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## CREDIT CARDS

<b>Section</b>	Finance		
<b>Approval Date</b>	19.10.2010	<b>Approved by</b>	Council
<b>Next Review</b>	2.09.2019	<b>Responsibility</b>	Director of Finance and Business Improvement
<b>Last Reviewed</b>	2.09.2016	<b>Key Evaluation Question</b>	6

### 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 also comply with 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>Director of Finance and Business Improvement</b>	<ul style="list-style-type: none"> <li>• Approving the issue of NMIT corporate credit cards to NMIT employees.</li> <li>• Ensuring and monitoring that use of NMIT credit cards is in accordance with this policy.</li> <li>• Approving credit card purchases made by direct reports.</li> </ul>
<b>Directorate members</b>	<ul style="list-style-type: none"> <li>• Approving credit card purchases made by direct reports.</li> </ul>
<b>Chief Executive</b>	<ul style="list-style-type: none"> <li>• Approving credit card purchases made by direct reports.</li> </ul>
<b>Chair of the NMIT Council</b>	Approving credit card purchases made by the Chief Executive.
<b>Individual holders of NMIT corporate credit cards</b>	Ensuring that use of NMIT credit cards is strictly in accordance with this policy.

## 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's.**

### ISSUE OF CARDS:

- 1) BNZ is our exclusive provider. 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. The business case must clearly state why a credit card is needed and why other forms of payment are not suitable.

The issue of new credit cards requires written approval as outlined in the Responsibilities section of this Policy. Written approval must 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 suitable.
- 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.
- 5) A copy of this policy will be provided to all cardholders on or before the issue of their credit card. Cardholders will be required to sign a form agreeing that the card will not be used for personal or unauthorised purchases.

## 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 cardholder the Finance Department will request these and will advise the Director of Finance and Business Improvement if adequate evidence of expenditure is not provided within the required

timeframe. Cardholders who neglect to provide adequate evidence of expenditure may have their cards cancelled on the authorisation of the Director of Finance and Business Improvement.

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 cardholder.
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 cardholder's guests and their relationship with the Institute.
8. Authorised staff from the Finance Department will undertake inspection of cardholder purchases on an ongoing basis. 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 available. 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. A purchase order must be approved by the appropriate budget manager using the "one-up" principle before purchasing. The cardholder 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 Business Improvement.

Such purchases must be authorised in advance by the Director of Finance and Business Improvement. Each such purchase requires a printed copy of a purchase order approved by the appropriate budget manager together with original invoices/receipts. These documents will be submitted to the Finance Department by the Director of Finance and Business Improvement with the relevant credit card statement.

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#### CREDIT LIMIT

A credit limit will be set to reflect the needs of the cardholder. 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 Business Improvement for action.
- Cardholders 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

The NMIT Finance Department maintains a register of Corporate credit cards on issue.

## REFERENCES

### INTERNAL

Responsibilities and Accountabilities of the Budget Manager policy

Purchasing and Approval of Payments policy

### EXTERNAL

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

BNZ Credit Card Terms and Conditions

<https://www.bnz.co.nz/personal-banking/credit-cards?tid=RDCardTerms>