

## NMIT CREDIT CARD POLICY

<b>Section</b>	Finance		
<b>Approval Date</b>	19.10.2010	<b>Approved by</b>	Council
<b>Next Review</b>	Mar 2012	<b>Responsibility</b>	Director of Finance and Corporate Services
<b>Key Evaluation Question</b>	6	<b>ITPNZ Quality Standard</b>	3

### PURPOSE

This policy covers the use of NMIT's corporate credit cards and outlines the internal control mechanisms and rules of use.

Credit cards are an efficient method of paying accounts and are not an alternative source of funding.

Use of credit cards must comply with the internal controls outlined in NMIT's Responsibilities and Accountabilities of the Budget Manager Financial and Statistical Recording and Performance policy with particular regard also to the Purchasing and Approval of Payments policy.

### SCOPE

This is an NMIT wide policy and applies to all NMIT employees issued with an NMIT corporate credit card.

### RESPONSIBILITIES

<b>The Director of Finance and Corporate Services</b>	<ul style="list-style-type: none"> <li>Responsible for the approval of issue of NMIT corporate credit cards to approved card holders. Approval must be counter signed by the Chief Executive.</li> <li>Responsible for ensuring and monitoring that use of NMIT credit cards is in accordance with this policy.</li> <li>Responsible for approving credit card purchases made by the Team Leader, Information Technology Services –Technical Services.</li> </ul>
<b>The Director of Curriculum and Planning</b>	Responsible for approving credit card purchases made by The Library Manager.
<b>The Chief Executive</b>	Responsible for approving credit card purchases made by the Director of Finance and Corporate Services.
<b>The Chair of the NMIT Council</b>	Responsible for approving credit card purchases made by the Chief Executive.

## POLICY

**The cardholder must comply with the BNZ Terms and conditions for credit card use. Any breach of these terms and conditions will be the cardholder's responsibility, not NMIT.**

### ISSUE OF CARDS:

Credit cards can be issued to staff members under the following circumstances:

- 1) BNZ is our exclusive supplier; no other provider's credit card will be approved for issue to staff members.
- 2) Issue of new credit cards – requests for the issue of new corporate credit cards must be in writing in the form of a business case which identifies the need for the issuance of a credit card and must clearly identify why other forms of payment are not convenient or not possible.  
The issue of new credit cards requires the written approval of the Director of Finance and Corporate Services and must be counter-signed by the Chief Executive; written approval will include the following details:
  - a) Name of the person to whom the credit card is to be issued
  - b) The authorised credit limit
  - c) Whether the issue is to be permanent or temporary
- 3) Permanent issue - issued to allow employees to pay for goods and services incurred on behalf of the institute where alternative methods of payment are not convenient. The issue of these cards must be with the written approval of the Finance and Corporate Services and be countersigned by the Chief Executive.
- 4) Temporary issue - provided for a specified purpose and period to cover expenses incurred on behalf of the institute. The card will be cancelled at the end of the specified period. The issue of these cards must be with the written approval of the Finance and Corporate Services and be countersigned by the Chief Executive.
- 5) A copy of this policy will be provided to all card holders on or before the issue of their credit card. In addition, card holders will be required to sign a form agreeing that the card will not be used for personal or unauthorised.

## PROCEDURE

### USE OF CARDS

1. Cards may only be used to pay for goods and services and for drawing cash where the expenditure is incurred on behalf of the institute.
2. Drawing cash within New Zealand is not permitted unless the cardholder is away from their "home campus" at the time cash is required, and the cash is required for genuine institute business purchases. Cash withdrawal purchases must be supported by appropriate invoice and receipt documentation.
3. Institute credit cards are issued for genuine business expenditure only and must not be used for personal expenditure. Persons breaching this policy may expect withdrawal of the card, disciplinary action, including dismissal and, for willful misuse, police action. In all cases of misuse, the institute reserves the right to recover any monies from the cardholder by appropriate legal means.

4. NMIT has arrangements with preferred suppliers for travel (including rental cars), accommodation, computing equipment, stationery and fleet vehicle fuel. These purchases should be made in accordance with those arrangements and not charged to an institute credit card.
5. All expenditure must be supported by original invoices, including tax invoices where required by the Goods and Services Tax Act, except where the credit card voucher is the tax invoice and no other documentation was issued by the supplier. Cash withdrawals must be supported with details and receipts (or tax invoices for amounts in excess of \$50) showing how the cash was spent. Where invoices are not supplied by the card holder the Finance Department will request these and will advise the Director of Finance and Corporate Services if adequate evidence of expenditure is not provided within the required timeframe. Card holders who neglect to provide adequate evidence of expenditure may have their cards cancelled on the authorisation of the Director of Finance and Corporate Services.
6. Where the invoice supplied does not clearly indicate that the expenditure is business-related, the purpose of the expenditure should be noted on the invoice by the card holder.
7. Where a credit card is used for the purpose of entertaining, a brief note is required on the invoice or attached to the invoice outlining the purpose of the entertaining, the names of the card holder's guests and their relationship with the institute. This is required so the institute can determine if there is any liability for Fringe Benefit Taxation.
8. Authorised staff from the Finance Department will undertake inspection of cardholder purchases on an ongoing basis. In addition, internal and external auditors will carry out audits of credit card use from time to time. When documentation on a transaction is requested, this must be readily obtainable. In the event that the credit card policy has not been adhered to, the card(s) may be confiscated.
9. Credit card purchases of goods and services over the internet must be consistent with normal NMIT purchasing policies and procedures. Prior purchasing authorisation (using an NMIT order form) should be obtained from appropriate budget manager using the "one-up" principle. The card holder must keep a copy of any online order form, online invoice and/or receipts when purchasing over the internet. Online internet purchases using NMIT credit cards should only be made with established, reputable companies known to NMIT.
10. Purchases that need to be made using an NMIT credit card by institute staff who do not hold an NMIT credit card may be requested through the office of the Director of Finance and Corporate Services.

Such purchases must be authorised in advance by the Director of Finance and Corporate Services, each such purchase requires an order form signed by the Director of Finance and Corporate Services from an order form specifically designated for this purpose. Copies of invoices/receipts for such purchases must be provided to the office of the Director of Finance and Corporate Services.

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#### CREDIT LIMIT

A credit limit will be set to reflect the needs of the card holder. However, this will not exceed \$10,000 without specific approval from the Chief Executive.

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## REVIEW OF CONTINUED USE

- An annual review of the credit cards on issue, both permanent and temporary, will be done by the Finance Department and those which have little or no usage in the preceding six month period may be cancelled. The results of the review together with recommendations will be presented to the Director of Finance and Corporate Services for action.
- Card holders who leave the employment of the institute will have their cards cancelled and must account for all outstanding expenditure incurred prior to their leaving date.

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## CORPORATE CREDIT CARDS ON ISSUE

NMIT Corporate credit cards are currently issued to the following:

- The Chief Executive
- The Director of Finance and Corporate Services
- The Team Leader, Information Technology Services –Technical Services
- The Library Manager

## REFERENCES

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### INTERNAL

Responsibilities and Accountabilities of the Budget Manager Financial and Statistical Recording and Performance

Purchasing and Approval of Payments

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### EXTERNAL

Controller and Auditor-General: Controlling sensitive expenditure: Guidelines for public Entities

BNZ Credit Card Terms and Conditions

[https://www.bnz.co.nz/Credit\\_Cards/1,1184,8-132-386-2629.html?tid=RDCardTerms](https://www.bnz.co.nz/Credit_Cards/1,1184,8-132-386-2629.html?tid=RDCardTerms)