

Standard Operating Procedure for Debit Card use by all Brigades

PURPOSE

This procedure describes the way in which debit cards will be issued, used and accounted for within the Ipswich Group Rural Fire Brigades.

Permission to use a debit card was given by Assistant Commissioner June 2006 provided the SOP's were designed and presented to the Rural Operations Inspector for ratification. This was done and presented for approval December 2006.

BACKGROUND

The payment of Brigade expenditure has historically been done by cheque (2 signatures) or petty cash (for small amounts). This process is very cumbersome with many members having to pay for expenses personally and having the amounts reimbursed due to the unavailability or inconvenience of cheques or petty cash.

Previously, the use of EFTPOS/debit/credit cards was prohibited. It is now the intention of RFS to authorise the use of Debit Cards for purchasing goods and services subject to proper procedures being established to account and control the cards.

In establishing this procedure, the Brigade intends to utilise debit cards as its main payment method for day-to-day operational expenditure and cease the use of petty cash. Capital and extraordinary expenditure will continue to be paid by cheque. This will simplify the purchasing process, reduce the time taken to pay our creditors and maintain the accountability for Brigade funds.

DEFINITIONS

Bank Account	A monetary account with a banking institution. Funds are always available for withdrawal.
Brigade	TheRural Fire Brigade. A determination of the Brigade is a decision made by a vote of members at a Brigade meeting.
Cardholder	A Cardholder is a Rural Fire Brigade member who is authorised by the Brigade to purchase goods and services on its behalf using a Brigade Debit Card and in accordance with established Brigade and Rural Fire Service procedures and purchasing authorities.
Debit Card	A debit card is a card which physically resembles a credit card, and, like a credit card, is used as an alternative to cash when making purchases for the Brigade. However, when purchases are made with a debit card, the funds are withdrawn directly from the Brigade's bank account. Withdrawals are limited to the balance in the bank account the debit card is attached to. When the balance reaches \$0 no further purchases may be

	made until further funds are deposited into the Debit Card bank account.
Operational Expenditure	<p>Expenditure that relates to the purchase of goods or services that are for the day-to-day running of the Brigade. Operational expenditure may also be known as “Consumables”.</p> <p>Examples of operational expenditure include catering, equipment repairs and maintenance, low value replacement tools and equipment (screwdriver, hammer, etc), general hardware, stationery and administration supplies, fuel, utilities expenditure.</p>
Treasurer	The elected Brigade Treasurer or an acting Brigade Treasurer appointed from time to time.

PROCEDURE

Authorisation

- 1 Bank accounts, as determined by the Brigade, that will be used for debit card transactions will be established separate from the main Brigade cheque account. The Brigade in establishing these accounts will determine the maximum account balance (in effect setting the maximum combined transaction limit that can be spent within an bank statement period).
- 2 The Brigade will determine the types of operational expenditure that are appropriate to be purchased from the bank account using the Debit Cards. For example, the Brigade may determine to open an account and use the attached debit card for the sole purpose of catering. No other type of purchases would be authorised in these circumstances.
- 3 The Brigade will determine the member's suitability to be provided with a Debit Card and to be authorised to the purchase using the Debit Card. In making the determination the Brigade shall consider factors including length of service, position held, past performance, member availability, other cards issued etc. **The Brigade are to issue cards only on a restricted and limited basis.**
- 4 Cardholders will undergo training on these procedures. Particular focus will include their obligations, responsibilities, accountability, reconciliation processes, purchasing restrictions, forms and documentation.

Issue of Debit Card

- 5 Cardholders will sign an agreement stating that they understand their obligations and will abide by all conditions on which the Debit Card is provided.
- 6 The Treasurer will order all Debit Cards. Note that banking institutions may require the Cardholder to provide identification before Debit Cards can be ordered.
- 7 All new Debit Cards will be forwarded directly to the Treasurer for recording of the Debit Card details.

- 8 The secret PIN number issued by the bank will be forwarded to the Treasurer unopened. The Treasurer **will not** open the packet containing the PIN number.
- 9 The Treasurer, in the presence of an independent witness, will:
 - 9.1 Personally hand the Debit Card to the Cardholder.
 - 9.2 Destroy the unopened packet containing the secret PIN number so that the PIN number remains unknown. The PIN number is required for withdrawing cash from the account. The withdrawal of cash from the Debit Card account using a Debit Card is not authorised under any circumstances.
- 10 The Cardholder will immediately sign the Debit Card.
- 11 The Cardholder, Treasurer and witness will sign a document confirming the handover of the Debit Card and confirming their agreement that the secret PIN number was adequately destroyed.
- 12 A copy of the signed document will be given to the Cardholder for reference. The original will be appropriately filed.

Purchasing Using the Debit Card

- 13 The Cardholder is authorised to purchase items on behalf of the Brigade using the Debit Card in accordance with the following:
 - 13.1 Purchases are limited to operational expenditure with the limitations as determined by the Brigade in Procedure 2 above.
 - 13.2 Purchases using the Debit Card must solely be for Brigade purposes. The use of the Debit Card for personal expenditure is strictly prohibited.
 - 13.3 Receipts for any Brigade purchases are to be kept, and must be wholly for Brigade expenditure. Personal expenditure must not be mixed with Brigade expenditure.
- 14 The Cardholder will record all necessary details of the purchase with the receipt to adequately identify the purchase. The Treasurer may request the Cardholder to record additional information from time to time.

Account Reconciliation

- 15 On receipt of the monthly bank account statement, the Treasurer will forward a copy of the statement to the Cardholder or a nominated Cardholder (where there is more than one Debit Card issued for a single account), for the Cardholder to reconcile the Debit Card transactions made on the account during the statement period.
- 16 The account will be reconciled by the Cardholder providing to the Treasurer all receipts and the details of the transactions as described in Procedure 14 above for the Debit Card transactions that appear on the statement.
- 17 The Treasurer will check the documentation provided for completeness, accuracy and that purchases were made in accordance with the procedure.

18 When the Treasurer is satisfied that all documentation is in order, the Treasurer will:

- 18.1 Arrange for the Bank Account associated with the statement to be “topped up” from the main Brigade cheque Account by the amount reconciled by the statement.
- 18.2 Record the appropriate information for the Brigade's financial records in accordance with the established Brigade accounting processes.
- 18.3 Report the expenditure to the Brigade in accordance with the normal Brigade financial reporting processes.

19 Where a Debit Card transaction appears on the bank account statement that is not supported by a receipt, the Treasurer and Cardholder will jointly investigate the matter and report their findings to the Management Committee and Brigade. The Brigade will determine action as deemed appropriate to the circumstances of the case.

20 In order to remove any doubt, the Treasurer is not authorised to “top up” any Debit Card Bank account part way between statement periods owing to insufficient funds or for any other reason. If it is found that the limit set by the Brigade in Procedure 1 above is not appropriate, then the issue may require reconsideration by the Brigade.

Return of Debit Cards



21 The Cardholder will immediately return the Debit Card intact to the Treasurer in the following circumstances:







- 21.1 On their resignation or leaving the Brigade.
- 21.2 On their resignation or leaving the Brigade Office/position for which the Debit Card was provided. e.g. A debit card provided to the Maintenance Officer but the Maintenance Officer resigns from that position.
- 21.3 If, in the opinion of the Treasurer or the Management Committee, the Cardholder has breached the conditions on which the Debit Card was provided and that the removal of the Debit Card is warranted. In such circumstances the Cardholder may request the decision be reviewed by the Brigade. Until the matter is considered by the Brigade, the Treasurer will hold the Debit Card for safe keeping.
- 21.4 On commencement of temporary absence from the Brigade of 3 months or more. The Debit Card will be returned to the Cardholder on resuming Brigade activities.

Lost or Stolen Debit Cards

22 In the event that a Debit Card is lost or stolen, the Cardholder will:

- 22.1 Immediately advise the banking institution which issued the Debit Card (usually done via a phone call to a special phone number).
- 22.2 Advise the Treasurer as soon as possible.

vehicles,  Authority to attend Internet banking	Internet Banking Discussion on No of signatories on bank account, Ripley Valley recommended we return to 2 as per constitution,	Moved Ripley Valley, seconded Mt Forbes, carried <i>All delegates agreed to keep 3 out of the authorised signatures as per minuted in 2002 for protection of all Group Officers.</i>
 Amount to be reconciled in Group debit card each 3 months with Rural Fire Levy Cheque distribution	GAO recommended \$1500 per quarter which broke down to \$500 Group Training, \$500 Fuel and \$500 Admin On discussion Marburg recommended amount to be \$ 2000.00 per quarter.	Moved Marburg , seconded Ripley Valley, carried

-  Each debit card holder will be provided with a carbon copy purchase order book which they will complete and attach all dockets to the original order sheet. The original sheet and receipts will be presented to the Group Admin Officer one (1) week prior to Group Meetings so the reconciliation can be done for the Group meeting. This will ensure that a true record is kept if the receipts are lost as the carbon copy will have all the details of the original purchase.
-  One card will be held by the Group Admin Officer (GAO), no pin number will be issued as per the debit card SOP's, this card will also be used for fuel for both the tanker and landcruiser and any major fires where the Brigades need fuel. It will also replace petty cash.
-  The second card will be held by the Group Officer no pin number will be issued as per the debit card SOP's, this card will also be used for fuel for both the tanker and landcruiser and any major fires where the Brigades need fuel and welfare.
-  One card will be issued to the Group Training Officer no pin number will be issued as per the debit card SOP's, this card will also be used for fuel for both the tanker and landcruiser and any major fires where the Brigades need fuel or welfare and for welfare for training needs.
-  The card will be credited with the ratified money for the quarter following each deposit in the main account of Rural Fire Levy funds.
-  If insufficient funds are available for emergency contingencies then internet banking using three authorised signatories may transfer funds from the reserve from the main account.

Definitions:

Welfare: Supper at Group meetings, special events and any other event classified by all delegates (eg Fire Awareness Community events, meetings with brigades or other Groups)

Logistics: Refreshments and food for training days and Group fires