

NESA Purchasing Card Policy and Procedures

July 2023

Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.



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The above artwork represents NESA's reconciliation journey, with the circles representing the different schools and communities that NESA engage with on a day-to-day basis. You will notice the circles aren't perfectly round; they are a more organic shape. This represents the journey to reconciliation and the genuineness of the people involved.

Within each circle there are details that demonstrate the complexities in each relationship, and the varying colours show us that they are each individual and diverse. Finally, the two white dots at the centre focuses our attention on NESA's reconciliation goals:

- continual growth in attainment levels of Aboriginal and Torres Strait Islander students
- greater understanding of Aboriginal and Torres Strait Islander knowledge's, histories, and cultures for all students.

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Purpose

The purpose of this policy and procedures document is to set out the principles, standards, systems and processes relating to the effective management, control and usage of NSW Government purchasing cards (“P-cards”) within the NSW Education Standards Authority (NESA).

Background

NSW Treasury issued Treasury Circular [\(TC\) 21-01](#) outlining the NSW Government’s commitment to supporting the use of P-cards for low value procurement of goods and services. The NSW Government has subsequently mandated the use of P-card payments.

Scope

This policy applies to the management and use of all NESA P-cards issued to eligible NESA employees (s2.1), including individuals who have specific roles and responsibilities as a:

- Cardholder.
- Card Authoriser.
- Card Approver; and/or
- Card Administrator.

Policy

1. Overview

A P-card is a purchasing card (currently supplied by Citibank) with features designed to facilitate expenditure control. It is a cost-effective way of purchasing items of low value, while maintaining appropriate management controls.

Use of corporate purchasing cards shall be for official business purposes only, and may be used for:

- Official travel in Australia or overseas (see NESA Work Related Travel Policy).
- Business-related expenditure in relation to authorised travel; and
- Other allowable business-related expenditure.

All purchases must be procured in accordance with the current financial and procurement delegation instruments made by the Chief Executive Officer.

2. Card administration

2.1. Eligibility

To be eligible to apply and be approved for a P-card, an applicant must be an employee (ongoing) of NESAs, or a person seconded to work for NESAs, and meet one or more of the following criteria:

- Be required to purchase goods and services in the course of their duties.
- Travel frequently in the course of their duties.
- Other circumstances as determined by the Chief Executive Officer or a member of the NESAs Senior Executive team.

All cards must be returned to NESAs at the end of employment. If a card is issued as part of a secondment, it must be returned to NESAs at the end of the secondment.

2.2. Applications and approval

All members of the NESAs Executive Leadership Team and NESAs Senior Executive Team (i.e., PSSE staff) are issued with a P-Card upon appointment.

Applications for P-Cards for other staff (e.g., Liaison Officers) must be supported by the person that will be the 'Card Approver' for the card expenditure. This will usually be the Cardholder's Director.

All applications are subject to the final approval of the Card Authoriser, who is the Chief Financial Officer.

P-cards attach to roles, not to employees.

Eligibility for a P-card and the limit attached is dependent on role requirements and will be reassessed when an employee changes roles.

2.3. Card expenditure limits

Expenditure limits are designated in line with the role and anticipated procurement requirements based on the type and volume of purchases to be undertaken by the Cardholder. The Chief Financial Officer may recommend a proposed expenditure limit be amended or refused due to its impact on organisational total credit limit for P-cards.

There are two types of expenditure limits:

- Transaction Limit: is the amount that can be charged to the card per purchase.
- Monthly Limit: is the amount allowed to be charged per month.

Each single transaction's value must not exceed the Cardholder's total monthly limit.

Total monthly expenditure must not exceed the Cardholder's authorised monthly limit.

The Chief Financial Officer may approve increases to a Cardholder's expenditure limit upon request by the relevant Card Approver. The Cardholder must apply in writing (an email will suffice) through their Card Approver stating the reason for the increase and the period for which the increase is required. If approved, the Chief Financial Officer will arrange the increase and ensure the Cardholder and the Card Approver are notified.

3. General conditions of use

3.1. Overview

Mandatory compliance is required for all policies and procedures related to the usage of P-cards.

All purchasing activities must be conducted in an ethical and transparent manner.

Comprehensive guidance on applicable P-card spend categories is provided in the [NSW Government Corporate Purchasing Card Guidelines \(TPP 21-02\)](#) and the Purchasing Card (P-card) Applicable Spend Categories. These documents are regularly updated, and current versions are available at the NSW Treasury documents library located [here](#).

Use of a P-card must comply with the conditions set out in this document.

3.2. Cardholder's duty of care

It is the responsibility of each Cardholder to support the management of risks and efficacy of preventative controls associated with P-cards by:

- Notifying the Card Provider and the Card Administrator if the P-card is lost or stolen, immediately regardless of whether it is a working day or weekend.
- the P-card has been suspended or cancelled.
- Maintaining accountability for all expenditure charged to their P-card by advising the Card Administrator if the card is declined or the Cardholder becomes aware of, or suspects, an unauthorised transaction(s) has occurred.
- Keeping card details up to date by notifying changes in their name or work circumstances to the Card Administrator.
- a change to the operational or financial delegation limits that are associated with the Cardholder's role.
- Maintaining accurate records of expenditure and storing all transaction receipts safely (preferably electronically) until they are acquitted at month-end. All transactions under \$82.49 (inclusive of GST) require official tax receipts, and transactions over \$82.50 (inclusive of GST) require invoices.
- Informing the Card Administrator of a prolonged leave of absence from performing their role. This includes any absence from NESAs or role/position for longer than eight weeks.

Immediate and appropriate action will be taken against staff abusing the trust vested in them. A Cardholder who is found guilty of misuse or fraudulent use of a P-card will face disciplinary action and/or legal prosecution.

3.3. Acceptable payment methods

A card can be used:

- To purchase goods and/or services over the counter, over the telephone, by fax, email, by post or over the internet.
- To purchase goods and/or services from overseas if there is no other available supplier in

Australia or it is in relation to official travel purposes.

3.4. Acceptable purchase criteria

Cards can **only** be used to purchase goods and/or services that:

- Are for official business purposes (including official travel purposes); and
- Are of a total value that does not exceed the Cardholder's expenditure limit.
 - Examples of business-related expenditure include taxi fares, online registration of training and development, books, and emergency minor stationery purchases.

3.5. Online transactions

Cardholders should practice diligence when making online purchases, by only using secure websites which are indicated by a "https" prefix. Due to the rampant occurrence of fraud caused by hackers and pop-ups, Cardholders should be extra diligent on websites at first use.

Usually, the Cardholder will have to register with the website prior to purchasing an item. As a matter of protocol, Cardholders should register their professional details and create a separate online profile for business use and link the profile to their work email. All invoices and correspondence should be performed through the work email. Failure to do this may result in a non-reimbursement of incurred expenses.

Cardholders should also ensure that a valid tax invoice is received to enable Card Approvers to approve all online transactions.

Online transactions are to be made in line with Treasury Policy & Guidelines [TPP 21-02 Use and Management of NSW Government Purchasing Card](#).

3.6. Value for money and purchasing requirements.

The Cardholder must be satisfied that the purchase is necessary and the best value for money has been obtained. Whole of Government contracted suppliers must be used whenever possible to ensure value for money and increased security of NSW Government Purchasing Card details.

Cardholders are encouraged to use prompt payment as a negotiating tool for improved prices or services.

A card should not be used to purchase goods from retailers with whom NESAs already has an account. If regular transactions with local creditors are envisaged, it is preferable to open an account with the creditor rather than use the card.

3.7. Circumstances where P-cards cannot be used.

Cards must not be used to purchase any of the following:

- Items from a supplier that has no ABN (except for overseas purchases).
- Cash advances.
- Fleet vehicle expenses – including fuel, oil, repairs, spare parts (other than in emergency situations).
- Infringements and fines.
- Expenditure in excess of the Cardholder's financial delegation or card expenditure limits.
- Expenditure in excess of cost centre or budget.
- Personal rewards or benefits – implicit at point of purchase including frequent flyer.
- Programs, bonus point schemes or gifts designed as benefit for utilising the card.

- Gratuities and/or tips – of any nature, both domestic and international.
- Workers' compensation payments.
- Any personal or non-work-related expenses.
- Splitting purchases in order to negate allowable spend limits.
- Goods or services for which NESAs already has a procurement arrangement in place or where there is a mandated purchasing channel in place.
- Technical, legal, or complex services that require the formal input of technical staff; and
- Setting up direct debits or automatic top-ups (e.g., Opal cards).

Note: Any personal expenditure charged to the card must be repaid immediately. Cardholders are not to attempt to deposit funds to the card account but should contact the Chief Financial Officer for assistance.

Procedures

4. Cardholder reconciliation and managing risk.

4.1. Cardholder reconciliation and acquittal process

P-cards must be reconciled and acquitted at least monthly.

P-Card Statements (which are issued by Citibank and can be downloaded from the Citibank portal) are distributed to cardholders at the end of each month. Upon receipt of a statement the cardholder must reconcile all charges on the statement against receipts and acquit their card usage on an acquittal memo to their Card Approver.

A valid tax invoice from the vendor must be obtained for all transactions (as per s.3.2) by the Cardholder with details of:

- ABN number of the purchaser.
- Invoice amount.
- GST amount; and
- Purchase item/service made.

A detailed description of the expenditure must be provided on the acquittal memo to ensure proper documentation and acquittal of expenditure.

The Cardholder's manager is responsible for forming a view on whether the expenditure undertaken is for business purposes and is consistent with the Cardholder's responsibilities and activities.

The Cardholder's manager must confirm that a valid tax invoice has been attached to the Cardholder's statement for each transaction.

For rejected transactions, the Cardholder's manager must indicate the reason for rejection.

The Cardholder must resolve the reason for rejection and resubmit for acquittal as soon as practicable, unless the reason for rejection is due to the expenditure being ineligible, unauthorised or for personal use.

The Cardholder must immediately repay NESAs for any ineligible, unauthorised or personal expenditure incurred on the P-card.

The Cardholder must submit all expenses for approval within 5 business days of receipt of statement (period ending 4th day of each month).

Completed acquittals must be forwarded to the Card Administrator.

4.2. Exchanges, refunds, damaged goods and credits

Cardholders must be aware of the following in relation to purchases made using the P-card:

- Exchanges can only be made for the same product.
- A Cardholder is not allowed to accept cash from the supplier for a refund or damaged goods.
- Where the Cardholder considers that goods purchased should be returned (i.e., wrong goods, not of merchantable quality etc), the Cardholder is to contact the supplier and request a credit transaction to be prepared. A credit note is not to be accepted.
- If the supplier will not provide a credit transaction the Cardholder must raise this as a dispute with the P-card Administrator. Once the supplier has been notified arrangements should be made to have the good(s) returned to the supplier. Local processes vary for each supplier on how this will be managed. All returns should be notified to the P-card Administrator for monitoring of credit transactions. A credit transaction should appear on the statement once the supplier has processed the request.

4.3. Disputed transactions

Cardholders must routinely check their P-card statements to ensure there has been no unauthorised usage of their P-card.

Unauthorised or disputed transactions must be reported immediately to the P-card Administrator.

5. Finance administration

5.1. Treasurer's approval required for the issue of credit cards.

Under the NSW *Government Sector Finance Act 2018* (the GSF Act) an agency is required to obtain the Treasurer's approval for establishing the total facility borrowing limit (or total credit limit) available to the agency (NESA). The Chief Financial Officer is responsible for requesting amendments to NESA's credit limits as required by business needs.

5.2. Monitoring

The P-card Administrator will monitor cards for evidence of personal use, under-utilisation, fraudulent use or failure to comply with this policy.

5.3. Finance reconciliation processes

The Chief Financial Officer is responsible for ensuring that:

- The Citibank monthly statement total is reconciled to each monthly cardholder:
- Unapproved or outstanding acquittals are followed-up and reconciliation completed. Monthly total should equal approved transactions for the month plus unapproved transactions for the month; and
- The month's total P-card expenditure is acquitted.

5.4. Outstanding acquittals

The Card Administrator will follow-up Cardholders with outstanding acquittals by:

- If acquittals are outstanding for one month: sending an email to the Cardholder reminding that the signed acquittal(s) with supporting documentation must be submitted to the Card

Administrator before the end of the month.

- If acquittals remain outstanding after a month: the Card Administrator is to liaise with the Cardholder and the Card Approver about the outstanding acquittals. A written reminder will be sent to the Cardholder requesting that the transactions be completed and approved by the 8th of that month (the second month that the acquittal remains outstanding). A copy of the letter will be forwarded to the Card Approver.
- If the acquittals remain outstanding by the 9th of the second month: the Cardholder and the Card Approver will be notified in writing of the possible cancellation of the card.

5.5. Compliance

Failure to comply with this policy or the conditions of use could result in the card being withdrawn from the Cardholder.

Liability for expenditure that is fraudulent, does not comply with this policy or results from loss/ theft through negligence of the Cardholder, may be passed onto the Cardholder and may also render the Cardholder liable to action for misconduct in accordance with the Code of Conduct.

The Chief Financial Officer is responsible for providing the Chief Executive Officer with regular reports on card usage and highlighting any inappropriate use of cards.

The Chief Executive Officer must certify that NESA's purchasing card use has been in accordance with the Premier's Memoranda and Treasurer's Directions. The certification should also be included in the agency's Annual Report.

The Chief Financial Officer will ensure that P-card compliance surveys are completed and returned to NSW Treasury as required.

5.6. Induction

This policy will be provided to Cardholders by the Card Administrator before issuing of the P-cards to provide Cardholders with the knowledge and skills to effectively deliver on their responsibilities and understand their accountability for P-card use.

Roles and Responsibilities

- Chief Executive Officer (CEO):
 - Approves the policy.
 - Manages and monitors compliance with this policy.
 - Is the accountable authority; responsible for certifying that NESA purchasing card use has been in accordance with the Premier's Memoranda and Treasurer's Directions; and
- Deputy Chief Executive Officer:
 - is the Card Approver to the Chief Executive Officer.
- Executive Directors:
 - Approve the issuance of P-cards to staff within their division.
- Chief Financial Officer:
 - Approves transactional limits for Cardholders.
 - Approves the issuance and revoking of NESA P-cards; and
 - Manages NESA's P-card program within their total facility borrowing limits.

- Manages payment and acquittal disputes.
- Manages the monthly acquittal process and escalates fraudulent activities as required.
- Provides reports to the CEO highlighting credit card usage; and
- Ensures P-card compliance surveys are conducted and reported appropriately.
- Card Administrator:
 - Responsible for administration of NESAs P-card program.
 - Manages application process to Card Provider on behalf of new and existing Cardholders.
 - Maintains records of Cardholder Application & User Agreement forms.
 - Issues and uploads monthly acquittal advice to Cardholders and Card Approvers.
 - Checks accuracy of monthly statements and transaction invoices; and
 - Follows-up outstanding acquittals and provides assistance regarding transaction disputes.
- Card Approver:
 - Monitors staff P-card activity and queries large and/or unusual transactions; and
 - Communicates and reinforces expectation to Cardholders.
- Cardholder:
 - Have read and understood obligations of this policy and related policies and delegations.
 - Only use P-cards for official business purposes; and
 - Reconcile all transactions within 5 business days of statement receipt.
- Card Provider:
 - Processing approved P-card applications and sending the card to the Card Holder's home.
 - Blocking and/or replacing stolen cards.

Delegations

- Financial Delegations
- Procurement and Purchasing Delegations

Legislation

- *Government Sector Finance Act 2018 (GSF Act)*

Related Policies

- Treasury Policy Paper (TPP) 21-02 Use and Management of NSW Government Purchasing Cards
- NESAs Code of Conduct
- Purchasing Card Application & User Agreement Form

Other related documents

- Exiting Worker Checklists
- Work Related Travel Procedure

Definitions

- P-cards are NSW Government purchasing cards issued by NESAs to workers.
- Card Administrator: The Finance Team Member responsible for dealing with administrative matters between the Card Provider and Cardholder.
- Card Approver: A position that has the authority to approve P-card expenses (the applicant's Executive Director or related Senior Executive).
- Card Authoriser: A position that has the authority to authorise the allocation of a P-card (currently the Chief Financial Officer)
- Card Provider: The government nominated bank or financial institution contracted for the administration and provision of P-cards (currently Citibank).
- Cardholder: An employee assigned the authority to use a P-card.
- Contingent worker: means a person employed by an external employment agency who performs work for NESAs for a limited time and for a specific purpose.
- Contractor: means a person hired by NESAs under an individual contract to perform work for a specified purpose and who, unlike an employee, retains control in the performance of the work, subject only to the terms of the contract.
- NESA worker: means all NESAs staff, and other persons engaged by NESAs such as interns, trainees, volunteers and contingent workers (collectively known as 'workers'). It does not apply to independent contractors, other than contingent workers.
- Staff: means all persons employed by NESAs under the *Government Sector Employment Act 2013 (NSW)*.
- Value for Money: A comparison of the apparent benefits in the proposed contract, with the whole- of-life costs of the proposed contract. Value for money is determined by considering all the factors that are relevant to the proposed contract and may include: experience, quality, reliability, timeliness, service, risk profiles and initial and ongoing costs. Value for money does not automatically mean the 'lowest price'.

Acceptance of conditions

Failure to comply with any of the above conditions could result in the card being withdrawn from the officer. In the event of loss/theft through negligence, or non-compliance with these requirements any liability charged by the provider against the Office may be passed onto the officer.

I acknowledge and accept the above conditions in the operation of my Corporate Card.

Signed.....**Date**.....

Name**Position**.....

Superseded Documents

This policy replaces:

- NESAs Purchasing Card (P-card) Policy - PP22/74

Approval Requirements Summary

Action	Approver
Approval of Chief Executive Officer	Chief Audit Executive (currently Director, Strategy and Capability)
Approval of card application	Chief Financial Officer
Approval of transaction limits	Chief Financial Officer
Approval of increase to card limits	Chief Financial Officer

Revision history

Version	Date issued	Notes	By
1	06/07/2018	Annual review	Chief Financial Officer
2	31/12/2018	New NESAs Policy based on previous NSW Treasury policy	Heads of Finance and Governance
3	23/07/2019	Minor updates to comply with NSW Treasury policy	Chief Financial Officer
4	01/07/2020	Annual review	Chief Financial Officer
5	01/07/2021	Annual review	Chief Financial Officer
6	01/07/2022	Annual review	Chief Financial Officer
7	18/07/2023	Minor amendments made to the definitions to align with broader policy suite.	Chief Financial Officer

Review date

This policy will be reviewed every year. The next review date is 01 July 2024.

Contact

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