Purchasing, Companion Card and Petty Cash Policy

Section 1 - Introduction

(1) This policy specifies the University of Newcastle's (University) requirements for the use of University Purchasing Cards, Companion Cards, and Petty Cash.

(2) In exceptional circumstances, an exemption to a specific clause contained within this policy, or its associated documents, may be approved by the Chief Financial Officer (CFO).

Section 2 - Audience

(3) This policy applies to:

a. all cardholders, including but not limited to University staff and employees of onshore controlled entities;
b. delegates of the University and its onshore controlled entities who are authorised to act as a Purchasing Card approver; and
c. staff who are approved to be a Petty Cash Custodian.

Section 3 - Scope

(4) This policy applies to all transactions made using:

a. a University Purchasing Card;
b. a controlled entity Purchasing Card;
c. Companion Cards or the University's Petty Cash or a Petty Cash Card.

(5) The policy applies to onshore controlled entities, unless indicated otherwise in the body of the document or expressly excluded in Section 12.

Section 4 - Associated Documents

(6) The following associated documents form part of this policy and should be read in conjunction with this document:

a. Purchasing and Companion Card Procedure;
b. Purchasing Card Transaction Classification Schedule;
c. Petty Cash Procedure;
d. Travel Policy;
e. Travel Procedure;
f. Procurement Policy;

g. Quotation Procedure.

Section 5 - Policy Specific Definitions

(7) In the context of this policy the following definitions apply:

a. “business expenditure” means any cost or expense incurred by the University or its controlled entity in the course of carrying out its operations;
b. “cardholder” means a person who is approved to hold and is issued a Purchasing Card, Companion Card or Petty Cash Card and is authorised to make purchases or payments in accordance with this policy and the Purchasing and Companion Card Procedure;
c. “Executive Leader” means a University delegate who is listed in the University's Delegations Register, and is assigned to the position group “Executive Leader” in accordance with the Delegation of Authority Framework;
d. “fraud” is as defined in the Fraud and Corruption Framework;
e. “may” denotes discretion or permission to act, depending on context and delegated authority where relevant;
f. “must” denotes a mandatory requirement. Compliance is compulsory, and failure to comply constitutes a breach of this Policy or its associated procedure;
g. “should” indicates a good practice requirement. Relevant personnel are expected to comply unless specific circumstances make it inappropriate to do so. In such cases, the rationale and decision making to not comply must be documented and retained as part of the procurement record;
h. “petty cash” means funds available for the reimbursement or purchase of items of small value that cannot otherwise be purchased via Purchasing Cards or direct debit;
i. “portable and attractive items” means items of equipment that are portable and attractive in nature, that:
    i. have a value greater than $100;
    ii. do not meet the University's definition of an asset; and
    iii. are susceptible to theft or loss due to their portable nature and attractiveness for personal use or resale. Examples include, but are not limited to: laptop computers; IT peripherals; mobile phones; cameras; digital / film / video projectors; label printers; televisions; power tools; drones; DVD players; VR/AR equipment; other audio-visual equipment; and white goods including kitchen equipment.
j. “Purchasing Card” means a corporate credit card issued to an eligible cardholder for University business or controlled entity expenditure;
k. “Purchasing Card Approver” refers to a delegate who is authorised to approve purchasing card transactions;
l. “misconduct or serious misconduct” is as defined in an applicable Enterprise Agreement; or, where the Enterprise Agreement is not relevant, behaviour that is not in accordance with the University's Staff Code of Conduct or the relevant person’s contract of employment;
m. “pre-approval” means prior approval by an authorised delegate that is required before using a Purchasing Card for expenditure. Evidence of pre-approval is necessary;
n. “Senior Leader” means a University delegate who is listed in the University's Delegations Register, and is assigned to the position group “Senior Leader” in accordance with the Delegation of Authority Framework;
o. “travel portal” means the University's online travel and approval system.

Section 6 - Principles

(8) Transactions made within the scope of this Policy must:

a. be reasonable;

b. represent economical and efficient use of University or controlled entity funds; and
c. provide a clear business benefit.

(9) A Purchasing Card or Companion Card may be issued to employees of controlled entities, and staff who fall within the following employment categories as defined by the Enterprise Agreement:

a. full-time continuing or contingent staff;
b. part-time continuing or contingent staff;
c. fixed-term employment or contingent staff.

(10) A Purchasing Card or Companion Card must only be issued where the cardholder has a regular and demonstrated business need, such as frequent purchasing of in scope goods or services, or a requirement to undertake regular business travel.

(11) An authorised delegate of the Vice-Chancellor may approve the retention of a Purchasing Card or Companion Card by a non-employee of either the University or a controlled entity where the cardholder executes a Non-Staff Cardholder Responsibility Deed Poll.

(12) Eligibility to act as a Purchasing Card Approver:

a. for University staff cardholders, must be in accordance with the University's delegations of authority;
b. for controlled entity staff cardholders, must be in accordance with the controlled entity's delegations of authority.

(13) The University, at its sole discretion, may seek reimbursement from cardholders for any transaction that cannot be justified through the provision of supporting documentation as required by this Policy and its associated Procedure.

Section 7 - Purchasing Cards

Usage

(14) Cardholders must only use a Purchasing Card for University business expenditure, including and limited to:

a. low value goods less than $5,000;
b. one-off, non-recurring payments; or
c. work related travel, accommodation and expenses.

(15) Cardholders must not use a Purchasing Card for:

a. expenditure with a supplier who is already established in the University's Finance System;
b. expenditure with suppliers that conflicts with existing University contracted supplier arrangements;
c. expenditure that is classified as Excessive, Inappropriate or Prohibited as defined in the Purchasing and Companion Card Procedure and Purchasing Card Transaction Classification Schedule;
d. consultancy expenditure;
e. expenditure incurred on weekends, holiday periods or while on leave, unless the purchase is considered business expenditure; or
f. personal expenditure.

(16) The use of Purchasing Cards must not exceed the maximum card limit and transaction limit. Cardholders will be informed of these limits upon issue of the Purchasing Card.

(17) All Purchasing Card transactions must be acquitted in the University's Expense Management System by the cardholder.

(18) The University utilises a third-party travel payment provider for most airfares (excluding some regional airlines). Airfares are not to be purchased via a Purchasing Card, unless the airline is not available via the third party travel payment provider. Accommodation and other travel expenses must be charged to a Purchasing Card where available.

(19) The cardholder responsible for the expenditure should only use their assigned Purchasing Card to make the transaction.

(20) Where expenditure relates to the operation of an office, school or administrative unit, an Executive Assistant, Executive Officer, or other cardholder may use their own Purchasing Card to make a purchase on behalf of a Senior Leader or Executive Leader.

(21) Where expenditure relates to the operation of a controlled entity, cardholders must not use their own Purchasing Card to make a purchase on behalf of another cardholder.

Section 8 - Companion Cards

Usage

(22) Companion Cards must only be issued to University cardholders who are required to travel internationally as part of their University duties.

(23) Cardholders must only use a Companion Card for:

a. official University travel related expenses;
b. international cash withdrawals where a Purchasing Card cannot be used;
c. expenditure where Purchasing Card payments are not accepted or practical;
d. situations where it is not practical or possible to use personal funds and seek reimbursement.

(24) A Purchasing Card is the preferred method of payment for overseas travel.

(25) The limit on a Companion Card issued to a non-regular traveller will be set at $1.00 and increased only for the period in which the staff member is travelling overseas.

(26) Where a cardholder is undertaking an overseas trip within three (3) months of a previous trip, a positive balance on the Companion Card (i.e. where the cardholder owes the University money) may be held pending the upcoming trip. A negative balance (i.e. where the University owes the cardholder money) may also be retained until Card Services issues additional advances in advance of the future trip.

(27) Companion Cards must have a zero balance by the first Friday in December of each year, unless otherwise approved by Financial Services.

Section 9 - Petty Cash

(28) Petty Cash must only be used by University staff where there is a specific operational need that cannot be met using a Purchasing Card or Companion Card. The use of petty cash is not permitted by staff of controlled entities.

(29) Financial Services hold the single Petty Cash Card available for use by the University.

(30) Staff requiring access to petty cash must discuss the specific need with the Team Leader Accounts Payable, Financial Services. Approval to access petty cash may only be granted by the Chief Financial Officer (CFO).

(31) All petty cash purchases must have supporting documentation, detailing to whom petty cash payments are made, and a register of petty cash payments maintained.

(32) All petty cash transactions must be acquitted in the University's Expense Management System by the Petty Cash Custodian.

Section 10 - Transaction Approvals

(33) Delegates who are authorised approvers of transactions on Purchasing Cards, Companion Cards or petty cash must:

a. only consider transactions for approval that do not relate specifically to themselves;
b. not approve transactions which are prohibited or non-compliant in accordance with this Policy and its associated documents, or any other relevant policy;
c. not approve transactions whilst on extended periods of leave, including long service leave, leave without pay, annual leave, sick leave, life leave, or other similar leave; and
d. ensure that they are satisfied that the transaction is business related, reasonable, and represents economic and efficient use of University or controlled entity funds and that provide a clear benefit.

Purchasing Card Pre-Approval Requirements

(34) Where required, pre-approval must be obtained before incurring the expenditure.

(35) Evidence of pre-approval must be either electronically linked or clearly referenced against the transaction.

(36) Pre-approval requirements are outlined in Table 1- Purchasing Card Pre-Approval Requirements.

Table 1 – University Purchasing Card Pre-Approval Requirements*

Expenditure Type	Where to Obtain Pre-Approval
International or domestic travel.	Travel Portal
Entertainment >$500, or >$5000 for members of Executive Leadership Team. (Refer to Purchasing Card Transaction Classification Schedule).	Executive Leader via email
Professional membership subscriptions (including renewals).	Executive Leader via email
Costs associated with the use of a private motor vehicle.	Senior Leader via email
Automatic periodic debit authorities.	Card Services via email
Portable and attractive items.	Card Services via email
Transactions equal to or greater than $5,000.	Card Services via email
IT related expenditure, including but not limited to hardware, software and applications.	DTS via ServiceNow
Consultancy and professional advice or services.	‘Ask Strategic Procurement’ via ServiceNow.

*Note – Table 1 does not apply to controlled entities. Please see Section 12.

Section 11 - Non-Compliance

(37) For all cardholders, the following actions constitute non-compliance with this policy and are strictly prohibited:

a. splitting purchases into smaller amounts to circumvent quotation requirements, petty cash provisions, delegated authority limits, or Purchasing Card limits;
b. subordinating transactions to another cardholder to avoid appropriate approval channels;
c. incurring expenses where a conflict of interest exists (see Disclosure of Interests Policy);
d. misuse of University or controlled entity funds;
e. repeated failure to acquit transactions; or
f. any action that results in inappropriate, excessive, or unapproved expenditure.

(38) If unresolved, each instance of non-compliance will be managed through an escalation pathway determined by Financial Services or the relevant controlled entity.

(39) Significant or repeated non-compliance may be escalated and formally reported to the Executive Leadership Team, Senior Leadership Team, or Board of the relevant controlled entity for oversight, decision-making, or further action.

(40) Where non-compliance by a University cardholder is identified, Financial Services may issue a Notice of Card Suspension, resulting in temporary suspension of a Purchasing Card or Companion Card while a Non-Compliance Review of the cardholder's transactions is undertaken.

(41) During a period of card suspension:

a. the card limit will be reduced to $1.00; and
b. the relevant business unit will be responsible for arranging alternative payment methods.

(42) In exceptional circumstances (such as approved travel), a Purchasing Card Approver may request deferment of the suspension from the Chief Financial Officer.

(43) Where non-compliance by a controlled entity cardholder is identified, the Chief Executive Officer or General Manager, with assistance from the University's Financial Services team, must assess the nature of the breach and implement appropriate resolution actions, which may include:

a. counselling and/or verbal warning;
b. a written warning;
c. card suspension;
d. card cancellation;
e. declinature of future transactions;
f. cost recovery;
g. reporting to Police for criminal investigation; and/or
h. dismissal of an employee for serious misconduct.

(44) An assessment of the nature of the breach may constitute a Non-Compliance Review as detailed in this Policy.

Non-Compliance Reviews

(45) A Non-Compliance Review must cover 12-18 months of card transactions. The card suspension period may be extended, and additional actions may be applied if further non-compliances or breaches are detected during the Non-

Compliance Review.

(46) Cardholders and Purchasing Card Approvers must cooperate fully during a Non-Compliance Review and rectify non-compliances within seven days when requested to do so. Failure to rectify non-compliances may result in extended card suspension, cancellation of the relevant card, or other disciplinary action.

(47) A Purchasing Card Approver may request a review of the findings of a Non-Compliance Review and the suspension period by submitting a written application to:

a. the Chief Financial Officer for University cardholders; or
b. the Chief Executive Officer or General Manager, or other duly authorised officer, for controlled entity cardholders.

(48) Non-compliances and breaches will be assessed using a non-compliance assessment matrix.

(49) Non-compliances and breaches are evaluated based on severity and frequency, ranging from minor administrative errors to critical breaches such as deliberate fraud or repeated misuse.

(50) The matrix considers the nature, frequency, and extent of the non-compliance or breach, along with the likelihood of recurrence. These factors are combined to determine an overall rating, which then informs the level of consequence to be applied.

(51) Where non-compliance constitutes a critical breach or misconduct or serious misconduct, as defined by the relevant Enterprise Agreement or the Staff Code of Conduct for University staff, the matter will be referred to the Chief Financial Officer and must be:

a. added to the Breach Register by Financial Services; and
b. dealt with in accordance with the relevant Enterprise Agreement or employment contract.

(52) Where non-compliance constitutes a breach by employees of controlled entities, the matter must be:

a. referred to the Chief Financial Officer;
b. added to the Breach Register by Financial Services;
c. reported at the next Board Meeting by the Chief Executive Officer or General Manager, detailing the circumstances of the breach, the investigation, and actions taken.

Section 12 - Exemptions and Additional Requirements for Controlled Entities

Exemptions

(53) Due to the nature and size of University controlled entities, the following exemptions from this Policy's provisions exist for controlled entities:

a. Clause 14, which requires purchasing card transactions to be of low value, one-off or non-recurring payments, or associated with work related travel does not apply to controlled entities;
b. Clause 18, prohibiting airfares from being purchased in a Purchasing Card, does not apply to controlled entities;
c. the Purchasing Card Transaction Classification Schedule does not apply, however, transactions on purchasing cards issued by a controlled entity must:
    i. be reasonable, appropriate, necessary and for a legitimate purpose;

ii. be consistent and compliant with the controlled entity's Delegations Policy;
iii. be supported by sufficient supporting documentation as required under the Purchasing and Companion Card Procedure;
iv. not be private expenditure;
v. be function-related and a direct consequence of the cardholder's responsiblities to the organisation;
vi. not be of a dubious nature where the transaction, goods or services may bring the name of the controlled entity, or the University, into disrepute.

(54) In the event a cardholder is uncertain if a transaction is function-related, prior authorisation should be obtained from the Chief Executive Officer or General Manager, or a delegate.

(55) Table 1 – Pre Approval Requirements does not apply to controlled entities, however, please refer to additional requirements below.

Additional Requirements

(56) Purchasing cards:

a. must only be issued by the controlled entity where its use enhances the cardholder's functions and responsibilities;
b. must be issued by the controlled entity Chief Executive Officer or General Manager, or a delegate;
c. may be issued on a temporary basis and recovered afterwards;
d. must be issued to a specific person, who remains personally accountable for the use of the card, and the cardholder must sign a declaration to this effect.

(57) No more than one card shall be issued per cardholder.

(58) Purchasing card limits must be set for each card by the Chief Executive Officer or General Manager, or a delegate of the controlled entity in accordance with the controlled entity's delegations of authority.

(59) Cash advances from a controlled entity purchasing card are strictly prohibited.

Status and Details

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Responsible Executive	Michael Di Rienzo Chief Financial Officer
Enquiries Contact	Michael Di Rienzo Chief Financial Officer --- Financial Services

Glossary Terms and Definitions

"University" - The University of Newcastle, a body corporate established under sections 4 and 5 of the University of Newcastle Act 1989.

"Asset" - Any tangible or intangible item (or group of items) that the University owns or has a legal or other right to control and exploit to obtain financial or other economic benefits.

"Companion Card" - A debit card provided by the University for use by international travellers to access cash withdrawals only.

"Controlled entity" - Has the same meaning as in section 16A of the University of Newcastle Act 1989.

"Disciplinary action" - When used in relation to staff of the University, this is as defined in the applicable and current Enterprise Bargaining Agreement, or the staff member's employment contract. When used in relation to students of the University, this refers to the range of penalties that may be applied under the Student Conduct Rule.

"Personnel" - In relation to a party, any employee, officer, agent, contractor, sub-contractor, student or volunteer of that party.

"Staff" - Means a person who was at the relevant time employed by the University and includes professional and academic staff of the University, by contract or ongoing, as well as conjoint staff but does not include visitors to the University.

"University business" - Work that the University has directed to be undertaken which is required, essential, and beneficial for the functions of the University. This includes, but is not limited to, attending meetings, conferences or fieldwork, but does not include activity that is not location specific, e.g. email management, writing papers. University business may be undertaken by staff and non-staff.

"Delegate" - (noun) refers to a person occupying a position that has been granted or sub-delegated a delegation of authority, or a committee or body that has been granted or sub-delegated a delegation of authority.

"Delegated authority" - refers to the specific description of the authority that is delegated or sub-delegated to a holder.