



CREDIT CARD PROCEDURES

Section	Finance
Contact	Finance Operations
Last Review	December 2007
Next Review	December 2009
Approval	n/a

When to use credit cards:

The credit card is to be used for the procurement of goods and/or services for University business purposes only. The card can be used to effect everyday procurement up to the value of NZ\$2,250 (including GST) per transaction and approved monthly card limits.

Conference registration and offshore accommodation costs exceeding NZ\$2,000 per transaction are acceptable charges where the card holder has been unable to book accommodation through the University's preferred travel provider.

It is expected that the majority of business expenses under NZ\$2,250 (including GST) incurred by the cardholder will be paid for with their credit card, excluding services from a University preferred supplier where purchases should be made in accordance with the Procurement Policy.

Cash Advances:

Cardholders are not able to use their credit card to obtain cash advances from banks, building societies, credit unions or automatic teller machines. This prohibition similarly extends to cash equivalents such as bank cheques, traveller's cheques, electronic cash transfers and purchase of retail vouchers.

Refunds / Returns:

Any goods returned, or disputed charges refunded, must be credited to the card. No cash refunds, vouchers or similar are to be made to a cardholder.

Capital Purchases:

The purchase of capital items through use of credit card is not allowed. The maximum item spend on a credit card issued to an individual is \$2,000, whereas items regarded as capital items cost in excess of \$2,000. Where necessary, purchases of capital items in excess of \$2,000 can be made via the Procurement and Insurance Office.

Security of Card:

The card holder is the only person authorised to use their card. The use of the card by others is not allowed and on no occasion may a card holder disclose their cards personal pin number to others.

Record Management:

Cardholders are accountable and responsible for managing their records. It is the responsibility of the cardholder to ensure that an invoice is received for every purchase – and that this is a tax invoice when GST has been charged. Card holders must also sight and sign their monthly credit card statement verifying that all items on the statement are correct.

Coding of Charges:

Cardholders' purchases must be coded in a timely manner. The entering of these codes to the University Purchase system will generally be the responsibility of the Budget Centre's Card Administrator who will hold the appropriate financial delegation to access and enter transactions in the University's finance system.

Transactions will generally be available for coding within 2 days following the transaction being processed through Visa. All transactions are to be coded by the 5th working day following the end of the month. Any charges for the month that are not coded by the 5th weekday of the following month will be automatically coded to the account nominated on the card application form.

Any disputed transactions must be referred to the supplier in the first instance and then escalated to the University's Credit Card Authorising Officer if resolution cannot be achieved.

Verification of Charges / Authorisation:

The cardholder's manager or supervisor is required to verify and approve all transactions and sign the credit card statement each month. In doing so the manager or supervisor is to ensure the transactions are business related and the cardholder has supplied supporting documentation.

Any transaction that is not consistent with the Credit Card Policy and/or Discretionary Expenditure Policy must be reviewed with the cardholder immediately by the Budget Centre Manager.

If there are identified or suspected breaches of University policy, the Budget Centre Manager must advise the Director of Finance Operations (or nominee) within 24 hours. The Director of Finance Operations will arrange for a review of the card usage to be completed by staff independent of the card holders department.

Documentation Storage:

Managers and supervisors will ensure all statements and supporting documentation are retained in the Budget Centre.

The Director – Finance Operations has specified the necessary processes for aggregation and storage of business records. Managers and supervisors will ensure all records are retained in compliance with the process. All supporting documentation for each credit card transaction must be retained for 7 years after the end of the financial year to which the transaction relates.

Cancelled Cards:

Managers and supervisors have overall responsibility for all cards issued to their staff. They must ensure that any cards, which are no longer required, are cut in half and returned to the University's Credit Card Authorising Officer for forwarding to BNZ for cancellation.

This includes cards for staff moving from their Budget Centre, no longer purchasing goods and services, and those leaving the University.

Lost or Damaged Cards:

All lost or damaged cards must be reported immediately to BNZ, the cardholder's supervisor and the University Credit Card Administrator. The cost of a replacement card will be charged to the cardholder in the first instance.

Credit Card Reviews:

The credit cardholder's credit card transactions will be subject to inspection twice a year by a nominee of the Director of Finance Operations.

Approval to Increase Credit Limit:

All applications for an increase to a card holder's limit must be initiated by the Budget Centre Manager, approved by their Line Manager and forwarded to the University Risk Manager for processing.

Credit Card Review Procedures:

Credit card transactions are reviewed to ensure that the card holder is complying with the Credit Card Policy and the above procedures. All credit cards will be subject to review on a twice yearly basis, with a minimum of three months transactions subject to scrutiny on each occasion. This could extend to all transactions where problems have been found in previous reviews or where the card is heavily used.

PROCEDURE:

An authorised staff member from Finance Operations will:

- Contact departmental administrators advising that a review of their credit card information is to take place and to arrange a date and time.
- Departmental administrator to ensure all information is available
- Review team check that the credit card reconciliation statement has been printed for each month in a timely manner.
- Check that all original invoices are attached with suitable notations appended
- Check that GST has been taken correctly on all relevant transactions
- Check that all purchases comply with Massey's Policies and Procedures – in particular Discretionary Expenditure, Travel and Credit Card. Any deviations from this are to be reported to the Chief Accountant and to the Head of the Budget Centre who will jointly agree on the appropriate action to be taken
- Where the purchase is not supported by the correct documentation, this is to be obtained or an "approved credit card expenditure" form is to be completed by the card holder and authorised by the Head of the Budget Centre
- At the completion of each review the Credit Card Review form is to be completed and filed with the credit card holder's documentation. A copy is also held by the Credit Card Review team. Any minor issues arising are to be diarised and followed up within three weeks. Deviations that are considered major issues, including potential fraud, are to be referred to the Head of the Budget Centre and the Chief Accountant within 1 working day.

A three monthly report is to be submitted to the Director of Finance Operations, via the Chief Accountant, reporting on the reviews undertaken within the period and commenting on issues that arose and the subsequent action taken.

Audience:

All Staff



Relevant Legislation:

GST Act

Related Procedures / Documents:

[Credit Card Policy](#)
[Procurement Policy](#)
[Procurement Procedures](#)
[Delegations Document](#)
[Discretionary Expenditure Policy](#)
[Fraud Prevention Policy](#)

Document Management Control:

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