



PRE-PAID CARD POLICY

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Supersedes: Petty Cash and Pre-loaded Cash Card
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1. Purpose

- 1.1 The purpose of this policy is to provide a detailed framework for the controlled and responsible use of pre-paid payment cards. Pre-paid cards are issued to allow authorised staff to make essential operational purchases efficiently, particularly where traditional invoicing methods are not practical. This policy establishes strict financial controls to ensure that all expenditure is transparent, properly approved, documented, and compliant with audit and regulatory requirements.
- 1.2 This policy must be read in conjunction with the Town Council's Financial Regulations, which set out the overarching framework governing expenditure, authorisation, procurement, and the safeguarding of public funds.

2. Definitions

- 2.1 Pre-Paid Card - A secure payment card loaded with a fixed amount of money in advance. Funds are limited to the value loaded and transactions cannot exceed card limits.
- 2.2 Cardholder - The individual to whom a card is issued. They are responsible for its physical security, compliant usage, providing documentation of spending, and adherence to all financial rules.
- 2.3 Responsible Financial Officer (RFO) - The officer responsible for maintaining financial records, reviewing expenditure, ensuring compliance with this policy, and reporting concerns or irregularities.

3. Policy Principles

3.1 Business-only use

- 3.1.1 All expenditure must be directly related to the organisation's activities.
- 3.1.2 Purchases must support service delivery, operational needs, or approved projects.
- 3.1.3 Expenditure must demonstrate value for money and be reasonable, necessary, and justified.
- 3.1.4 Expenditure must be in line with approved delegations.

3.2 Transparency and accountability

- 3.2.1 Every transaction must be fully documented.
- 3.2.2 Receipts, notes, and explanations must clearly show why the purchase was required.
- 3.2.3 Expenditure must be capable of being independently understood by an auditor.

3.3 Proportionality

- 3.3.1 Pre-paid cards are for low-value or operational spending only.
- 3.3.2 Higher-value items should be purchased through normal procurement channels.

3.3.3 Pre-paid cards must not be used to bypass procurement or financial controls.

3.4 Organisational ownership

3.4.1 The card remains the property of the Town Council.

3.4.2 Cardholders have no personal rights or privileges relating to funds on the card.

3.4.3 Cards may be withdrawn at any time.

4. Issuing Pre-Paid Cards

4.1 Authorisation

4.1.1 A card may only be issued when the RFO has assessed the operational need and determined that a card is necessary.

4.1.2 The individual agrees to comply with this policy and demonstrates awareness of financial responsibilities.

4.2 Loading & Limits

4.2.1 Funds are held in a holding account with a limit of £500.

4.2.2 The balance on any pre-paid card will not ordinarily exceed £300, unless operational requirements clearly justify a higher amount.

4.2.3 Where additional funds are required to support approved operational expenditure, any top-up above this standard limit must be authorised by the Chief Executive in accordance with delegated financial authority.

4.3 Cardholder Agreement

When members of staff are authorised to use a pre-paid card, they must sign a copy of this policy (Appendix 1) to indicate that they have read and accept its contents including:

4.3.1 They understand the card must be used strictly for business purposes.

4.3.2 They will protect the card PIN and will not share card details with any other person.

4.3.3 They accept responsibility for ensuring receipts and documentation are retained and submitted promptly.

4.3.4 They acknowledge that misuse may result in disciplinary action and/or recovery of funds.

5. Prohibited Expenditure

5.1 No cash withdrawals, cash-back, top-up transfers, or money withdrawals of any kind.

5.2 Card must never be used to access or convert funds to cash for any purpose.

5.3 Any purchase that provides personal benefit, regardless of intention to reimburse.

5.4 Any purchase made when the cardholder is not performing official duties.

5.5 Splitting purchases into smaller transactions to avoid spending limits.

Any breach may result in disciplinary procedures, removal of card privileges, and personal liability for costs.

6. Cardholder Responsibilities

6.1 Physical security

- 6.1.1 Card must be kept secure and never left unattended.
- 6.1.2 PIN must not be written down, shared, or stored with the card.
- 6.1.3 Card details must not be shared online except via secure, reputable payment portals.
- 6.1.4 Cards must be kept safely and securely in a lockable cabinet with limited access.

6.2 Compliant usage

- 6.2.1 Cardholders must ensure every purchase aligns with this policy.
- 6.2.2 They must seek clarification from the RFO if uncertain about a transaction.

6.3 Receipt keeping

- 6.3.1 An itemised VAT receipt must be obtained for every transaction
- 6.3.2 Where a receipt is lost, the cardholder must provide written details of the purchase and explanation.

6.4 Monthly reporting

- 6.4.1 All receipts must be submitted by the deadline set by the Finance Administrator.
- 6.4.2 Cardholders must cooperate with any audit requests or investigations.

6.5 Reporting problems

- 6.5.1 Lost, stolen, or compromised cards must be reported immediately.
- 6.5.2 Any unexpected transactions must be reported to the RFO within 24 hours.

6.6 Returning the card

- 6.6.1 Cards must be returned when employment or appointment ends, or when requested by management or the RFO.

6.7 Lost or Stolen Cards

- 6.7.1 Cardholders must report any lost or stolen card as soon as realised to the RFO
- 6.7.2 The card will be cancelled immediately to prevent misuse.
- 6.7.3 Replacement cards will be issued only once the incident has been reviewed.

7. Monitoring & Reconciliation

The RFO is responsible for ensuring all card use is legitimate and documented.

7.1 Transaction review

7.1.1 Monthly card statements will be reconciled against receipts and logs.

7.1.2 Any gaps, inconsistencies, or unusual patterns will be investigated.

7.2 Accounting records

7.2.1 All expenditure must be coded accurately to the correct budget line.

7.2.2 Transfers and Card transactions will be incorporated into normal financial reporting and audit trails.

7.1 Follow-up on irregularities

7.1.1 Cardholders may be asked to clarify transactions.

7.1.2 Repeated administrative errors may lead to retraining or removal of card privileges.

7.1.3 Serious concerns may be escalated to Council.

Appendix 1: Record of staff acknowledgement of the Pre-loaded Cash Card Policy

I confirm that I have read and understood the Pre-loaded Cash Card Policy: