit limit is required the card holder can request approval via email to the Chair and Deputy Chair before applying for additional credit. Credit card limits will be based on an appropriate amount for the level of expenditure that the cardholder will incur. Limits are also subject to annual review by the Audit and Risk Committee. The credit card can only be used for legitimate and reasonable business expenses that align with all of the RMB's policies and procedures.

The card's use should be in accordance with the principles for incurring expenditure and RMB policies and procedures. Cardholders are in a position of trust regarding the use of RMB funds.

Please refer to cancellation of cards section of this policy if a card holder intends to resign.

### **Unavoidable Private Expenditure**

When personal expenditure is inadvertently charged to an RMB credit card, the cardholder must immediately notify staff on becoming aware of the error, personally reimburse the expense and forward evidence of reimbursement to staff.

### **Cardholder Training Requirements**

Cardholders must comply with all terms and conditions of use provided by the card issuer. Cardholders can access the CitiManager learning centre (web tools) for training.

### **Transaction Acquittal Process**

Cardholders are responsible for providing tax invoices to staff for all transactions. Staff must acquit all transactions in the month after the transaction has occurred. Where a tax invoice can't be obtained or the original is lost, the card holder must submit a statutory declaration for any transactions greater than \$75 (ex GST). A statutory declaration must show the name and address of the supplier, description of goods/services supplied, date of transaction, amount paid and amount of applicable GST paid.

The transactions will be reconciled against the supporting documentation by the Secretary/Administration Officer and approved by the RMB Chair or Deputy Chair. The cardholder will be questioned for any transactions that do not have supporting documentation, that may be in conflict with this policy or that appear suspicious, unauthorised, excessive or of unknown purpose. Full statement reconciliation and approval for payment must be completed within 30 days of the last transaction of the previous month.

### **Transaction Dispute Process**

The cardholder is responsible for lodging and resolving credit card disputes. Cardholders should call Citi on 1800 629 644 or login to Citibank <https://home.cards.citidirect.com/CommercialCard/login> to lodge the dispute and obtain a reference number. Using CitiManager the dispute can be raised by selecting the transaction you would like to dispute, selecting the dispute transaction button and then completing and submitting a dispute form.

### **Security on Cards**

Cardholders may be called by Citi Customer Service Team if fraud is suspected. If Citi believes the card has been compromised the card will be closed and replaced. If fraudulent transactions are detected by the cardholder, they should contact Citi immediately. Card holders are responsible for keeping their credit cards secure at all times. There will be no withdrawal of cash on the card. The Audit and Risk Committee is responsible for regular risk assessments on the use of an RMB credit card.

### **Reporting Lost or Stolen Cards**

Cards will be replaced if there is damage to the card itself, a cardholder does not recognise a transaction, the card is set to expire or the card is not received by the intended recipient. Lost or stolen cards will have a new card number. When a new card is issued to the cardholder, the current card is blocked by staff. Once a report of loss, theft or fraud has been made to Citi, the card will be cancelled and a replacement card organised. The cardholder must also contact local police to file a report if theft or fraud is suspected.

### **Mis-Use of Credit Cards**

Misuse of the card is a serious matter and may constitute a breach of the RMB's Code of Conduct and the *Crimes Act 1914*.

Card holders must not allow anyone else to use the card or transfer the card to other staff members, share their pin with anyone or use their card to make online purchases except where the provider has encryption on their site. This can be established by checking if there is a padlock image at the bottom of the browser or in the address bar when visiting the merchants site.

The RMB does not tolerate the misuse of RMB credit cards. The RMB promotes a culture of honesty and integrity. Refer to the RMB Fraud and Corruption Policy.

### **Cancellation of Cards**

Before cancelling any cards, staff will acquit all transactions by providing all tax invoices or a statutory declaration. To cancel a credit card, written approval by the Board Chair or Deputy Chair is required. Citi can be contacted at [customerservice.commcards@citi.com](mailto:customerservice.commcards@citi.com) or cardholders can ring 1800 629 644 to cancel the cards. Program Administrators may call 1800 508 384 to cancel cards.

### **Citibank Software Management**

The CitiManager site <https://home.cards.citidirect.com/CommercialCard/login> is an online tool that allows cardholders to view and manage their account at any time. Some self-service activities include viewing of recent and past statements, making payments, requesting a refund, disputing a transaction and viewing credit limits.

### **Process for the Review and Improvement of This Policy**

This policy must be reviewed every two years or when there is a policy change. Credit card allocation and credit limits are to be reviewed at the same time as the policy is reviewed or earlier if there is a requirement to change the limits or allocation.

**Further information**

For further information concerning the Credit Card Policy, please contact:

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**Document Approval and Control**

## a. Version

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## b. Revision History

Version	Revision Date	Summary of Change	Author
2021-1	30/3/21	Creation	R Kay

## c. Document Approval

Board/Committee Approval	Date
Audit and Risk Committee	4/5/21
Board	21/5/21