



ANY REPLY OR SUBSEQUENT REFERENCE SHOULD BE  
ADDRESSED TO THE FINANCIAL SECRETARY AND THE  
FOLLOWING REFERENCE NUMBER QUOTED:-

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**MINISTRY OF FINANCE AND PLANNING  
30 NATIONAL HEROES CIRCLE  
P.O. BOX 512 KINGSTON  
JAMAICA**

**September 24, 2003**

**CIRCULAR NO. 12.**  
**FILE NO. 107/059<sup>8</sup> VOL. III**  
**DIVISION:**

**Permanent Secretaries  
Heads of Departments  
Chief Executive Officers**

**Re: Acquisition and use of Government funded Credit Cards.**

The attention of Permanent Secretaries, Heads of Departments and Chief Executive Officers of agencies and public bodies is invited to Circulars Nos. 8 and 11, File No.107/059 dated October 1, 1991 and August 4, 1994 respectively. These circulars set out the guidelines approved by Cabinet per Cabinet Decision No. 41/91 dated September 25, 1991 for the use of credit cards provided by ministries, departments, agencies and public bodies. The Circular herein supersedes both Circulars.

**1. Application**

- 1.1 Government funded credit cards shall be issued only to ministers of Government, permanent secretaries, heads of departments and chief executive officers of public bodies.

1.2 The acquisition of Government funded credit cards for use both locally and overseas by permanent secretaries, heads of departments and chief executive officers of public bodies, requires the prior written approval of the Financial Secretary.

1.3 The request to the Financial Secretary for approval to operate a credit card must be made by the Accounting Officer with the following information stated:

- (i) justification/need for the card;
- (ii) name and post of person or persons who will be authorised to use the card.
- (iii) whether the person or persons have the use of any other Government funded credit card;
- (iv) name and address of the bank or institution offering the credit card facility;
- (v) proposed credit limit on the card;
- (vi) interest rate to be applied by the credit company for late payments;
- (vii) source of funding for the card;
- (viii) brand of card required;
- (ix) country and currency of card; and
- (x) whether the card is a multi-currency card.

1.4 The request for the use of a credit card by a public body must be submitted to the Financial Secretary through the Accounting Officer of its portfolio ministry stating the same information outlined in (1.3) above.

## **2 Credit Card Limit**

2.1 Credit cards that have no stated credit ceiling will not be permitted for use.

2.2 In the case of a corporate credit card, the credit ceiling must be no more than two hundred thousand Jamaican dollars (J\$200,000) or its equivalent in foreign currency unless the Financial Secretary gives special approval for an amount above this maximum.

2.3 In the case of a personal credit card to be funded by Government the ceiling on this card must be no more than sixty thousand Jamaican dollars (J\$60,000) or its equivalent unless the Financial Secretary gives special written approval for an amount above this maximum.

- 2.4 Any variation to the authorised credit limit requires the prior written approval of the Financial Secretary.
- 2.5 The approved credit limit or ceiling must be communicated to the credit company by the relevant agency.
- 2.6 Users of Government funded credit cards must ensure that the approved credit card limit or ceiling is not exceeded unless the prior written approval of the Financial Secretary has been received.
- 2.7 Ministries, departments and public bodies must not reimburse the foreign or local currency amount in excess of the authorized credit card limit. This excess must be borne by the cardholder.

### **3 Use of the Credit Card**

- 3.1 Credit cards must be used to meet only unforeseen and unavoidable expenses while on official duties. Credit Cards must not be used for private and personal expenses.
- 3.2 Credit cards are authorised for use only on official, legitimate and necessary expenditure which in the circumstances cannot conveniently be met through the normal payment process and which can be verified or substantiated.
- 3.3 Any expenditure met by the use of credit cards that do not satisfy the conditions of (3.1) and (3.2) must be deemed as private and personal and must be reimbursed promptly by the cardholder along with any accrued interest charges.
- 3.4 The credit card facility **must not** be used to circumvent the system of commitment control. Arising from the fact that the nature of credit cards causes expenditure to be incurred prior to the commitment being recorded, strict control measures must be instituted to prevent waste and extravagance, and to ensure compliance with these instructions.
- 3.5 Instances of apparent extravagance or deviation from the approved guidelines must be brought to the attention of the relevant Accounting Officer and the Financial Secretary. In such cases, the authorization for the continued use of the card must be withdrawn.
- 3.6 When the use of credit cards is permitted abroad, the cards must be used only to enable the cardholder to meet any unforeseen and unavoidable expenses which may arise while on official duties abroad, and which could therefore not have been provided for in the per diem allocated. Bills should be presented to substantiate any such expenditure.

#### 4 Monitoring and Control

- 4.1 Prior to the issuing of credit cards, the Accounting Officer must ensure that arrangements are in place for a senior officer to monitor the use of all credit cards.
- 4.2 The bank or institution that issued the card must be instructed to send the credit card statements to the accounts department of the agency and **not** to the person authorized to use the card.
- 4.3 Bills indicating the specific purposes for which the credit cards are used must be obtained and submitted promptly to the accounts department of the respective agency by the cardholder.
- 4.4 A senior officer in the accounts department must, at least monthly, check the bills supporting the credit card transactions, verifying that the transactions legitimately relate to official business and fall within the approved guidelines/instructions.
- 4.5 The accounts department should prepare a reconciliation between the amounts for which the credit company seeks reimbursement, and the copy bills/sales drafts submitted by the officers who used the credit cards.
- 4.6 The Accounting Officer must ensure that all legitimate payments are made in full to the credit company on or before the due date to avoid finance charges. Where such charges accrue, the cardholder or any accountable officer responsible for the delay in payment must be held liable for payment of such charges.
- 4.7 Chief executive officers and heads of departments should submit quarterly reports on credit card transactions accompanied by the relevant bills and reconciliation to the Accounting Officer of their respective ministries. The report must be submitted no later than fourteen (14) days in the month following the end of the quarter.
- 4.8 The Accounting Officer or person designated by him must review, on a quarterly basis, the use of the card.
- 4.9 Reviewing officers must submit a report on any deviation from the guidelines/instructions issued by the Financial Secretary to the Accounting Officer of the portfolio ministry and to the Financial Secretary for appropriate action.
- 4.10 Reviewing officers must submit a report on any deviations from these guidelines/instructions to the Accounting Officer of the portfolio ministry and to the Financial Secretary for appropriate action.

## **5 Suspension, Transfer and Termination of Card**

- 5.1 The use of credit cards must be suspended when the cardholder is on vacation leave or when so directed by the Accounting Officer or by the board of the public body for whatever reason. The credit company must be promptly advised to effect any such suspension.
- 5.2 The Financial Secretary must be promptly informed of all suspensions of the use of credit cards and the reason therefor.
- 5.3 Personal credit cards funded by Government must under no circumstances be transferred from one officer to another.
- 5.4 Personal credit cards funded by Government must be terminated immediately when the authorised cardholder:
- (i) dies;
  - (ii) is declared bankrupt or mentally unsound;
  - (iii) is interdicted by the Public Services Commission;
  - (iv) is convicted of a criminal offence;
  - (v) retires, resigns, is dismissed, or separated from office in any other way.
- 5.5 Whenever the decision to terminate the use of a Government funded credit card is made, the following procedures must be adhered to:
- (i) Instruct the cardholder to turn in the card to the ministry, department, agency, or public body;
  - (ii) Instruct the bank/institution in writing to cease accepting transactions;
  - (iii) Obtain a final statement from bank/institution and reconcile it with the receipts and charge slips;
  - (iv) Advise the Financial Secretary of the termination, submitting copies of:
    - (a) the letter sent to cardholder instructing him/her to turn in the card;
    - (b) the letter to the bank/institution instructing it to close the credit card account;and

- (c) the final reconciliation statement detailing any amounts outstanding and any amounts owing by the cardholder for personal/unauthorized use. (NB. The Chief Internal Auditor must certify the final reconciliation statement.)

## **6 Penalty**

- 6.1 Penalties for breach of any instruction herein must include termination of card, recovery of charges, surcharge and/or disciplinary action by the Public Services Commission or by the board of the relevant public body.

## **7 Conclusion**

Permanent Secretaries, Heads of Departments and Chief Executive Officers of agencies and public bodies must ensure that this circular is brought to the attention of all relevant persons in their organisation.

A handwritten signature in black ink, appearing to read 'S Tyndall', written in a cursive style.

Shirley Tyndall (Miss)  
Financial Secretary