

## **GN07 DEBIT AND CREDIT CARDS: ISSUING AND USAGE**

### **1. PURPOSE**

This Guidance Note provides information for sub-Branches about how debit and credit cards (if required for sub-Branch business purposes) need to be carefully managed. It includes how they are issued, used, and monitored.

### **2. SCOPE**

This *Guidance Note* is available to all sub-Branch members for potential reference purposes. It is readily available on the Sub-Branch Portal. Given that debit and credit cards provide ready access to monetary funds they need to be carefully managed to reduce the likelihood of inappropriate use, such as fraud.

### **3. NEED FOR EFFECTIVE RISK CONTROLS**

Debit and credit cards require tight risk controls to reduce the possibility and likelihood of them being used fraudulently. These controls include but are not limited to:

- rigorously assessing if cards are really needed in the first place
- limiting the number of people with cards
- ensuring hard spending limits are set and maintained
- ensuring that two people approve all expenditures
- barring cash withdrawals
- maintaining adequate records to show what money has been spent on what items, with a two-person signoff and reconciliation.

### **4. DEBIT AND CREDIT CARDS**

#### **4.1 Assessing need – questions to ask**

Before deciding to issue debit or credit cards in a sub-Branch, take some time to assess whether they really are needed:

- What is the problem we are trying to solve?
- If we pay bills on the basis of invoices and receipts, do we really need debit or credit cards?
- What forms of payment are we currently using? Are they adequate?
- The *RSL NSW Constitution and SOPs* are silent on the use of debit and credit cards so you will need to develop your own processes and controls – is it really worth the extra work to have debit and /or credit cards?

## 4.2 Decisions to be made

- How many people / what sub-Branch roles really need a debit or credit card for completing sub-Branch business and meeting our Charitable Purpose?
- Who approves the issuing of cards?
- How is the approval documented?
- What is the approval limit? What is the lowest practicable limit? (\$500 for debit cards; \$2,000 for a credit card?)
- Can the debit card be pre-loaded for emergency welfare use with a limit such as \$500?
- Are upfront/ before use approvals required?
- Are frequent flyer (or similar) points involved and, if so, who do they get credited to?

## 4.3 Identifying and implementing controls

The potential risks of debit and credit cards include theft, stolen pin numbers which result in external fraudulent use and fraudulent use by the holder.

### Some suggested basic rules for the sub-Branch

- Issuing Debit/ Credit Cards
  - After assessing the need and deciding to use one or more cards it is recommended that two sub-Branch Executives sign off approval for the card/s to be issued (see [Appendix A](#))
  - Adequate proof of identity must be provided to the relevant Bank/ Financial Institution
  - The person receiving the card should formally sign acceptance of the card (see [Appendix B](#)) and the Conditions of Use (see [Appendix C](#))
- Debit and Credit card expenditure should be incorporated into all expenditure protocols including reimbursements as per *SOP07: Accounts, Financial Management and Expense Reimbursement*
- Include monitoring the issue and existence of cards (eg debit / credit card register) as a responsibility of the Treasurer (See [Appendix A and B](#))
- Get new holders to read and acknowledge “Conditions of Use” before the card is issued (See [Appendix C](#))

### Some suggested basic rules for the card user

See [Appendix C](#) Conditions of Use

## 5. DOCUMENT GOVERNANCE

GN07 GUIDANCE NOTE – DEBIT AND CREDIT CARDS: ISSUING AND USAGE	
Associated written directions:	<ul style="list-style-type: none"> <li>• <i>RSL NSW AR20 Code of Conduct</i></li> <li>• <i>POL01 Funding the Charitable Purpose (under development)</i></li> <li>• <i>SOP07 Accounts, Financial Management and Expense Reimbursement</i></li> </ul>
Related legislation:	<ul style="list-style-type: none"> <li>• <a href="#">ACNC Governance Standards</a></li> <li>• <a href="#">RSL NSW Act 2018 (NSW)</a></li> <li>• <a href="#">RSL NSW Constitution 2019, as amended 2022</a></li> </ul>
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**APPENDIX A APPROVAL FOR CARD TO BE ORDERED AND ISSUED**

No	Date	Name of person to receive card	Role at sub-Branch	Name of 1 <sup>st</sup> person approving issuing of card	Role at sub-Branch	Signature
1.						
				Name of 2 <sup>nd</sup> person approving issuing of card	Role at sub-Branch	Signature
2.						
				Name of 2 <sup>nd</sup> person approving issuing of card	Role at sub-Branch	Signature
3.						
				Name of 2 <sup>nd</sup> person approving issuing of card	Role at sub-Branch	Signature

**APPENDIX B ISSUING OF CARDS AND CONDITIONS OF USE**

No	Date	Name of person receiving card and conditions of use	Role at sub-Branch	Signature (I have received a debit /credit card and a copy of the conditions of use)	Card type and last 4 digits	Card issued by (member of Executive)	Role at sub-Branch	Signature
1.								
2.								
3.								
4.								
5.								
6.								

## APPENDIX C

### DEBIT / CREDIT CARD HOLDER CONDITIONS OF USE (SUGGESTED CONDITIONS OF USE)

These are the conditions of use of the card:

- Debit/ Credit cards provide ready access to cash. All sub-Branch funds are to be spent on activities which are in pursuit of our Charitable Purpose (see *SOP1*) and therefore all debit/ credit cards must be stored safely and used carefully
- Identification
  - Notify the Executive with responsibility for debit and credit cards if there are any changes in your name or contact details
- Usage
  - Only use the debit / credit card for sub-Branch business purposes. Do not use the card for personal expenditure; it makes it much harder to track appropriate use and extra effort to ensure personal expenses are paid
  - Exercise prudent judgement and act in the spirit of our Charitable Purpose; where practicable, ask for Executive approval before use
  - Do not allow anyone else to use the card; do not use the card to withdraw cash
- The risk of inadvertent use of sub-Branch cards for personal expenditure can be mitigated by:
  - storing the sub-Branch card separately from other cards in a wallet; and
  - ensuring that the personal identification number (PIN) for any sub-Branch card is different from personal card PINs
- If the card is used to make online purchases, the cardholder must ensure the site has been confirmed as a secure site. Additionally, the cardholder needs to ensure the website does not retain the card details for future purchases.
- If a cardholder has misplaced or is unable to produce invoices or receipts for any purchases made using the sub-Branch card, a statutory declaration is to be provided explaining the expenditure and the reason for not having produced receipts
- Payments
  - All claims for payment are to be supported by tax invoice receipts in addition to the card bank / financial institution statement
  - If the balance is not paid on time, the holder is responsible for the late fee and any interest incurred
- Storage
  - Do not store the pin number with the card; always keep the PIN confidential.
  - Keep the card in a secure location
  - If the card is lost, report the loss to the issuer immediately and the sub-Branch as soon as practicable
- Card no longer required by the individual for sub-Branch business
  - The card and all relevant receipts are to be returned no later than the last day of when the card is required.