

# Northleach with Eastington Town Council

## Council Debit Card Policy

### 1. Rationale for a Debit Card

Northleach with Eastington Town Council (the 'Council') has provided the Town Clerk/ Responsible Financial Officer (RFO) with a debit card for the following reasons:

- To cut down on the administration of reimbursing business expenses incurred by the Clerk in the general running of the Council and office.
- To ensure a simple, effective payment mechanism for small amounts that has more security measures and controls than petty cash.
- To ensure that purchases made by the Council (with the VAT subsequently claimed back) are in the name of the Council and not in the name of the individual who purchased them
- To facilitate online purchase of small items and enable "shopping around" for best value.
- To facilitate purchases that can only be undertaken online (e.g. software subscriptions)

### 2. Issue and Security

A Council debit card shall be issued in the name of the Town Clerk.

The debit card shall be issued to the named employee for their use only, no other individual may use the debit card.

The employee issued with a debit card is solely responsible for its safe keeping and usage and for ensuring that the card is not used by others. In particular, the personal identification number (PIN) will only be issued to the card holder and must be kept confidential, as must the card security (CSC/CVN) number.

Lost or stolen cards must be reported to the issuing bank immediately upon discovery that the card is missing. With no exceptions, Chairman of the Finance and General Resources Committee must also be informed immediately.

At the end of their employment, the employee must return any issued debit card to the Council and the card shall be destroyed in the presence of two councillors. The issuing bank must be advised to cancel the debit card to prevent any unauthorised usage.

### 3. Usage

The debit card shall be used for legitimate business purposes only and in conjunction with the Council's services and administration. It shall not be used for any non-business transactions nor for any personal purchases.

The debit card may be used to purchase small items up to the value of £250 where the purchase has been authorised in accordance with the Council's Financial Regulations, including purchases made by the Town Clerk under delegated authority or emergency powers.

Purchases greater than £250 in value shall only be made where the Council or a Committee has reviewed the need to use the card and authorised the use of the debit card for that purchase.

The debit card may not be used to purchase fuel, car rental, hotel and restaurant expenses.

Travel and subsistence should be claimed as expenses in the usual manner.

#### **4. Cash Withdrawals**

Cash withdrawals are only permitted with prior approval by the Finance and General Purposes Committee. When making a cash withdrawal the amount shall be recorded in the petty cash account and reported to Council.

Subsequent payments from petty cash shall be evidenced with invoices, receipts or statements of purchase provided for each purchase, and recorded in the Council's accounting systems.

#### **5. Internal Controls**

All purchases using the debit card must be properly accounted for with details for all purchases, showing at a minimum a description of the purchase and cost of each item.

All debit card purchases shall be reported to the next available meeting of Council in the payment schedule.

As part of the Council's internal control process, two councillors shall check debit card purchases are valid and correctly recorded and confirm this by signing the invoice, receipt or statement of each debit card purchase.

#### **6. Fraudulent or Misuse of a Debit Card**

The cardholder is responsible for obtaining and submitting invoices, receipts or statements for all transactions. Failure to produce transaction receipts may result in the cardholder being held liable for the sum of the said transactions.

If the employee misuses the debit card or fraudulently uses the card, this may result in disciplinary action being taken against them.

#### **7. Adoption and Review**

This policy forms an addendum to the Council's Financial Regulations.

This policy will be reviewed every three years or sooner if required.

| <b>Version</b> | <b>Change description</b> | <b>Adoption date</b> |
|----------------|---------------------------|----------------------|
| 1.0            | First issued              | 12 October 2021      |