

## FMM 03.25 Government Corporate Cards and Vendor Accounts

### 25.1 Authority and Prescribed Requirements

- Public Finances (Management) Act 1995 (PFMA):
  - Section 11 – The Finance department head is the only authority to approve corporate debit cards for GoPNG agencies.
  - Section 12 - Authorises the Secretary for Finance to oversee banking arrangements, including government accounts and any financial instruments related to public money.
- National Procurement Act 2018 – Procurement transactions using corporate cards must comply with government procurement rules and approval limits.

### 25.2 Standards and Supporting Documentation

Nil

### 25.3 Minimum Responsibilities

The Department of Finance approves corporate debit card usage, monitors compliance, and has the authority to suspend or cancel cards that are not properly managed.

Agency Departmental Heads must ensure that corporate cards are issued only to officers with a clear business need and that all transactions comply with approved procurement and financial management policies. The agency department head is also required to follow the requirements for assigning delegations (as they relate to corporate cards) in accordance with the PFMA.

Finance Officers and Card Supervisors are responsible for reviewing transactions, ensuring that every cardholder's expenditures are approved, reconciled, and acquitted in a timely manner.

Cardholders must only use corporate cards for official government purposes and must submit monthly reconciliations with full documentation.

### 25.4 Mandated Policy

- 1. The Finance department head is the only authority to approve GoPNG Corporate Debit Cards using powers under Section 11 of the PFMA.**

- 2. An agency should not and will not have a card approved if they do not have the appropriations sufficient for the use of the corporate card.**
- 3. Agencies can only use GoPNG Corporate Debit cards issued by approved banks.**
- 4. Corporate and purchasing cards are only allowed to be issued as physical cards (including other physical issued methods such as sticker codes) - virtual cards are not allowed.**
- 5. Corporate and purchasing cards are only allowed to be used for Official Purposes and for Allowable Payments – both must be met.**
- 6. Corporate cards are issued to an individual (called the Cardholder) and can only be used by approved persons within approved limits.**
- 7. Corporate cards are required to have sufficient funds held in the linked bank account for a transaction to be processed on the card. Credit cards are not allowed for use by Agencies.**
- 8. There is zero tolerance for corporate or purchasing card fraud and using our suppliers/vendor charging accounts to purchase items that are not for official purposes.**
- 9. All officers of an Agency must report matters relating to suspected corporate card misuse to the Department of Finance Financial Audit and Investigation Division (FAID) as soon as an issue is identified.**
- 10. Agencies must ensure that:**
  - a corporate card is only issued to a person where there is a business need and sufficiency in the appropriation to use the corporate card;
  - a corporate card is only issued to a person where they have met the identification requirements of the Bank;
  - every cardholder is allocated a card supervisor (i.e. a person who supervises the use of a card). For the avoidance of doubt, the card supervisor is the supervisor of the card not necessarily the line supervisor of the cardholder, for example, a card supervisor may be assigned to the FAS Corporate Services for all cardholders;

- every card transaction is authorised by a person with an appropriate financial delegation. For the avoidance of doubt, the financial delegation for the authorisation of the transaction may be allocated to a person other than the cardholder, depending on Departmental Head delegations.

To reduce the risk of misuse, the Department of Finance will monitor corporate card use and acquittals and suspend/cancel cards that are not managed in accordance with directions.

#### **25.4.1 Authorised GoPNG Corporate Debit providers**

In accordance with section 11 of the PFMA, agency banking arrangements must only be conducted with Banks approved by the Secretary Finance. The approved institutions to supply the GoPNG Corporate Debit Cards are:

- BSP Financial Group (BSP)

#### **25.4.2 Corporate Cards must only be used for official purposes**

Corporate and purchase cards are unique in that the procurer and the payee are the same person at the same time. Having a corporate card does not mean that the officer can decide what to purchase and it is important that there is a very clear understanding of the responsibilities in the use of these cards.

Any corporate or purchase card must only be used for official purposes. Official purposes refer to expenditures that are necessary and directly related to the conduct of the agency business.

As a general guide, if the item has not been purchased in the past using other procurement methods, then the cardholder should seek endorsement prior to making the payment.

**11.If the cardholder does not have Agency financial delegations (Section 32 delegations), then any corporate card purchase must be firstly approved by the financial delegate prior to payment.**

There is a zero tolerance on corporate card fraud and non-official transactions are considered fraud.

Official use includes, but are not limited to:

- Purchasing office supplies, and services required for the performance of official duties.
- Covering costs associated with official travel, such as transportation, accommodation, and meals, in accordance with the government's travel policy.
- Payment for courses, seminars, conferences, and workshops that are approved for the officer/s to attend in accordance with Agency policies.
- Expenses that support the day-to-day operations of the Agency, such as communication services.
- Acquiring goods or services in response to an unforeseen and urgent need that cannot be met through normal procurement channels.

**The use of the card for official purposes excludes any personal, private, or unauthorised expenditures.**

#### **25.4.3 Prohibited use of Corporate Card – Non Allowable Payments**

**12. Except in the following circumstances, an Agency Departmental Head or Secretary Finance has the authority to define what purchases are justifiable, auditable, and aligned with the agency's mission and objectives.**

**13. Corporate cards are not to be used for the following payments or in the following circumstances:**

- transactions of a type or for a purpose explicitly restricted by an Agency Departmental Head and it is the responsibility of the Departmental Head to ensure that this should be documented and known by holders of corporate cards.
- In any instance, the following purchases are NOT Allowable:
  - Fines or offences, even if incurred by an individual whilst in a government vehicle.
  - Obtaining cash.
  - Non-current Assets (that is any asset more than K5,000)
  - Computer Hardware – Laptops/Desktops or similar high value portable and attractive items

- Office Fit outs
- Consultancies
- Paying individual persons - Use of a card to make payments directly to individuals using PayPal or any other similar payment gateway that allows a person to pay an individual directly. This does not apply to registered businesses who have this payment option on their official website for purchasing of goods and services, but it is not the preferred method of payment.
- Leasing including equipment, car hire unless during duty travel etc.
- Staff engagements including casual labourers.
- Personal transactions– including linking to or funding a third-party payment account held in the name of the cardholder – for example, linking the card to Digicel or Vodafone accounts, officeworks or another supplier where the corporate card details are saved for future purchases for that individual.

**14. Corporate cards are not provided to enable staff to deposit their own travel allowances into that card for travel. A travel allowance or any other allowance paid to an officer is considered personal and must not be held on a corporate card. If a person wishes to use a debit visa or mastercard they should arrange for their own personal card linked to their personal Bank account.**

**15. Tips and gratuities unless it is in a country where this is expected and can be no more than 20% of the bill in the United States, 15% in Canada, Mexico, Qatar and United Arab Emirates. Cardholders are expected to check the bill has not automatically applied this as a service charge. Any other tips or gratuities are at the travellers expense.**

#### **25.4.4 Eligibility to be a cardholder**

**16. To be eligible for a corporate card, an agency and its officers must:**

- be Public Servant officers with no prior history of card misuse or failure to comply with this FMM or Agency corporate card procedures.

Corporate cards will not be issued to contractual employees or in the name of a business unit for use by multiple staff members;

- have a business need for a corporate card for official purposes where it can be demonstrated that the cardholder has an ongoing and regular need to purchase goods or services on behalf of the Agency which is best facilitated through the use of a credit card;
- undertake mandatory training.

**17. There is are preapproved limited related to cards an variations from this limit can only be approved by the**

#### **25.4.5 Use of Corporate Cards by Portfolio Ministers**

**18. The Minister for Finance by Gazette notice has authorised limited and conditional corporate-card purchasing powers to Ministers (with a Portfolio) under Section 2B of the PFMA within a specified per transaction threshold and the monthly limit.**

**19. Portfolio Ministers who have been issued with a corporate card are required to sign and conditions of use form and will also acknowledge that the monthly acquittals will be published on the Department of Finance website.**

##### *25.4.5.1 Eligibility*

**20. A Minister is not automatically assigned a corporate card or provided with corporate-card purchasing powers. The need to have a corporate card must be demonstrated for official purposes related to the Portfolio and are only activated on approval by the Finance Secretary.**

**21. Each Minister must complete the “Conditions of Use” form and the BSP Corporate Visa application before card issue.**

##### *25.4.5.2 Permitted and Prohibited Spend*

**22. Permitted spend mirrors “Official purposes” in this FMM and also includes:**

- a. Prohibited spend extends the general list to include:
- b. Hospitality for political events.
- c. Gifts over K 200.

**d. Party-political advertising.**

**e. Card use for personal or electorate expenses is banned.**

#### 25.4.5.3 Oversight and Reconciliation

**23. The card supervisor will be the respective Minister is the agency department head and they must approve monthly acquittals.**

**24. All approved monthly acquittals including statements, receipts, and the reconciled spreadsheet are to be emailed to the Department of Finance Corporate Card Unit by the tenth working day of the following month.**

#### 25.4.6 Card limits

**25. There are specified card limits for Government corporate cards:**

	Transaction limit (incl. GST) Point of Sale	Transaction limit (incl. GST) E-commerce	Monthly limit (incl. GST)	Cash ATM or Cashback at Point of Sale
Minister	K5,000	K5,000	K50,000	K0
Level 1 (high volume user with senior years of services and judgement)	K5,000	K5,000	K100,000	K0
Level 2 (moderate user or procurement level)	K1,000	K,5,000	K25,000	K0
Travel Officer	K50,000	K25,000	K100,000	K0
Other coordinator senior officer	K2,000	K5,000	K15,000	K0

### 25.5 Non-Mandatory Guidance and Steps for Implementation

**Having a corporate card means time and responsibility to maintain the monthly reconciliations and records of receipts related to the transactions.**

After a need has been identified and Agency Departmental Head approval has been given to apply, the following steps are followed to apply for a GoPNG Corporate Debit Card:

**STEP 1.** Complete the **Government Conditions of Use Form** noting that by signing the form, the applicant agrees to comply with the terms and conditions specified on the form including the submission of acquittals prior to replenishment of the card account to the card supervisor,

Agency Finance head and Department of Finance, Financial Control Division;

STEP 2. Complete the **BSP Corporate VISA Application Form** and attach the necessary identification information;

**Please note, that the cardholder will be required to satisfy the ‘know your customer’ identification requirements of the BSP.**

**Please note, that the cardholder will be required to register a mobile phone number to receive OTP when using the card for online transactions.**

STEP 3. Sign the **Government Conditions of Use Form** and **BSP Corporate VISA Application Form**, taking a copy for your personal records, and send to the Agency Department Head’s nominated card supervisor for approval.

STEP 4. The card supervisor will:

- i. Read and understand the corporate card supervisor’s responsibilities on the **Government Conditions of Use Form**;
- ii. Review and ensure completeness of the **BSP Corporate VISA Application Form**
- iii. Sign the **Conditions of Use Form** as acceptance of the supervisor role under the section Corporate Card Supervisor’s Acknowledgement and Responsibilities

STEP 5. The Departmental Head is the card approver (if not a bank signatory then the primary mandatory bank signatory of the Agency’s operating account is also required to sign) must also sign the **Conditions of Use Form** and **BSP Corporate VISA Application Form**.

STEP 6. The completed forms are emailed to [CorporateCardUnit@finance.gov.pg](mailto:CorporateCardUnit@finance.gov.pg) or delivered attention to: FAS, Financial Controls Division, Department of Finance.

STEP 7. The Corporate Card Unit will review the application for completeness, and match this against the business need and previous history of the Agency.

STEP 8. Comply with the requirements on using, reconciling/acquitting and cancelling corporate cards (which are outlined in the following sections).

### **Corporate cards must only be used by approved persons within approved limits**

#### **25.5.1 Using Corporate Cards**

##### *25.5.1.1 Cardholders responsibilities*

Agencies must ensure that every **cardholder** accepts responsibility to:

- use the corporate card in line with this FMM and the Agency's own procedures, the card provider terms and conditions of card use, and the Code of Conduct for the PNG Public Service;
- only use the card within card transaction limits;
- only undertake transactions that are within the cardholder's own financial delegation or that are related to a pre-authorized FF3 or other written authorisation;
- where you as a cardholder will personally benefit from the transactions (such as paying for your own training or supplies), that you have sought supporting financial delegation approval to make the purchase and this is in a form that can be used as evidence when completing the reconciliations (such as a manual FF3, approval brief or email);
- use the corporate card with the awareness that unauthorised use of the card by an approved cardholder may attract criminal penalties;
- keep the card, card details (including the 3 digit card security code CVV) and personal identification number (PIN) secure at all times and ensure they are only used by the cardholder when conducting an authorised transaction;
- regularly review the corporate card account or statement within or soon after the end of each monthly billing cycle for the presence of unauthorised transactions, which are to be disputed in accordance with agency practice;

- reconcile and acquit card transactions at the earliest opportunity and at a minimum within timeframes set by the agency for the end of each monthly billing cycle; and,
- retain valid documentation for all transactions i.e. tax invoices and receipts.

#### *25.5.1.2 Agency card supervisor responsibilities*

Agencies must ensure that every **card supervisor** accepts responsibility to:

- monitor and supervise the cardholder's use of the corporate card in line with this FMM, Agency procedures, the card provider's terms and conditions of card use, and the Code of Conduct for the PNG Public Service;
- monitor that all transactions are supported by appropriate valid documentation;
- in the case of a cardholder without a financial delegation, review that every card transaction has supporting evidence, in a form suitable to the agency, that it has been authorised by a person with an appropriate financial delegation;
- monitor that cardholder transactions are reconciled, acquitted and, if necessary, disputed on a monthly basis; and,
- review and approve monthly cardholder transactions within timeframes set by the agency.

#### **25.5.2 Activating the card**

Agencies must ensure that the card is established on the finance system. For IFMS, the card is created as a new bank account with a specific corporate card bank. For agencies that have been approved to use another accounting system, similar procedures must be in place to register the new bank account on the accounting system to monitor and record accounting transactions and to undertake reconciliations to acquit expenditure.

Transferring money to the corporate card is considered a bank to bank transfer (not expenditure) (Credit Bank 1, Debit Bank Corporate Card 2).

Expenditure is accounted for as the card is acquitted (Debit expenses, Credit Bank Corporate Card 2).

#### **25.5.3 Using and reconciling the card**

STEP 1. A cardholder will have online access to their card account and will receive a statement monthly of the corporate card transactions. An

electronic version of this statement is uploaded into the accounting system against the bank account linked to the corporate card.

STEP 2. The cardholder is to go through the statement and attach all supporting documentation (invoices, receipts etc.) to the statement relating to each transaction in on the statement along with a covering spreadsheet which records this. **All transactions must have supporting documentation that support the approval of the expenditure and that this expenditure was for official business purposes.**

Date	Bank Statement Reference	Receipt Reference (attached)	Description/ Purpose	Account Code	Amount	Running Balance

STEP 3. Ensure each transaction has the appropriate activity code/chart of account for the Approved Finance System assigned to the transaction.

STEP 4. Submit this completed spreadsheet with supporting attachments to the card supervisor for approval. This should be done by the 10<sup>th</sup> working day of the month.

Signatory 1	Cardholder
Signatory 2	Cardholder supervisor
Signatory 3	Finance (acquitted processed)

STEP 5. If there are **unauthorised or disputed transactions** on the statement – the cardholder must contact BSP as soon as possible using the BSP contact details provided with the card issuance documentation or the customer service centre.

STEP 6. Once approved by the supervisor, scan the completed document and retain all original documentation as required in accordance with the Agency record keeping requirements.

STEP 7. Submit the completed corporate card reconciliation including the excel spreadsheet to the Agency finance team to complete a journal upload into the Approved Finance System to finalise the acquittal.

**Please note – the Department of Finance Corporate Card Unit will review and sample monthly acquittals for review to ensure that the corporate cards is being in accordance with this FMM. Lodgement of monthly acquittals can be emailed to the [corporatecardunit@finance.gov.pg](mailto:corporatecardunit@finance.gov.pg)**

#### **25.5.4 Card Supervisor reconciliation steps**

The card supervisor is required to review all transactions and sign the completed acquittal to verify that:

- All purchases are reasonable and legitimate business expenses and in keeping with the purpose for corporate card issuance;
- Transactions are not for personal purposes;
- There are no cash withdrawals;
- Readable copies of the tax invoices/receipts are attached to the reconciliation to substantiate that the transactions are legitimate;
- Where a legitimate business expense will personal benefit the cardholder, the card transaction has supporting evidence that the expense was appropriately pre-approved by someone other than the cardholder with the appropriate financial delegation (such as a FF3, briefing or email of approval);
- The necessary activity codes/chart of accounts is assigned to each transaction.

**The card supervisor is required to immediately report any suspected misuse or fraudulent activity to the Department of Finance, Corporate Card Unit immediately.**

If the transactions are not reconciled withing 60 days of the transaction date, the Department of Finance will instruction the suspension of the corporate card. The suspension will remain in place until the reconciliation is completed. Continued failures to reconcile transactions or outstanding reconciliations of three months will result in the corporate card being cancelled.

### 25.5.5 Cancellation of a Corporate Card

A Cardholder must cancel their card if they:

- Will be away from their work area for three months or more
- Permanently leave their normal work area
- Are resigning or retiring
- No longer need a card
- Are instructed to do so by Department of Finance or the Agency Departmental Head

To cancel a corporate card, the cardholder must:

- Reconcile all outstanding transactions and have them approved by the card supervisor
- Resolve any outstanding discrepancies
- Cancel any subscriptions or other payments on the card
- Cut up and dispose of the card in the presence of a suitable witness to ensure card information is no longer readable or via a provided photo of the cards destruction
- Notify BSP and follow their instructions on cancelling the card.

Cardholders are to also notify the card supervisor and the Department of Finance Corporate Card Unit or the cancellation of the card to remove it from the register and to archive the linked bank account of the agency approved accounting system.

### 25.5.6 Lost or Stolen Cards

BSP will provide details on the steps required for lost and stolen cards

### 25.5.7 Monitoring and investigation of card misuse and suspected fraud

#### *25.5.7.1 Agencies must investigate all non-compliance and corporate card fraud*

Agencies must document all breaches of this FMM and Agency procedures, the card provider's terms and conditions of card use, and the Code of Conduct for the PNG Public Service in the context of corporate card use, and report these in a timely manner to the Departmental Head and in accordance with the Agency's disciplinary and fraud policies (which should be updated to reflect the use of corporate cards).

**Corporate cards are highly susceptible to misuse and overuse and it is important they are monitored closely.**

Where there is material breaches, this should be reported to the Financial Audit and Inspections Division of the Department of Finance [corporatecardunit@finance.gov.pg](mailto:corporatecardunit@finance.gov.pg) in the first instance. However, [investigations@finance.gov.pg](mailto:investigations@finance.gov.pg) to contact the Finance Inspections and Audit Division is also available.

Cardholders and card supervisors who allow unacquitted transactions to exceed 60 days after the transaction date are in breach of this FMM.

## 25.6 Accounting treatment of Corporate Card Transactions

### 25.6.1 Recognition of the Corporate Card Bank Account and deposits

The method used to transfer funds to corporate card accounts differs depending on whether the agency operates within the IFMS or uses its own approved accounting system. *The distinction reflects the requirements to operate using a Warrant Authority.*

### 25.6.2 Transfer (Deposits) to Corporate Card Accounts

#### 25.6.2.1 Agencies not using IFMS

For agencies not using IFMS, when a corporate card has been issued to the cardholder, the Head of Finance is required to register the corresponding bank account in the chart of accounts as a bank account (asset). Standard naming should be used for each corporate card bank account - Corporate Card [Cardholder Name]. *Under the Government of PNG Corporate Card Program, until an expense management system is in place – every card is linked to its own bank account with BSP.*

#### 25.6.2.2 Agencies Using IFMS (CFC/TFC Entities)

For national departments, provincial governments, and other agencies operating within the IFMS, transfers to corporate card accounts are recognised as an expense and a dedicated economic item has been set up to record this - **Corporate Card Holding Account (CCHA).**

Before transferring, the Cash Fund Certificate (CFC) or Trust Fund Certificate (TFC) will need to be issued to the CCHA for the relevant sub-appropriation.

Please note:

- The CCHA is an expense-classified control code in the chart of accounts (economic item).

- It is used to recognise the deposit of funds disbursed to corporate card accounts and it remains within this economic item pending acquittal.

The transfer process is:

- Issue of CFC or TFC using the CCHA as the nominated economic item. This sets aside budget within the warrant authority to allow disbursement.
- Payment journal prepared through the accounts payable module to the CCHA using the CFC/TFC. The effective journal entry is:
  - **Dr** (expense) Corporate Card Control Holding (CCHA)
  - **Cr** (asset) Operating/Drawing Account/Trust Bank Account

The amount must remain in the CCHA and no further journal may be processed until the acquittal is submitted and signed off by the card supervisor and Head of Finance.

#### *25.6.2.3 Agencies Using External Accounting Systems (Non-IFMS Entities)*

Agencies not operating on IFMS must recognise each corporate card (for what it is) as a bank account in the ledger and account for transfers from the operating account to this corporate card account as interbank cash movements. The naming format is **“Corporate Card Account – [Cardholder Name]”**

The transfer process is:

- **Dr** Corporate Card Bank Account – [Cardholder Name]
- **Cr** Agency Operating Bank Account

### **25.6.3 Recognition of Acquittals**

Once a purchase is made using a corporate card, the amount is immediately withdrawn from the card’s linked bank account by the bank. However, no ledger entry is to be recorded until an acquittal has been submitted, reviewed, and approved by the cardholder’s designated supervisor and endorsed by the Head of Finance (or delegate).

The method of recording the acquittal differs depending on whether the agency operates on the IFMS or uses another approved accounting system.

#### *25.6.3.1 IFMS Agencies*

For agencies operating within IFMS, acquittals are processed by reallocating the original amount held in the Corporate Card Control Economic Item (CCHA) to the **Corporate Card Economic Item related to its expense type** using a general ledger journal. The economic items that have been set up are:

- CC Travel
- CC Office Supplies and Consumables
- CC Subscriptions (this is recurring and ongoing costs including IT software and other types of automated deductions)
- CC Meeting and Events
- CC Fuel consumables (motor vehicle expenses)
- CC Other Expenses
- CC Recoverable Expenses (this is an account specific to where there is amounts that were not approved as an official business expense and must be recovered from the cardholder)

Approved Acquittal Journal (IFMS):

- **Dr** Substantive Expense Economic Items (e.g. Travel & Subsistence, Fuel, Office Supplies) against the same sub-appropriation
- **Cr** Corporate Card Control Holding Account (CCHA)

This clears the amount from the control account and records the actual economic purpose of the expenditure.

Agencies are to use the CCHA account as a way of tracking unacquitted balances. The Department of Finance Corporate Card Unit will also be tracking the entries and balance of this economic item.

- The amount in the CCHA must not be amended, reclassified, or reversed until the approved acquittal is received.
- Each acquittal journal must reference the cardholder's name, transaction period, and acquittal number.
- Acquittals are to be processed within 10 working days of the transaction or monthly statement close.

#### *25.6.3.2 Non-IFMS Agencies (Using other Approved Accounting Systems)*

For agencies not on IFMS, the corporate card account is treated as a separate bank account asset. The acquittal process should follow the agencies current bank reconciliation of categorisation process to match the corporate card bank statement to the corporate card acquittal. Essentially the journal be through the bank reconciliation or general ledger posting:

- **Dr** Substantive Expense Accounts (per receipts)
- **Cr** Corporate Card Bank Account – [Cardholder Name]

Matching and Reconciliation Options:

- Where available, agencies may use their accounting system's bank reconciliation or categorisation matching features to reconcile and allocate the transactions directly to the relevant expense codes.
- For agencies using an Expense Management System (EMS), the acquittal is uploaded and matched through the EMS interface against bank feeds, then reviewed and posted.

Key Controls:

- Each corporate card account must be reconciled monthly.
- Journals should be traceable to the acquittal submission and clearly show each transaction's original value, date, and coding.
- Only the approved portion of the acquittal may be cleared from the card account. Any discrepancies or unauthorised items must be addressed separately (see below).

## 25.6.4 Handling Prohibited Expenditure, Disputes, and Refunds

### 25.6.4.1 Prohibited or Personal Expenditure (Recoverable Expense)

Where a corporate card has been used for an ineligible, personal, or otherwise unapproved purchase, the transaction must not be journalled to a standard expense account. Instead, it is to be recorded against a designated recoverable tracking economic item called **Corporate Card Recoverable Account**.

#### For IFMS Entities

- **Dr** Corporate Card Recoverable Account (CCRA)
- **Cr** Corporate Card Control Holding Account (CCHA)

#### For Non-IFMS Entities

- **Dr** Corporate Card Recoverable Account
- **Cr** Corporate Card Bank Account – [Cardholder Name]

#### Repayment by Cardholder:

Upon repayment by the cardholder (via payroll deduction or direct deposit):

- **Dr** Operating Bank
- **Cr** Recoverable Corporate Card Expense

Unrecovered amounts outstanding for more than 30 days must be reported to the Head of Finance and followed up under disciplinary or financial misconduct procedures as appropriate.

### 25.6.4.2 Disputed Transactions or Unresolved Items

Where the cardholder identifies a fraudulent charge, duplicate transaction, or error lodged with the bank for investigation (it is the cardholder's responsibility to contact and lodge the dispute with BSP and not the supervisor or accounts team), the disputed amount should not be posted to any expense code until resolution is confirmed.

Instead, the amount should remain in the original holding account until settled which is either the Corporate Card Control Holding Account (CCHA) or bank account as unacquitted balance for non-IFMS entities. When the dispute is resolved:

- If refunded: follow refund treatment below.

- If upheld: post to the relevant expense code/economic item

Disputes must be finalised within 30 days where possible. Longer cases must be documented and monitored monthly.

#### *25.6.4.3 Refunds Received After Acquittal*

If a merchant refund or chargeback is received after the transaction has already been acquitted, the refund must be applied back to the original expense item used in the acquittal. Refunds must not be credited to a revenue item.

For example if a hotel is holding a credit charge for the room on the corporate card and this hasn't been returned before the acquittal is lodged, the original charge would have been acquitted to travel accommodation economic item and the refund received in later months would also be recognised to this economic item/account.

### **25.6.5 Reconciliation**

All agencies must reconcile corporate card activity at least once per month.

#### *25.6.5.1 IFMS Entities:*

- Reconcile the Corporate Card Control Holding Account (CCHA) against all approved acquittals and outstanding transfers.
- Unacquitted balances must remain in the CCHA until cleared.
- Generate reconciliation reports showing all card top-ups, acquittals, prohibited items, and unresolved transactions by sub-appropriation.

#### *25.6.5.2 Non-IFMS Entities:*

- Reconcile each Corporate Card Bank Account – [Cardholder Name] using the accounting system's bank reconciliation or expense management function (if possible).
- Acquitted transactions should fully clear the account back to zero (or show pending balances if partial).

#### *25.6.5.3 Unreconciled Balances*

- All balances unacquitted for more than 30 days must be reported to the Head of Finance.

### 25.6.6 Quarterly Reporting

At each quarter and year-end, agencies must report to the Department of Finance Corporate Card Unit on:

- **Total funds disbursed to corporate cards**
- **Total acquitted by expense category**
- **Outstanding unacquitted balances**
- **Prohibited spend and recovery progress**
- **Any unresolved disputes**

These reports must be signed off by the Head of Finance and made available to internal audit, external audit, and oversight bodies as required.

### 25.6.7 Documentation and Retention

All agencies must retain (in electronic form) the following records:

- Cardholder application and agreement
- Monthly card statements
- CFC/TFC approvals (IFMS only)
- Acquittal forms and receipts
- Journals and reconciliation reports
- Refund or dispute correspondence
- Payroll recovery authorisations (if applicable)

Records must be made available for inspection by internal audit, the Auditor-General, and the Department of Finance when requested.

<b>Further Information</b>	fcd@finance.gov.pg
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